Talents

Sustainability Report **2023**

Content

Annual Report 2023
report.vpbank.com

Locations

VP Bank is one of the three largest banks in the Liechtenstein financial centre. In addition to its headquarters in Vaduz and the service centre in Triesen, VP Bank Group has offices in five other major international financial centres. These locations are managed through a regional and functional organisation.

Locally rooted and internationally present

1

Liechtenstein

- Founded in 1956
- 687 employees
- Location management: Paul H. Arni
- Market responsibility: Adrian Schneider
- VP Bank Ltd
- VP Fund Solutions (Liechtenstein) AG

2

Zurich

- Founded in 1988
- 119 employees
- Location management: Dr Mara Harvey
- Market responsibility: Dr Mara Harvey
- VP Bank (Switzerland) Ltd

3

Luxembourg

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

4

Tortola
- Founded in 1995
- 13 employees
- Location management: Dr Marcel Tschanz
- Market responsibility: Adrian Schneider
- VP Bank (BVI) Ltd

5

Hong Kong
- Founded in 2006
- 19 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
- 85 employees
- Location management: Johnny Heng
- Market responsibility: Pamela Phua
- VP Bank Ltd Singapore Branch

Acceleration of growth in the second half of the strategy.

Dear Clients and Readers,

In 2023, events have been dominated by the ongoing effects of geopolitical upheaval, with sustainability often taking a back seat. However, it is at times like these that underline the importance of our efforts to have a positive impact on society and the environment, and to actively contribute to the sustainable development of the financial sector. The importance of sustainability was already close to the heart of our founder, Guido Feger. Through his charitable foundation, which is one of our anchor shareholders, a significant portion of our dividend flows into social, charitable and cultural projects. Our own VP Bank Foundation also actively supports projects in the areas of environment, art, education, science and culture.

Strategic relevance of sustainability

Sustainability is a core element of our long-term growth strategy, extending beyond mere compliance and risk reduction. At a time when environmental and social awareness is a high priority among stakeholders, VP Bank's commitment to sustainability is in line with the changing market expectations and investor preferences.

Sustainability factors are consistently integrated into all business processes, including the investment and advisory process. Sustainability is therefore anchored in both our business activities and our financial products. This approach strengthens client and investor trust – it ensures adaptation to to global trends and regulatory requirements. The new mandate for a Sustainability Officer on the Board of Directors created in 2023 underlines the strategic importance of sustainability issues at VP Bank.

World Climate Conference

The 28th UN Climate Change Conference in Dubai in December 2023 attracted considerable media attention. At the climate conference, countries did not agree to phase out fossil fuels, but for the first time they agreed on a minimum compromise in favour of a transition away from fossil fuels. All countries committed to the 1.5 degree target. They also agreed to double energy efficiency and triple renewable energy by 2030. The fact that the final paper calls on the global community to "transition away from fossil fuels" and towards climate technology for the first time can be seen as an important step.

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

Voluntary commitments

An important part of our sustainability strategy is our membership of major initiatives. In 2023, we reaffirmed our commitment to the UN Global Compact, the UN Principles for Responsible Investment, the UN Principles for Responsible Banking and the Net Zero Alliance. We also joined the local initiatives "Women in Finance" in Luxembourg and "Advance – Gender Equality in Business" in Switzerland.

This is in line with our efforts to effectively manage diversity and inclusion throughout VP Bank Group and to best support our business activities and our employees. We are convinced that diversity in the workforce and the inclusion of all employees are important factors for our success and represent a central part of our corporate responsibility. Equal pay is also an important issue for us. To determine our position in this area, we conducted a comprehensive equal pay analysis in 2023 and are proud to have received the Fair-ON-Pay certificate.

Stakeholder engagement and regulatory compliance

An intensive dialogue with our stakeholders took place this year. As part of a double materiality analysis, we asked numerous clients, employees, suppliers and other stakeholders which sustainability issues they consider to be material for VP Bank. We are very grateful for this valuable input, as these findings are crucial for the development of our strategy and will further sharpen our sustainability approach this year.

Compliance with legal regulations remains a top priority. A key issue that we have already dealt with intensively in 2023 is the EU Corporate Sustainability Reporting Directive (CSRD). Accordingly, this stand-alone sustainability report is the last in this form. Starting next year, we will publish our sustainability statement as part of the Annual Report. This will not only fulfil the legal requirements, but also increase transparency and emphasise the equally important role of financial and sustainability information.

Outlook

With our sustainable activities, we want to reduce negative impacts and bring about positive change, while also supporting the growth of VP Bank Group. We would like to thank our clients, 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

Which areas of the bank are affected by the topic of sustainability?

All of them. Sustainability includes issues that affect our own employees, but also general business practices and our product range. We have the greatest leverage to promote sustainability indirectly through our investment and financing decisions in the downstream value chain. We are also aware of our corporate responsibility and have developed the corporate values "we explore", "we care" and "we achieve" in workshops with our employees. These were rolled out across the Group in 2023 with the aim of creating a conscious set of values and inspiring employees for the future.

What are the biggest challenges in your work?

Sustainability is a complex issue that often requires a balance to be struck between environmental, social and economic aspects. Sustainability is not black and white, so there is no one-size-fits-all solution. Rather, it is about identifying viable compromises in order to develop realistic sustainability measures that are embedded in the corporate context.

In 2023, the topic surrounding the term "ESG" has come under increasing criticism. What does that mean for your work?

At a time when the topic of sustainability is becoming increasingly polarised, we are finding that emotional debates can make objective decisions more difficult. This makes it all the more important for me to develop a rational understanding and a firm standpoint on sustainability issues. This, and a balanced management of expectations towards all stakeholders, are essential building blocks.

How do you try to create a rational approach to the topic?

As already mentioned, our greatest leverage is in the investment and lending business. When it comes to sustainable investments, we are guided by the formula:

Sustainable investing = ESG + impact

The principle of double materiality forms the basis. This includes ESG, which refers to the financial risks and opportunities arising from environmental, social and governance performance. Taking this information into account in investment decisions is rational and part of our fiduciary duty to our clients. The second component is the 'impact', i.e. the environmental and/or social impact of an investment. A clear distinction helps to remove emotion from the debate and to make objective decisions.

What does increasing sustainability regulation mean for you?

Compliance with national and international regulatory requirements as well as voluntary commitments is of central importance to us. They help to promote a standardised understanding of sustainability and increase the transparency of product- and company-related goals and measures. Nevertheless, they are not a cure-all for the inherent conflicting goals between the various dimensions of sustainability, which require a clear definition of our corporate approach to long-term value creation. In other words, mere compliance with disclosure obligations only shows us where we still need to work, but does not define our future path – we have to define it ourselves.

You always emphasise the importance of a credible approach. What do you mean by that?

A credible approach to sustainability is based on recognising scientific facts and and being open about trade-offs. We are continuously working on economically viable sustainability measures and strive to embed them in all areas of the business. My goal is to establish a viable and holistic understanding of sustainability in our company. This also includes recognising the limits of what is feasible. At the same time, it is important to set ambitious goals within the bounds of what is possible.

I am convinced that we should not only recognise the challenges of our time, but that we can also actively contribute to a more sustainable future and seize the opportunities.

01 › Introduction

Since its founding in 1956, VP Bank has been innovative, competent and courageous. These core principles have remained true to this day.

Founded in 1956 in Vaduz, Liechtenstein, VP Bank has grown from a friendly local bank to become Liechtenstein's third-largest bank and an internationally active financial services enterprise. The bank's founder, Guido Feger, was 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 the last seven decades and are also firmly rooted in VP Bank's corporate values today.

Pioneering spirit for more than 65 years

Since it was founded, VP Bank has shown time and again that it is not only able to manage fundamental changes in the prevailing framework conditions but can also exploit them for strategic purposes for the benefit of its clients. It has always developed innovations. For instance, in 1969, it was the first bank in Liechtenstein to introduce a salary account for cashless payment transactions, going on to put an ATM into operation in 1970 – a first for Liechtenstein. In 1983, VP Bank wrote a piece of Liechtenstein financial centre history when it became the first enterprise in the country to be listed on the stock exchange.

Entrepreneurial agility and pioneering spirit still characterise VP Bank today, which is reflected in the current corporate strategy – to combine traditional banking with the advantages of digital ecosystems. Indeed, in 2021, VP Bank became the first bank to tokenise a work of art. Since then, it has been playing a pioneering role in the field of digital assets. In addition, since 2023, intermediaries have been able to apply for their client relationships at VP Bank digitally – a service not previously available on the market.

Focus on the client experience

Engaging in ongoing dialogue with its clients, VP Bank will continue to offer innovative, competent solutions in the future – always with the aim of further enhancing the client experience.

We explore

We look beyond the horizon, welcome new ideas and learn from our mistakes.

We care

We make time for each other and value a diversity of opinions, knowing we can achieve more together.

We achieve

We tackle challenges head-on and deliver solid results, preferring even small steps forward to standing still.

Capital structure

Stability and financial strength are the hallmarks of VP Bank. In addition to its solid business model, the bank has a conservative risk policy and anchor shareholders that take a long-term view.

The stability and financial strength of VP Bank can be seen in its solid balance sheet and strong capital base, which significantly exceeds the regulatory requirements of the supervisory authorities. An "A–" rating from Standard & Poor's with a stable outlook vouches for the bank's financial strength.

Sustainable risk management

VP Bank has a solid, transparent business model. In its international markets, it focuses on private banking and business with intermediaries. In Liechtenstein, it operates as a universal bank. The bank provides asset servicing from Liechtenstein and Luxembourg, including fund management and custodial activities.

In this way, VP Bank is able to reduce the complexity of international banking operations. Also playing a key role in this regard is risk management, which is adapted in a flexible manner to meet current market conditions and is continuously optimised. Every year, VP Bank's comprehensive risk management approach receives the top rating "Risk Indicator 1" from Dun & Bradstreet Worldwide, confirming its success.

Stable shareholder base

A large proportion of VP Bank's 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. With their forward-looking approach, long-term planning and a focus on sustainability, the foundations are guarantors for the bank's continuity and stability. In the core market of Liechtenstein, these three foundations are of great financial importance and underscore VP Bank's status as a system-relevant institution.

Shareholders	Percentage of votes	Percentage of share capital
"Stiftung Fürstl. Kommerzienrat Guido Feger" foundation	46.6%	23.0%
"U.M.M. Hilti-Stiftung" foundation	10.3%	9.7%
"Marxer Stiftung für Bankund Unternehmenswerte" foundation	6.3%	11.4%

As of 31.12.2023 Table 1

Our value chain

The value chain comprises the activities performed by the organisation and its upstream and downstream units that bring the organisation's products or services from conception to final use. In order to assess the impacts, risks and opportunities along the entire value chain of VP Bank, we have defined a model value chain . The definition of the value chain is based on internal information as well as publicly available industry information. The value chain of VP Bank → Table 2 is divided into three levels: upstream, own operations and downstream.

As a bank, we develop our greatest potential for impact on sustainability issues in the downstream value chain through our client offering. With our Investing for Change programme, we actively support change towards sustainability and offer our clients selected investment solutions in the area of sustainable investments to capture opportunities and bring about positive change. You can find out more about this in the → "Investing for Change" section.

To ensure a responsible business practice, remain an employer of choice and lead by example, we have also committed to investing in change as part of our own business activities. In this way, we create a positive impact for all our stakeholders. See → Figure 2, "Our value creation", for more details and → "Our business activities" section for more information on our business activities, including our People Strategy and our philanthropic efforts.

In the upstream value chain, all suppliers must already comply with relevant regulations and international standards. A significant proportion of our procurement consists of locally sourced services, so we do not face the same significant supply chain challenges as other industries.

Value chain of VP Bank

	Upstream	Own operations	Downstream
Definition	The upstream value chain comprises the purchased goods and services up to the point at which they are received by the reporting company. Accordingly, we have analysed our suppliers by sector affiliation and region.	The operational value chain refers to the products or services created by a company. The entire production process is described as an orderly sequence of different activities.	The downstream value chain of VP Bank encompasses a large number of companies and counterparties which are active in various industries and regions. The effects of these companies are recognised in the value chain as effects financed by VP Bank (e.g. financed issues).
Example	"Inputs" – purchased goods and services. These include, for example, building and office equipment, software/IT components, consumer goods, electricity, heat, water, company cars (production) and technology services.	In-house activities - for example, product development, provision of financial services, administrative work, customer visits, etc. The impact is assessed at the company's own locations and on site.	"Output" – the financial products sold, such as loans and investments (customer deposits and treasury investments), banking applications, wealth accumulation and pension products. The impact is assessed at the customer level (through the financial products in which they invest or for which they receive financing).
Focus	Suppliers	Own business operations	Investment and lending business
Hot spots	Regions, type of product or service	Regions	Regions, sectors

Table 2

Sustainable Development Goals (SDGs)

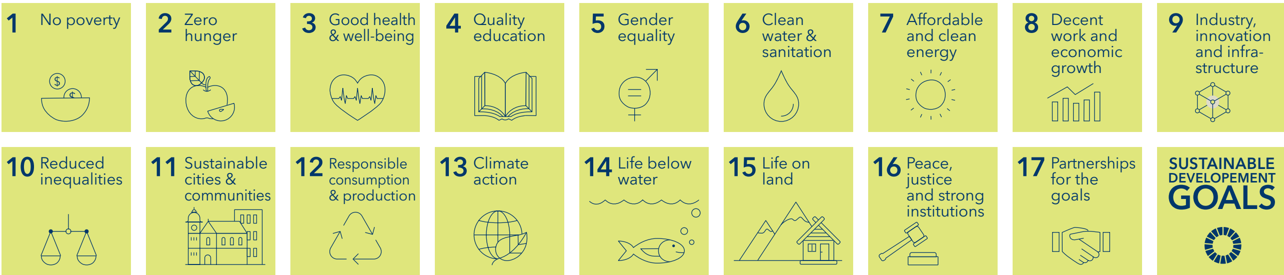


Figure 1

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" section). 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 5 "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

Publication of the first set of NZBA interim targets for 2030 based on a sectoral decarbonisation approach with a 1.5 degree pathway.

Nomination of "Dedicated Functional Experts" in the specialist areas, to achieve a standardised and effective implementation of effective implementation of sustainability measures.

Creation of a new board mandate for sustainability issues.

Carrying out a Group-wide gender pay gap analysis and participation in the UNGC "Target Gender Equality Accelerator" programme.

94% of our total energy consumption is renewable.

The launch of "VP Bank Nova Start" and "VP Bank Nova Next", the suitable banking packages for teenagers and young adults.

For our stakeholders

- Our clients
- Our environment
- Our people
- Our communities

Figure 2

Strategic progress

In 2023, VP Bank reached the midway point in its current strategy cycle. It is on track with its implementation and has reached important milestones even in what continues to be an extremely challenging environment.

VP Bank's strategy is based on three major trends: accelerated digitisation, the increasing importance of sustainability and the transfer of major assets to the next generation. In line with these trends, the bank continues to develop its core business in its home market of Liechtenstein and at its five international locations. At the same time, it is selectively venturing into new business areas, combining traditional banking with the advantages of digital ecosystems.

Foundations laid

In the first half of Strategy 2026, VP Bank invested in its core business and in the foundations of the strategy. Specifically, risk management was strengthened by modernising the client verification process and risk steering was optimised. This also enabled VP Bank to, among other things, improve the stability of credit risk management and review its whole range of client documentation.

In addition, technological foundations for Open Wealth were laid, as an open IT system architecture forms the backbone of Strategy 2026. The IT infrastructure was therefore migrated to Swisscom, and the IT architecture was modernised. As a result, VP Bank now has an open, flexible infrastructure, enabling Open Wealth Services to be developed quickly and in an agile way. At the same time, cyber security was also stepped up to withstand today's threats.

In order to create a more solid foundation for further growth, VP Bank has also rigorously focused its organisational structure on marketing and sales activities. International management was strengthened and pooled in the regions Liechtenstein, Europe and Asia, which report directly to the Group CEO. As of 1 January 2023, a new Group Products & Solutions division was established to create and enhance VP Bank Group's range of services, which will combine the corresponding competences.

This fundamental investment phase associated with the strategy developed in line with expectations and peaked in 2022. The investment phase in the strategy is now complete.

Accelerating growth

Following the completion of the investment phase, VP Bank is heading into the important phase of growth acceleration. VP Bank now has a strong, robust risk management framework and an organisational structure that is strategically focused on regional marketing and sales activities. Thanks to its new IT and services architecture, VP Bank is now in a position to implement its business model quickly and in an agile way. Processes can be made more efficient and the business can be scaled more easily.

Clients benefit from the Open Wealth-compatible IT and services architecture in which products and services can be easily developed or further developed and customised, also with the involvement of complementary, innovative third-party providers. VP Bank has already launched its initial new client services, including, for example, digital client onboarding for intermediaries, tokenisation of physical assets, the automatic granting of lombard loans and the digital setting of time deposits.

VP Bank's financial goals 2026

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

[1] Over the cycle 2021–2026
[2] Operating expenses / operating income

Figure 3

Regional development plans

Growth is being driven by regional development plans, tailored to local conditions. These plans aim to optimally link VP Bank's strengths in the area of intermediaries and private clients with market-specific conditions to achieve sustainable, profitable growth. In particular, this involves systematically bringing established and new client services to market, supported by the enhancement of the value proposition. The existing product and price landscape will be harmonised and simplified, based on clear market coverage. VP Bank also plans to update its advisory process for private banking and further expand its relevance as a preferred contact for intermediaries. The further development of the value proposition will be carried out in close collaboration with the regional development plans and should support the growth path in the regions.

Figure 4

02 › Our sustainability approach

Sustainability Plan 2026

We believe that the way we invest today will determine our future. As a bank, we are committed to ensuring growth, profitability and stability for our customers. 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 have a positive impact on society and the environment and actively contribute to the sustainable development of the financial industry.

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 3) and presents what we want to achieve by 2026. On 1 January 2021, the Sustainability Plan 2026 came into effect. 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 and ensure our long-term success.

In 2021, the UN Intergovernmental Panel on Climate Change (IPCC) published a report (Working Group I) 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.

Figure 5

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 3

In 2023, specific actions were implemented for each strategic sustainability goal. These included integrating ESG criteria into investment decisions, promoting carbon-neutral business practices, improving gender diversity and increasing the proportion of assets under management in sustainable investments. These measures reflect the Bank's commitment to a sustainable future and include initiatives such as reviewing investments for ESG compliance, conducting awareness and training programmes on sustainability issues, and actively participating in initiatives to promote equality and diversity.

To integrate sustainability into business processes, VP Bank has published division-specific CO_2 targets as part of the "NZBA 2030 Interim Targets". Dedicated Functional Experts (DFE) have been deployed to promote dialogue between Group Sustainability and the specialist divisions. An "ESG Committee Charter" has been established at VP Fund Solutions to coordinate sustainability-related measures.

To achieve CO_2-neutral business activities, VP Bank completed the transition from physical brochures to digital formats in order to minimise the consumption of resources. In addition, a feasibility assessment was initiated to examine the use of renewable energies at the BVI location and to promote energy self-sufficiency. As a result, the share of renewable energy in the Bank's total energy consumption was increased to an impressive 94%.

To improve gender diversity, VP Bank conducted an equal pay analysis in 2023, which confirmed compliance with equal pay and awarded the locations with the "Fair-ON-Pay" certificate. The Bank also participated in the UN Global Compact's Target Gender Equality programme to promote gender equality in companies.

In 2023, VP Bank introduced its "Responsible Investment Policy", which takes sustainability criteria into account in all investment strategies. Furthermore, the Bank has intensified the implementation of its disclosure obligations in accordance with the SFDR (Sustainable Finance Disclosure Regulation), which has led to a more transparent presentation of sustainability criteria.

In order to make a positive net contribution, VP Bank launched banking services specifically tailored to young adults in 2023 and improved the opportunities for small investors to participate in the financial market. In addition, comprehensive retirement planning was offered to clients and employees in order to optimally manage financial changes after retirement.

In order to increase assets under management in sustainable solutions, VP Bank conducted ESG and sustainability training for its client advisors in 2023. This served to deepen their understanding of the topic and to improve the quality of their advice. In addition, client events were used to raise clients' awareness and understanding of sustainable investments, focusing on our "Sustainable Investing = ESG + Impact" approach.

Please refer to → Table 4 for an overview of the progress we've made in 2023 towards our goals. Further information on actions taken in previous years can be found in past sustainability reports.

Our outlook
We will continue to work on achieving the goals 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.

Figure 6

Sustainability goals	2023
Integrate sustainability into our business processes	• Regarding emissions, we have begun to define concrete sector-specific targets and metrics based on CO_2 equivalents per physical production unit as part of the NZBA "2030 Interim Targets". • In the area of proprietary investments, VP Bank reviews investments in CO_2-intensive sectors (coal, oil & gas, cement and energy) to determine whether the counterparty has adopted a net-zero target and whether a minimum level of emissions-related management quality is in place. The Transition Pathway Initiative (TPI) methodology is used for the assessment. This is intended to ensure that the communicated net-zero target is accompanied by an actual transition to a net-zero emissions pathway. • Further information was collected on the exposure of our mortgage portfolio to natural hazards and the database for measuring financed emissions was expanded. • To ensure an efficient and targeted exchange between Group Sustainability and the specialist departments, we have established Dedicated Functional Experts (DFE) at the end of 2023. • We began to carry out a double materiality assessment in line with the CSRD requirements. The sustainability topics identified as material will be integrated into future sustainability reporting and strategy. • VP Fund Solutions adopted an "ESG Committee Charter". The main task of the ESG Committee is to coordinate and monitor developments and activities within VPFLU and VPFLI with regard to sustainability-related regulatory, operational and product-related measures. • A two-day CRO offsite on the topic of ESG was held in May 2023. Invitations were extended to the managers of VP Bank Risk Management under the leadership of the Chief Risk Officer.
Achieve CO_2-neutral operations	• Moving from physical to digital brochures. In order to align our account opening process with our Open Wealth Vision and to conserve resources, we ceased production of physical brochures in July and now only provide them digitally. • A feasibility assessment was initiated on the potential for switching to renewable energy sources at the BVI site to achieve energy self-sufficiency. • The share of renewable energy in VP Bank's total energy consumption has been further increased and now stands at 94%.
Improve gender diversity in our workforce	• In collaboration with a qualified external partner, an equal pay analysis was conducted for all locations with more than 50 employees. The analysis confirmed VP Bank's compliance with equal pay requirements. As a result, all locations that participated in the analysis were awarded the SGS "Fair-ON-Pay" certificate. • Participation in the "Target Gender Equality" (TGE) programme. TGE is a voluntary programme offered by the United Nations Global Compact (UNGC) to accelerate gender equality in business. • We have signed the Luxembourg Women in Finance Charter and joined Advance in Switzerland. We believe that diversity in the workforce and the inclusion of all employees is a central component of our corporate responsibility.
Integrate ESG into our investment process	• Implementation of the "Responsible Investment Policy". VP Bank integrates sustainability aspects into all discretionary asset management and investment advisory mandates, as well as into its own investments. Detailed information can be found in the policy. • Further implementation of SFDR disclosure requirements for the benefit of our clients. The consideration of sustainability risks and negative impacts in the investment process will be made more transparent. Positive impacts will also be reported at product and company level.
Make a positive net contribution with our offering	• We launched VP Bank Nova Start and VP Bank Nova Next, comprehensive banking packages offering payment, savings and investment services. Tailored to the needs of young adults, the packages include accounts, a custody account and flexible additional services at attractive conditions. • VP Bank Nova Save offers the opportunity to participate in the development of the financial markets even with small amounts. It is particularly suitable for small investors who adopt a long-term perspective and wish to invest their money over a longer period of time. • Retirement planning for clients and employees: Retirement planning is a significant financial event that can have a significant impact on an individual's financial future. It is therefore important to plan for retirement early, comprehensively and with professional help. • Active participation in the "Youth Green Finance Initiative Liechtenstein" to design a bankable product in cooperation with the University of Liechtenstein, the Liechtenstein Bankers Association, UNICEF and other banks in the financial centre.
Increase assets under management in sustainable solutions	• We provided ESG and sustainability training to our client advisors to enhance their understanding of the issue and further improve the quality of advice to our clients. • We have addressed sustainability at client events and, based on our "Sustainable Investing = ESG + Impact" approach, we have met our clients' expectations and increased their understanding of the issue.
Improve VPB's ESG rating	• The steady improvement in our ESG rating is the result of the effective implementation of targeted sustainability measures, as shown in this table. The annual S&P Corporate Sustainability Assessment for 2023 shows that we are above the average of our peer group in all three ESG dimensions.

Table 4

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 6), we identified the focus areas (see → Materiality matrix; Figure 7), 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 of these topics: what risks/opportunities do sustainability issues pose to our business and what impact do we have on sustainability issues?

Materiality matrix

Figure 7

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

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.

At the end of 2023, we again engaged in extensive dialogue with our stakeholders and conducted a double materiality analysis in accordance with the CSRD requirements. The results will be included in the next Sustainability Statement to be published as part of the 2025 Annual Report.

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 8

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 5

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 6

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.

In addition, VP Bank held internal and external events on the topic of ESG and sustainability, including the "Expert Dialogue" on the subject of "Is ESG really a scam?" with our Head of Group Sustainability. Numerous other events helped to embed sustainability in our day-to-day business and in our dialogue with clients.

Moreover, our Head of Group Sustainability took part in a panel discussion at the Ambassador Information Day 2023 in Schaan, which was attended by around 65 ambassadors accredited to Liechtenstein. The event focused on the Liechtenstein financial centre and the key issues of the future: sustainability and digitalisation.

Sustainability training for BoD and GEM

The Principles for Responsible Banking Academy (PRB Academy) launched its course offering in November 2022. The aim is to support PRB signatories in the implementation of the Principles for Responsible Banking and in their strategic alignment with the UN Sustainable Development Goals and the Paris Agreement. VP Bank Group is one of the first financial institutions whose entire Board of Directors and Group Executive Management have decided to participate in the course "Responsible Banking for Board Members & Executives". By the end of the first quarter, all members of the BoD and GEM had successfully completed the course. This underscores the importance of this topic for VP Bank and lays an important foundation for the further development of the VP Bank Group.

Employee satisfaction

For VP Bank, it is of central importance that employees feel connected to and involved in the company in order 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.

The last survey was conducted in 2022 with the support of an independent consultancy firm. The response rate was 85 per cent. Based on the feedback, measures were developed and implemented in 2023. Managers, who act as role models, were identified as an important lever. By involving their employees in decisions and processes, by living the values and by creating an inspiring environment, managers make a decisive contribution to the success of VP Bank. To further leverage this positive influence, VP Bank focused on the development of leadership skills in 2023.

The corporate values "we explore", "we care" and "we achieve", which were developed and sharpened in workshops with employees, were rolled out and anchored in the organisation in 2023. The result: a refreshed, broad-based and more conscious set of values that reflect VP Bank's DNA and provide inspiration for the future.

Cooperation with partners

In 2023, VP Bank was active for the sixth time as a practice partner of the "Sustainable Finance Workshop" at the University of Liechtenstein. Employees from the CIO Office and Group Sustainability critically discussed ten scientific working papers, thus making a positive scientific contribution to the further development of the work. At the same time, we were able to keep abreast of the latest research in the field of sustainable finance and investing. The winning paper by Tobi Oladiran, Roman Kräussl and Denitsa Stefanova – researchers at the University of Luxembourg and the Hoover Institution Think Tank at Stanford University – on the topic of "ESG as Protection Against Downside Risk" received the "VP Bank Best Paper Award" and a cash prize of CHF 2,000.

Engagement through industry associations

Among other things, VP Bank is an active member of the "Sustainability" working group 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 7) 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.

In 2023, we signed the Women in Finance Charter and joined Advance – Gender Equality in Business.

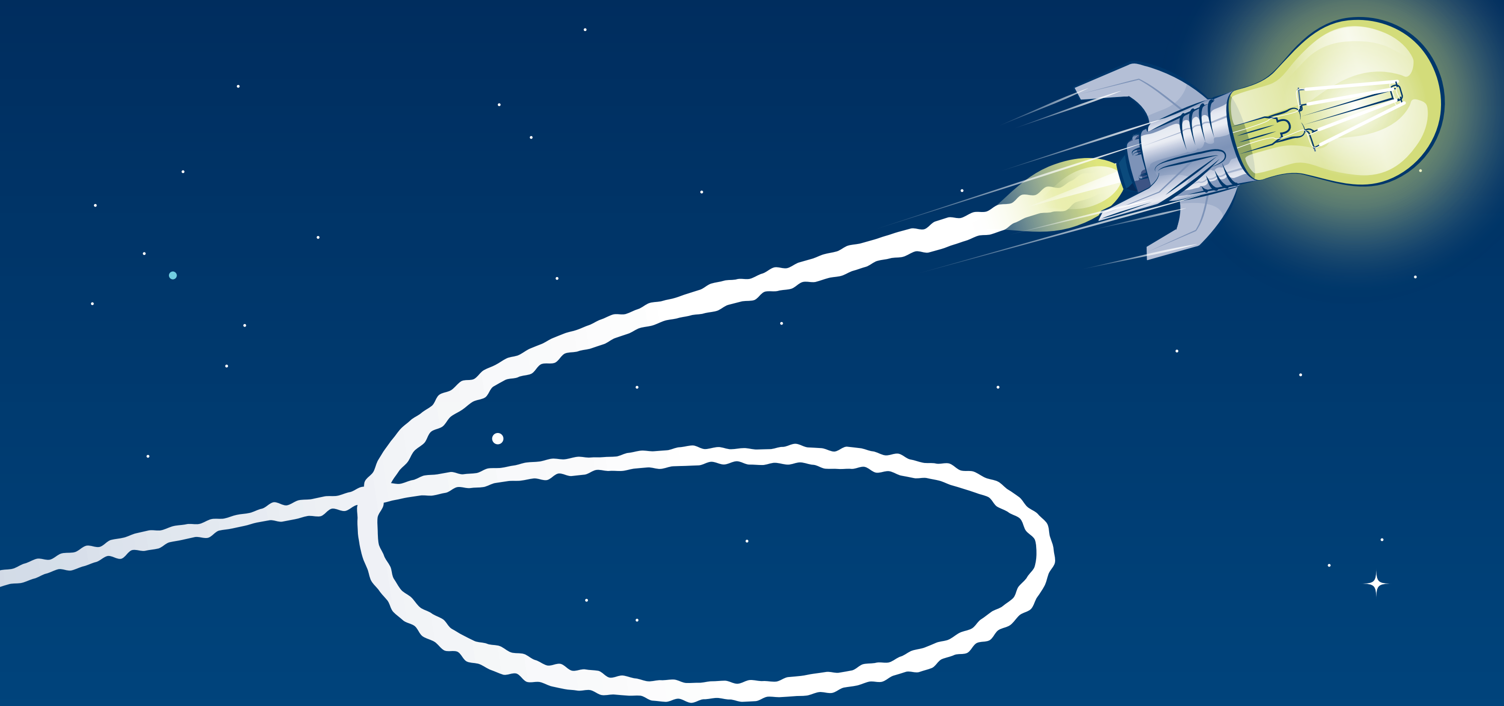
Women in Finance Charter: To promote gender equality, we signed the Luxembourg Women in Finance Charter. This agreement was initiated by Luxembourg's Minister of Finance, Yuriko Backes. We are proud to have been one of the first signatories. By signing the Charter, VP Bank (Luxembourg) S.A. and VP Fund Solutions (Luxembourg) S.A. have committed to set voluntary targets to promote a more balanced representation of women and men in our organisation, particularly at management level, and to report publicly on the progress made in achieving these targets.

Advance membership: We continue to strengthen our commitment through our membership of Advance, the leading Swiss business organisation promoting gender equality. Our membership gives us access to a wide range of issues, such as developing the skills of women in leadership positions, cross-company mentoring and networking between managers and HR professionals. We will also integrate Advance's programmes into our internal talent development.

Membership		Commitment / Purpose	Member since
Women in Finance Luxembourg	WIF	We are committed to promoting the advancement of women at all levels, including management and the Board of Directors.	2023
Advance	ADV	We are committed to gender equality in business and therefore to a work environment that supports a fair and balanced approach to recruiting, rewarding, promoting and retaining female talent.	2023
Net-Zero Banking Alliance	NZBA	We are committed to achieving net-zero emissions for relevant on-balance sheet credit and investment positions by 2050 or earlier.	2023
UN Principles for Responsible Banking	PRB	We are committed to taking greater responsibility for climate protection and sustainability.	2023
UN Principles for Responsible Investing	PRI	We are committed to responsible investment.	2021
UN Global Compact	UNGC	We are committed to fulfilling our responsibilities in four areas: Human rights, labour, environment and anti-corruption.	2016
Swiss Sustainable Finance		Exchange of experience and knowledge	2016
Swiss Climate Foundation	–	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 7

03 〉Climate-related financial disclosure



Sustainability Governance

Efficient and effective management of sustainability initiatives is essential in order to continuously embed sustainability, pursue our sustainability goals and identify potential ESG risks and opportunities at an early stage. In order to ensure the consistent and credible implementation of our sustainability goals in the investment and advisory process, we have implemented corresponding framework guidelines based on the VP Bank Sustainability Score (VPSS) as well as the associated compliance and monitoring systems. The Executive Board is regularly informed of the status and progress of the sustainability measures.

Our sustainability governance has been instrumental in defining our strategy, monitoring our progress and addressing potential challenges in achieving our goals, including the fulfilment of our voluntary commitments.

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

The Board of Directors (BoD) is responsible for the ultimate oversight of climate-related risks and opportunities. The BoD, which is responsible for the ultimate direction, supervision and control of VP Bank, bears overall responsibility for risk management, including ESG risks and climate-related financial risks. This includes, among other things, the establishment and maintenance of an appropriate 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

Group Executive Management (GEM) is responsible for the implementation of and compliance with the risk policy (framework and risk strategies) approved by the Board of Directors (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 the internal control systems
- Appointing the committees necessary for effective risk management and defining their 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, consisting of experts from various disciplines, deals with the necessary implementation of change processes in the risk framework and continuously reviews any necessary adjustments.

Governance structure

Figure 9

Group Sustainability

The Group Sustainability Department is responsible for setting strategic priorities, developing and implementing the sustainability plan and monitoring progress. This also includes supporting the various divisions on relevant sustainability issues and raising awareness among all employees. Sustainability is firmly embedded in the core business: the Head of Group Sustainability reports directly to the Chief Investment Officer (CIO), who in turn reports to the Chief Executive Officer (CEO). The Group Executive Management (GEM) is regularly updated and the Strategy & Digitalisation Committee and the Risk Committee of the Board of Directors are informed as required.

Dedicated Functional Experts

Group Sustainability works directly with the business units to inform them of our Group-wide priorities and objectives, and to provide a basis for discussion of actions in their area of work. Group Sustainability also supports the development of concrete implementation proposals and their implementation. To ensure an efficient and targeted exchange between Group Sustainability and the business units, we established Dedicated Functional Experts (DFEs) at the end of 2007. The DFEs act as contacts and coordinators for all aspects of sustainability in their respective departments. Examples include working with Facilities Management to develop a plan for carbon-neutral operations, developing risk frameworks with colleagues from Risk and Compliance, implementing our investment philosophy when investing money, integrating sustainability aspects into our internal audit activities, and recording natural hazards and financed CO_2 emissions in the lending business.

Sustainability Board

The Sustainability Board supports the implementation of the 2026 Sustainability Plan and ensures a consistent approach across the Bank. It is chaired by the Chief Investment Officer. In addition, the Sustainability Board includes representatives from various departments (see → Figure 10). The Sustainability Board meets as required to review progress, discuss potential issues and develop further suggestions for improvement. Meetings are organised by the Head of Group Sustainability. Similar to the introduction of the Dedicated Functional Experts, the composition and role of the Sustainability Board will be reorganised in the future. The reorganisation is currently being developed and will be implemented in 2024.

Sustainability Board

Chief Investment Officer

- Sustainability
- Communication
- Compliance
- Corporate Services
- Risk
- Human Resources
- Philanthropy
- CIO Office
- Private Banking

Figure 10

Strategic assessment of climate-related risks and opportunities

In classifying climate-related financial risks, VP Bank is guided by the risk terminology of the "Task Force on Climate-related Financial Disclosures" (TCFD) and distinguishes between physical risks and transition risks or transition opportunities. In accordance with the recommendations of the TCFD, this report is divided into four sections: 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 are presented below.

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

For VP Bank, ESG risks, and in particular climate-related financial risks, do not represent a separate risk category, but are integrated into the risk system and the existing risk management framework as risk drivers under the existing categories (see → chapter "Management of Sustainability Risks"). This approach is in line with the "FMA Fact Sheet 2021/1 – Dealing with ESG Risks" published in 2021 and the recommendations of the TCFD. VP Bank has identified physical risks and transition risks in connection with climate change and presented their potential financial impact in → Table 9 and → Table 10. The time horizons over which the risks associated with climate change can have an impact are typically very long. We therefore generally consider the following time horizons in our analysis.

Time horizons for climate-related financial risks

Short term	Up to 1 year
Medium	1–5 years
Long term	5 years or more

Table 8

Physical risks arise from climate change and environmental degradation. In line with the TCFD recommendations, a distinction is made between acute, specific events and long-term, chronic climate change. An overview of physical risks and their potential impacts is provided in → Table 9.

Transition risks are primarily associated with the transition to a lower-carbon economy. They arise mainly from changes in laws and regulations, technological innovation, a changing market environment, and the reputation and stigmatisation of companies and industries. Opportunities arise from the willingness to adapt to the new environment, anticipate new trends and invest in new technologies.

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

Physical climate risks

In the area of credit risks, physical risks may reduce the value of loan collateral or the real estate financed by VP Bank. Remediation and insurance measures in the event of environmental damage may affect financing costs and thus the affordability of borrowers. In the case of companies, the focus is on possible interruptions in operations and production as well as delays in the supply chain. 92% of VP Bank's mortgage properties are located in Liechtenstein or Switzerland, where mandatory building insurance mitigates the risk. More than two-thirds of the mortgage properties are classified as residential properties. Commercial, unsecured financing plays a subordinate role at VP Bank. VP Bank strives to further identify the physical risks in the mortgage portfolio and to systematically record climate risks in order to better understand the potential impact and financial consequences.

Physical risks may also affect VP Bank's market risks through the revaluation of financial investments. With respect to its own investments, VP Bank takes into account a variety of criteria in order to ensure a broadly diversified, high-quality portfolio. These criteria include issuer rating, geographical allocation, ensuring a minimum level of high quality liquid assets (HQLA) and the VP Bank Sustainability Score (VPSS).

Physical risks

Examples of physical risks	Temperature	Wind	Water	Solid matter	Potential financial impact	Banking risks
Chronic	• Temperature changes • Heat stress		• Change in precipitation patterns • Sea level rise	• Soil erosion	• Impairment of financial assets and loan collateral • Impairment of banking operations	• Credit risks • Market risks • Operational risks
Acute	• Heat wave • Cold spell • Forest and wildfires	• Storms	• Drought • Heavy rainfall • Floods	• Avalanches • Landslides	• Impairment of financial assets and loan collateral • Impairment of banking operations	• Credit risks • Market risks • Operational risks

Table 9

Physical risks such as extreme weather events can also disrupt banking operations. Bank buildings may be damaged, employees may be impeded in their work or suppliers in their deliveries.

Transition risks

Similar to physical climate risks, transition risks can have a negative impact on the value of loan collateral. For example, if the use of fossil fuel heating systems is banned, the value of the property may fall. The purchase of an alternative heating system may entail additional financing costs and affect affordability. The same applies to an increase in national CO_2 taxes, which would increase operating costs and affect affordability for homeowners. VP Bank endeavours to continue to identify transformation risks in its mortgage portfolio, to include them in the valuation and, where appropriate, to derive opportunities from them.

Transition risks may also be reflected in market risks through the revaluation of financial investments.

As a risk mitigation measure, VP Bank verifies whether the counterparty has adopted a net-zero target and whether a minimum level of emissions-related management quality is in place for investments in CO_2-intensive sectors (coal, oil & gas, cement and energy). The Transition Pathway Initiative (TPI) methodology is used as the assessment benchmark. This aims to ensure that the communicated net-zero target is accompanied by an actual transition to a net-zero emissions pathway.

Scenario planning and strategy robustness

VP Bank plans to present a climate-related scenario and sensitivity analysis in 2024. The goal is to better understand the risks and opportunities of climate change and to respond to them strategically. The analysis will focus on different scenarios, taking into account both the physical risks of climate change and the transition risks. We will explore a range of scenarios, from business as usual to ambitious climate targets, to develop a comprehensive understanding of the range of possible future pathways.

With this scenario and sensitivity analysis, VP Bank aims to strengthen its ability to proactively respond to the challenges and opportunities of climate change. This will not only help to refine our risk management strategies, but also to ensure that our business models and investment decisions are sustainable and forward-looking.

Climate-related transition events

Examples of transition risks and opportunities	Politics and law	Technology	Market	Reputation
Risks and opportunities	Higher pricing of greenhouse gas emissions	Replacement of existing products and services with lower-emission options	Changes in consumer behaviour	Changes in consumer preferences
	Increased emissions reporting obligations	Unsuccessful investments in new technologies	Uncertainty regarding market signals	Stigmatisation of the sector
	Mandates and regulations relating to existing products and services	Costs of transition to lower emission technologies	Increased raw material costs	Increased stakeholder concern
	Risk of legal disputes	Costs of the transition to lower-emission technologies	Increased raw material costs	Negative feedback from stakeholders
Potential financial impact	• Impairment of financial assets and loan collateral • Costs of banking operations	• Opportunities for new products and investment opportunities • Impairment of financial assets and loan collateral (stranded assets)	Revaluations of assets (financial assets and loan collateral)	Declining income and reduced capital availability lead to revaluation of assets (financial assets and loan collateral)

Table 10

Management of sustainability risks

This section explains how we identify, assess and manage ESG and climate-related financial risks. We are continuously working to improve and expand the integration of climate risk management into our business processes. In the year under review, we focused our resources on identifying climate-related financial risks in the mortgage loan portfolio and analysing the Lombard loan portfolio for ESG risks.

In addition to the financial climate risks already described (see → chapter "Strategic assessment of climate-related risks and opportunities"), we also consider social and governance risks in our risk management. Social risks are negative impacts on social factors related to the rights, well-being and interests of people and society, such as (in)equality, inclusion, labour relations, occupational health and safety or human capital. Governance risks take the form of negative impacts on corporate governance, which defines how companies integrate environmental and social factors into their policies and procedures. Such negative impacts can occur in the areas of general remuneration policies, auditing, internal controls, tax evasion, conflicts of interest, shareholder rights, corruption and bribery.

Processes for identifying and assessing climate-related financial risks

ESG risks arise primarily from the bank's exposure to its clients and counterparties, as well as from the assets it invests. They can take the form of both financial and non-financial risks. In its analysis of ESG risks, VP Bank focuses on "financial materiality" (outside-in perspective[1]). Accordingly, ESG risks and climate-related financial risks are integrated into VP Bank Group's risk management.

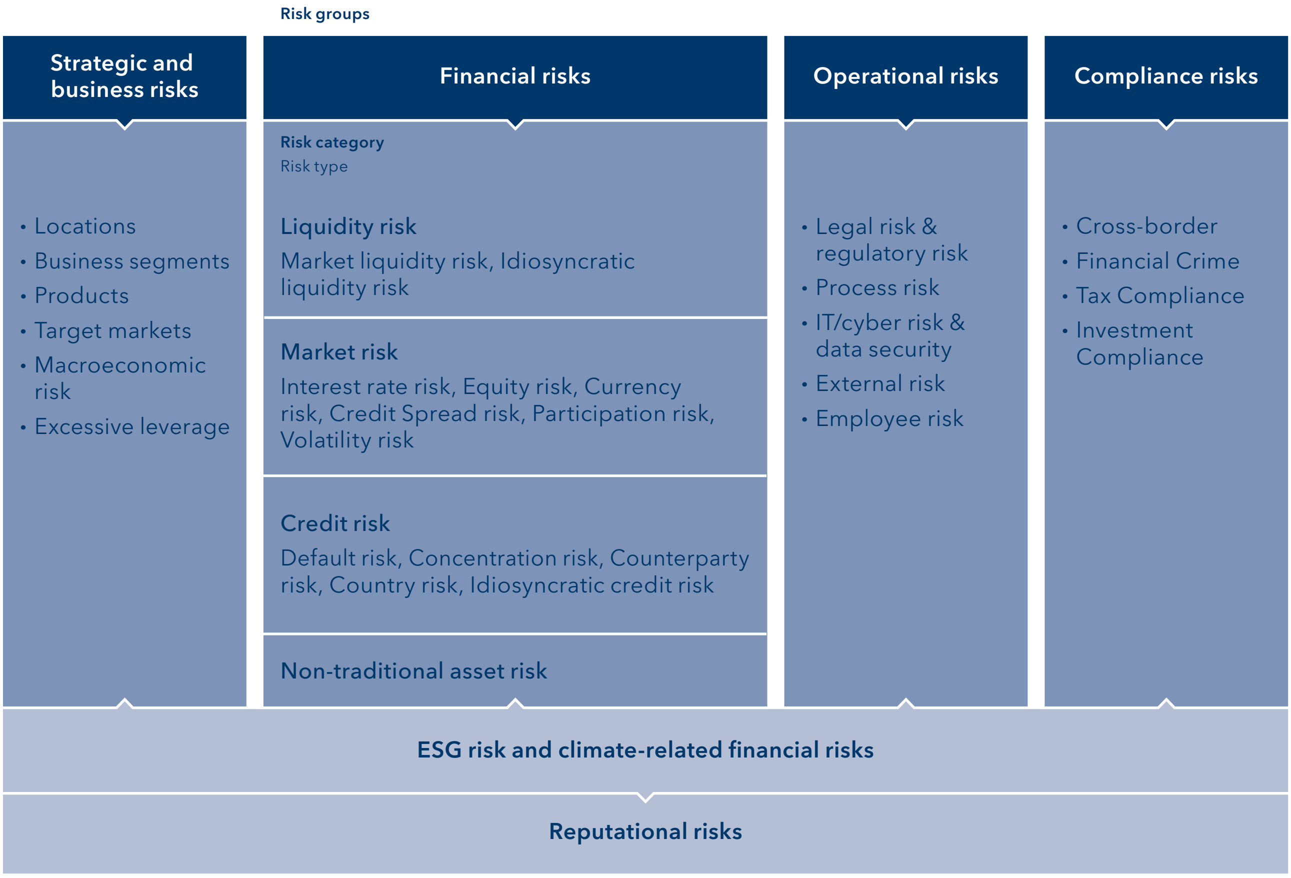


Figure 11

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

Line of defence	Function	Function	Status
First	Risk management	Maintain effective internal controls and implement ESG risk and control procedures in day-to-day business.	Implemented in the area of proprietary investments, VP Bank's own funds, and discretionary and advisory mandates (see → "VP Bank sustainability score"). In the lending business, implementation in the areas of mortgages and lombard loans is still in the development phase.
Second	Risk monitoring and compliance	Support in establishing controls in the first line of defence. Independent monitoring and reporting.	Where 1st line controls are in place, 2nd line monitoring processes and risk reporting have largely been established.
Third line of defence	Internal Audit	Internal Audit provides independent and objective auditing and advisory services.	In 2023, Group Internal Audit conducted an audit of VP Bank's commitment to sustainability on the basis of its risk assessment and audit planning.

Table 11

Figure 11 shows the risk system with the impact of ESG risks and climate-related financial risks as drivers in the risk categories and reputational risks as consequential risks.

In 2000, we began systematically recording the natural hazards of the properties we finance in Liechtenstein and Switzerland. We have also started to record the characteristics of the financed properties in Switzerland, such as building area, energy reference area and heating system, in order to calculate the financed CO_2 emissions. In addition, the Lombard loan portfolio was analysed for ESG risks. For this purpose, the VP Bank Sustainability Score (VPSS) was applied to the loan collateral. The results of this analysis led to a newly established approach for reporting and monitoring ESG risks in the Lombard loan book.

Processes for managing climate-related risks

Our risk management process includes a comprehensive risk monitoring function that is functionally and organisationally independent of the risk-taking units. Risk monitoring comprises risk control and risk reporting. As part of its risk inventory, VP Bank identifies and evaluates ESG and climate-related financial risks using 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.

Integration into our general risk management

We have established a process to identify, assess and prioritise climate-related financial risks. Prioritisation is based on financial materiality. This means that areas with a high volume and direct impact are prioritised first. As a matter of principle, we support and promote education and awareness of climate-related financial risks as part of our risk management. Expertise has been developed and disseminated through the implementation of the EU Action Plan and the EBA Guidelines on Lending and Monitoring.

The risks associated with climate change are regarded as financial risks that need to be integrated into the existing risk management framework. Risk management includes measures at all organisational levels to actively manage the banking risks identified as material. The Bank's Risk Appetite Statement and other frameworks have been expanded to include ESG and climate-related financial risks. The development of 1st line guidelines for ESG and climate-related financial risk KRIs is underway. At the same time, the corresponding 2nd line monitoring processes and risk reporting are being further developed.

In line with VP Bank Group's general risk management approach, which is based on the three lines of defence framework, we have applied the same principles to climate-related financial risks, whereby the lines of defence have different roles and functions, as shown in Table 11.

In order to strengthen ESG risk management across the entire product universe of VP Bank Group, ESG criteria have been anchored in the architecture of the New Product Process (NPP) and the Product Review Process (PRP) since 2022. The results of the initial analysis are used in the product review process and are continuously adjusted. The assessment in the NPP is carried out by the Head of Group Sustainability or the CIO on behalf 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 "Sustainability".

Metrics and targets

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

In order to assess and monitor climate risks and to ensure the sustainability of its business model, VP Bank has defined various key indicators. With regard to CO_2 emissions from our own business activities, the focus is on reducing 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 Bank Sustainability Score (VPSS) and have defined minimum limits for asset management mandates at the level of individual securities and portfolios, depending on the degree of sustainability. All mandates are subject to a minimum standard in order to avoid negative impacts. The VPSS is also applied to our own investments. In the area of emissions, we have started to define concrete sector-specific targets and metrics based on CO_2 equivalents per physical unit of production as part of the NZBA 2030 Interim Targets.

We measure physical intensity and therefore focus on efficiency improvements. This is in line with our aim to finance the transition to a low-carbon economy. In addition, material intensity metrics enable better internal monitoring of progress and comparability across industries with similar product mixes. This also reduces the impact of economic cycles and associated business growth or decline. At the same time, the material intensity indicators remain unaffected by an expansion of the business areas covered and an increase or decrease in the assets under management per business area.

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 working to improve the quality of our data and the transparency of our emissions. On this basis, we measure the effectiveness of the measures implemented and adjust them where necessary. As part of our operational ecology, we have been collecting detailed data on energy, water, paper and waste consumption and the resulting CO_2 emissions for our Liechtenstein sites for many years. We are continuously expanding this database for all sites and improving transparency in the area of Scope 3 emissions (categories 1–14).

As part of our commitment to a climate-friendly future and to reaffirm our goal of net-zero emissions, we joined the Net-Zero Banking Alliance (NZBA) in 2021. This alliance of banks from around the world, initiated by the United Nations, has committed to move their on-balance sheet lending and investment positions to net-zero emissions by 2050 or earlier. To achieve this goal, we have started to calculate the emissions we finance (Scope 3, Category 15) according to the methodology of the Partnership for Carbon Accounting Financials (PCAF).

Further information on our targets and actions can be found in → Table 12, while detailed information on greenhouse gas emissions can be found in the → chapter "Our environmental contribution (E)".

Business division	Targets	Metrics
Operational	CO_2-neutral business operations by 2026	• Reduction of energy consumption • Reduction of paper consumption • Reduction of CO_2 emissions 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 and employee training to raise awareness of climate change
Credit	Net-zero emissions by 2050	• Survey of building-specific characteristics to calculate the financed emissions in the mortgage portfolio using the PCAF methodology
Bank as a whole	Improvement of the ESG rating	• Steadily improve ESG rating based on increasingly better data and disclosure

Table 12

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

VP Bank has set itself goals that affect both its investment activities and its business operations. As part of a voluntary commitment, VP Bank has joined the Net-Zero Banking Alliance and has thus undertaken to reduce the CO_2 emissions of its own credit and investment portfolio to net zero by 2050 at the latest. This is consistent with a maximum temperature increase of 1.5°C above pre-industrial levels by 2100.

As part of the first publication of the "2030 Interim Targets", we have focused on our own investments, including direct investments in listed equities and corporate bonds. We have set targets for carbon-intensive sectors/industries based on a materiality analysis. Our materiality analysis has shown that the following carbon-intensive sectors account for the largest share of emissions in our own investment portfolio: oil & gas, cement and energy.

VP Bank applies a Sectoral Decarbonisation Approach (SDA) based on the methodology of the Transition Pathways Initiative (TPI). The SDA takes a sector-specific approach and compares companies within a sector with each other and with sector-specific benchmarks. This comparison is used to determine the performance of an average company against international emissions targets.

We take into account the Transition Pathways Initiative (TPI) 1.5°C scenario targets at the time of the last sector assessment. This scenario is in line with the Paris Agreement to limit global warming and is consistent with a carbon budget that limits the global average temperature increase to 1.5°C with a 50% probability.

Detailed information on the 2030 interim targets can be found on our website. To ensure that the targets are met, investment criteria have been operationally integrated into the selection process for our own investments. As described above, we check whether the counterparty has adopted a net-zero target by 2050 at the latest and whether a minimum level of emissions-related management quality is in place.

04 › Our product offer

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).

The new regulatory requirements have been integrated into our services and solutions. For example, the Sustainable Plus Mandate now includes a minimum quota of sustainable investments in line with the Disclosure Ordinance and a proportion of taxonomy-compliant investments. The advisory process has been enhanced to identify each client's sustainability preferences. This information enables us to offer the most appropriate investment solution in terms of sustainability.

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.

Figure 12

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 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

Further information on our thematic investment concepts can be found on 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 13).

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 13

VP Bank Nova

In our home market of Liechtenstein, we operate as a universal bank. This means that we cover the needs of everyone and aim to support our clients throughout their lives. The NextGen project is part of our Regional Roadmap Liechtenstein strategic initiative. Young adults face special challenges. That's why we offer special services.

In 2023, we launched the new VP Bank Nova product line. The products are tailored to the needs of the next generation of clients: a digital client experience, transparent pricing, individualised, value-oriented and sustainable investments as well as a transparent portfolio. With VP Bank Nova, we offer tailor-made private banking for our young clients.

In addition to our product range, we have increasingly focused on financial education for children. Financial education is an important investment in children's futures. It is important to teach them how to manage money from an early age so that they can control their spending, save money and use the capital markets not only as children, but also as adults. In general, children learn about money far too late. It is rarely taught at school. We want to make an active contribution to financial education.

We used the Genussfestival in Vaduz to draw attention to the topic with a drawing competition for children and to inform parents about our upcoming information evening. The aim of the information evening was to familiarise those interested with the topic and to show why parents play a key role in financial education.

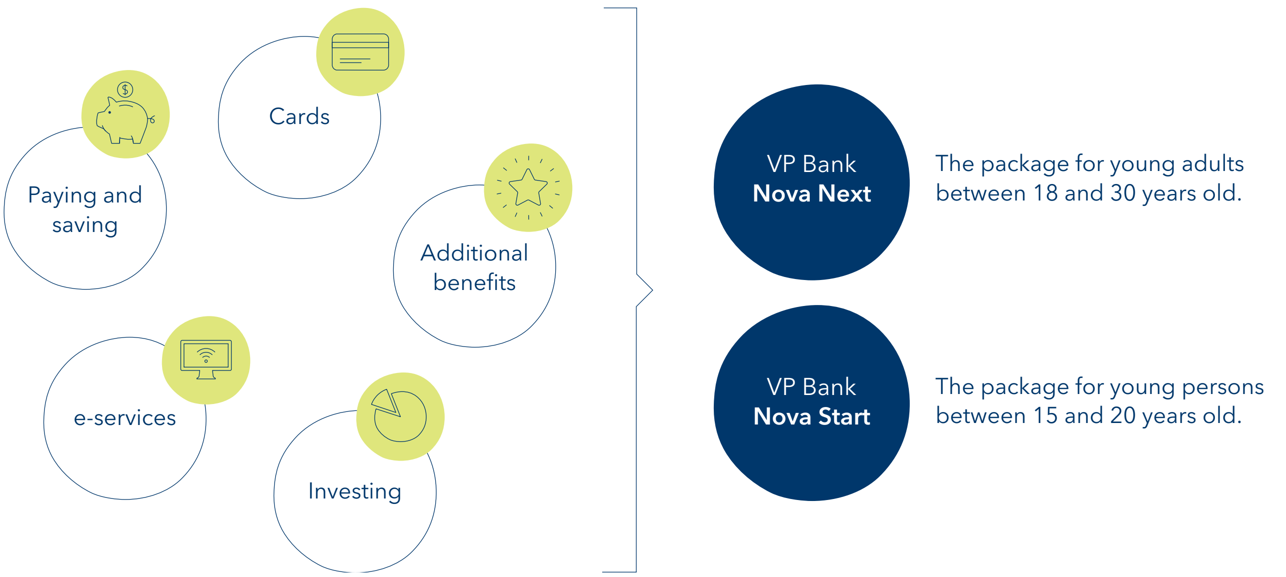
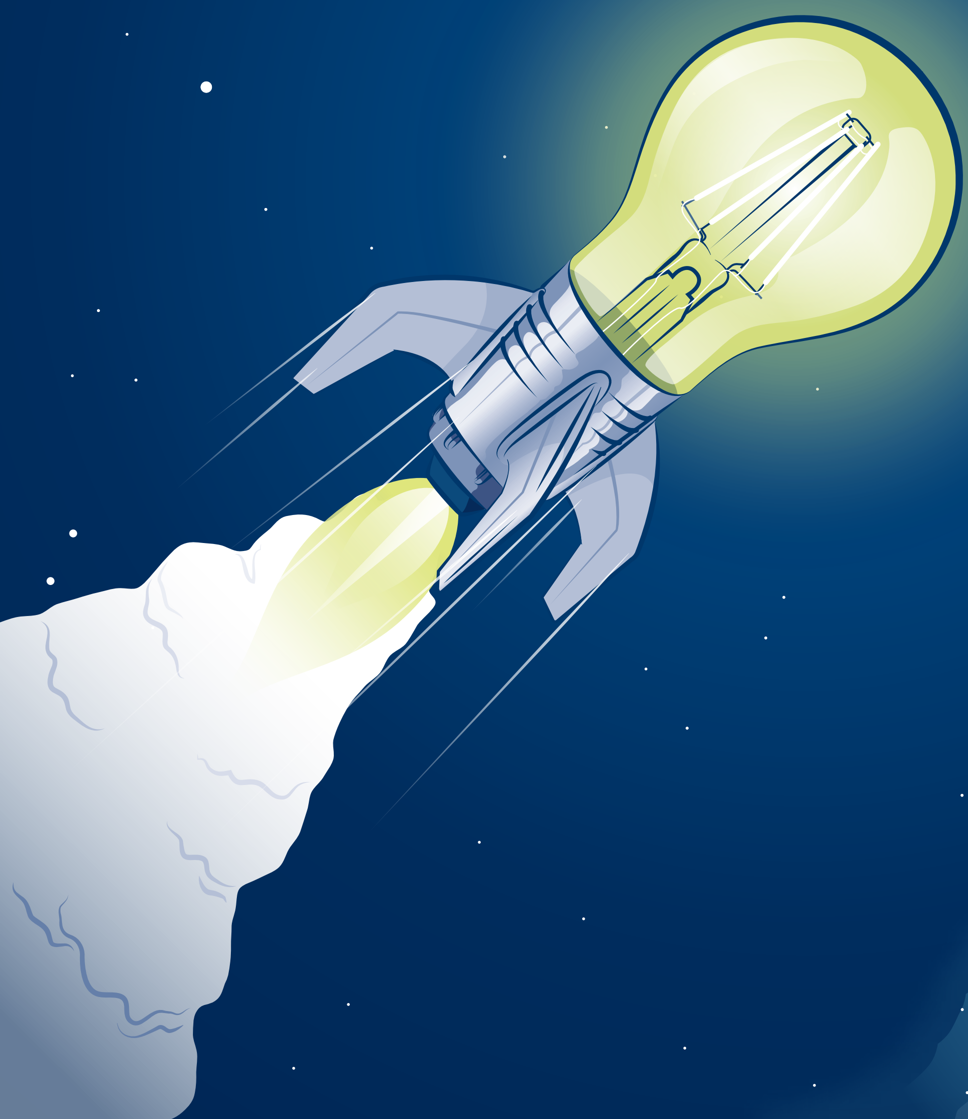


Figure 13

VP Bank Nova Next	VP Bank Nova Start	VP Bank Nova Save
VP Bank Nova Next is aimed at young adults between the ages of 18 and 30. In addition to free banking services, they receive a free VP Bank Debit Mastercard and a free VP Bank Credit Card. We also simplify access to investing by charging only a flat fee on invested assets, with no further transaction costs or additional fees.	VP Bank Nova Start is aimed at young people between the ages of 15 and 20 who have a regular income. All important banking services are included free of charge, as well as a preferential interest rate on the private and savings account.	With our fund savings plan VP Bank Nova Save, we enable young adults to participate in the development of the financial markets with small amounts. The fund savings plan is particularly suitable for investors who take a long-term view and wish to invest their money over a longer period. We offer you the opportunity to invest regularly and build wealth over the long term. The broad diversification of the capital reduces the risk and offers the opportunity to benefit from the opportunities of the capital market. The savings amount is self-determined and can be changed or suspended at any time.

Table 14

05 › Our business activities



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 services offered include 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 15.

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 a source of corruption, the granting and acceptance of advantages and financial crime in the banking business. This is achieved through regular training of client advisors as well as internal monitoring and control measures.

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 impact of negative news.	Messages were classified correctly, four of which were classified as ad-hoc announcements in 2023.
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.	Two management transactions took place in 2023. All vesting periods were respected.

Table 15

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 international guidelines, in particular those of the OECD on the Arm's Length Principle. 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 conduct 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 will invest in the establishment of a professional, centralised procurement function, which will be completed in 2023. In 2024, the governance of the procurement process will be further adapted and harmonised throughout the VP Bank Group. The priorities of this function are cost savings and quality improvements. At the same time, VP Bank is acquiring the ability to intensify the governance of direct suppliers and the supply chain in the medium term. All of our suppliers are already required to comply with the relevant regulations and international standards. A significant portion of our procurement consists of locally provided services and we therefore do not face the same significant supply chain challenges as other industries.

Digitalisation

VP Bank is consistently pursuing the path of digitalisation. Targeted investments in digital solutions not only strengthen our competitiveness, but also help to reduce our environmental footprint. The efficient use of digital resources enables us to operate in a more sustainable way while creating value for our clients.

The Digital Onboarding project is an example of how VP Bank is putting this into practice. In the near future, digital onboarding will mean that the client relationship will be handled entirely electronically and that handwritten, signed forms will no longer be required. The traditional signature will be replaced by a qualified electronic signature. For our clients, this will result in numerous advantages, including faster client onboarding – regardless of time and place. This is achieved by digital transmission, state-of-the-art technology coupled with high security standards and a reduction in the volume of paper.

With the successful introduction of eBill, VP Bank has reached a further milestone in its digital transformation. The eBill service not only offers our clients convenient and efficient payment options, but also makes a significant contribution to reducing paper consumption and environmental impact. With eBill, our customers experience faster payment processes, minimise their carbon footprint and benefit from a modern and user-friendly payment system.

We constantly strive to anticipate our clients' needs and optimise their interaction with our digital services. In addition, VP Bank is constantly making small adjustments to its digital channels in order to improve the client experience. One example of this is the various self-service functions that enable clients to perform an increasing number of tasks, such as address changes, digitally.

Another new feature in VP Bank e-banking allows clients to upload QR receipts directly into the browser, either by simple drag-and-drop or conveniently using the browser's search function. This not only provides our clients with another flexible option, but also underscores our commitment to a user-friendly and modern e-banking platform. It also eliminates the need to print and scan a physical QR invoice.

In 2023, we completed the outsourcing of our IT infrastructure to Swisscom. This step also paid off in terms of sustainability. Since the outsourcing, VP Bank no longer requires its own data centre or IT infrastructure. Our systems at Swisscom are powered 100 percent by electricity from renewable energy sources, and the data centres are operated in a climate-neutral manner.

Social

Key topics:

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

Our approach

VP Bank is convinced that sustainable corporate governance plays a key role in our overall success. This means that we think beyond the areas of compliance, good corporate governance and product offerings and pursue a holistic management approach. True sustainability includes the well-being of our employees and of society. With this in mind, we strive to continuously improve the working environment and employment conditions as well as our positive contribution as a member of society.

VP Bank creates a modern and attractive work environment. Motivation and health have an impact on individual performance. For this reason, we 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 opportunities for ongoing training and further education.

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.

In 2022, the Board of Directors approved the "Diversity and Inclusion Policy", which describes VP Bank Group's efforts to put diversity and inclusion into practice. It forms the basis for effective diversity and inclusion management throughout the VP Bank Group. Further information can be found in the "Equal Opportunities and Diversity" section.

Remuneration: VP Bank's Remuneration Policy creates a binding Group-wide 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 and transparent. The total remuneration of VP Bank Group employees consists of a fixed salary and possible additional compensation elements such as variable compensation components, employee share ownership and fringe benefits. The overall remuneration policy and the appropriateness of the fixed salary are reviewed annually and adjusted accordingly if necessary.

Figure 14

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 in accordance with the applicable legal provisions. Employees in Liechtenstein are represented by the Employee Council (ANV). The ANV serves as a point of contact for employees and mediates in various matters, such as dismissals or the protection of employee interests. The ANV's duties and powers are described in a participation regulation agreed with the Executive Board. For example, the ANV must be informed and involved by management in the event of changes to the general terms and conditions of employment or a planned reduction in the workforce. Regular meetings are held between the Chairman of the SNB and the Executive Board to discuss current personnel issues. VP Bank (Luxembourg) SA and VP Fund Solutions (Luxembourg) SA have a joint works council which represents the interests of the employees of both companies. The works council is committed to protecting and improving working conditions as well as defending employment relationships and jobs.

These two employee representative bodies cover approximately 80 percent of the VP Bank Group's total workforce. All suggestions, complaints and personal concerns are handled with the utmost discretion at regular meetings. Approximately 53 percent of the employees in Luxembourg are currently covered by collective labour agreements.

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.

A Diversity and Inclusion Policy, which was adopted and published by the GEM and the BoD, has been in place since 2022 to anchor diversity and inclusion in the workforce as an integral part of the corporate culture.

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 the diversity of thought that enhances our competitiveness and our level of innovation, and because we believe it is the right thing to do. In particular, we see improving gender diversity in our workforce as one of our most important sustainability goals.

Employee statistics

	Total 2023	Total 2022	Men 2023	Men 2022	Women 2023	Women 2022	Men 2023 in %	Men 2022 in %	Women 2023 in %	Women 2022 in %
Number of employees	1'085	1'011	646	602	439	409	60%	60%	40%	40%
Permanent employees	1'026	984	614	585	412	399	60%	59%	40%	41%
Temporary employees	59	57	32	36	27	21	54%	63%	46%	37%
Full-time employees	844	788	570	532	274	256	68%	68%	32%	32%
Part-time employees	241	223	76	70	165	153	32%	31%	68%	69%
Voluntary fluctuations	11.20%	13.40%	10.60%	12.60%	12.00%	14.60%	–	–	–	–

Table 16

Diversity data

	Total 2023	Total 2022	Men 2023	Men 2022	Women 2023	Women 2022	Men 2023 in %	Men 2022 in %	Women 2023 in %	Women 2022 in %
Board of directors	8	7	6	5	2	2	75%	71%	25%	29%
1st management level	7	6	6	6	1		86%	100%	14%	0%
2nd management level	30	31	26	29	4	2	87%	94%	13%	6%

Table 17

Equal pay is an important issue. VP Bank's goal is to ensure the implementation of equal pay and to comply with the requirements of the Gender Equality Act. Together with a qualified external partner, VP Bank conducted an equal pay analysis at all locations with more than 50 employees. This analysis confirmed that VP Bank complies with equal pay within the framework of the requirements. All locations that participated in the analysis received the SGS Fair-ON-Pay certificate.

Table 16 shows the current employee statistics of the VP Bank Group. Employee data for the entire VP Bank Group is stored in a central data system. Only authorised personnel are able to extract information and generate reports. As of 31 December 2023, VP Bank Group employed 1,085 people, of which 151 were client advisors. The fluctuation rate for 2023 was 11.2 percent (2022: 13.4 percent). Further information can be found in the "Employees" section of our Annual Report 2023.

Table 17 provides information on gender diversity and again shows that further action is needed to achieve a more balanced representation of women and men in the upper management levels.

Target Gender Equality

Since 2023, VP Bank has been participating in the Target Gender Equality (TGE) programme, a voluntary gender equality initiative for companies participating in the United Nations Global Compact (UNGC). The TGE programme supports participating companies through facilitated performance analysis, workshops and peer learning. Two company representatives actively participate in the programme on behalf of VP Bank, and a company ambassador follows developments and supports the representatives. Participation in the TGE programme helps us to promote gender equality, women's leadership and equal pay for work of equal value, thereby accelerating progress towards our corporate commitments and sustainability goals.

Training and Education

Targeted promotion of young talent

VP Bank is committed to the professional development of young talent because it is a strategic investment in the future of VP Bank. In order to provide its apprentices with the best possible training, VP Bank is constantly reviewing new training programmes and further developing existing ones. In 2023, for example, commercial training will be reformed in accordance with the new Education Ordinance (BIVO 2023). In addition, the training model "Career entry for high school graduates" will be added to VP Bank's training landscape in 2024.

The trainees are accompanied in their daily work by certified practical trainers. They change locations every six months. This ensures that they gain a comprehensive insight into the tasks of a bank and are optimally prepared for their apprenticeship. In the dual training system of company and vocational school, apprentices are already able to independently organise their own projects. These project groups make training at VP Bank unique.

In the year under review, five apprentices completed the commercial apprenticeship and two completed the IT apprenticeship at the Liechtenstein and Swiss locations.

With its graduate programme for students and university graduates, VP Bank offers attractive entry opportunities for both bachelor and master graduates. In the so-called "Flex-Graduate Programme", Master's students can combine theory and practice during their studies and gain valuable experience over a twelve-month period. The Bachelor's and Master's Graduate Programmes offer Bachelor's and Master's graduates the opportunity to deepen their knowledge in selected areas of application, as well as individual specialist and international days, in order to take on a defined target function and make their first career move after 18 months.

At the end of 2023, there were two students in the Flex Graduate Programme (previous year: 1), six graduates in the Master's Graduate Programme (previous year: 5) and two people in the Bachelor's Graduate Programme (previous year: 2).

Ongoing development and talent promotion

Investing in a wide range of training and development opportunities, and thus in the future of its employees, is deeply rooted in VP Bank's culture. For this reason, VP Bank fosters the strengths of its employees with individual, ongoing development opportunities – through both internal and external programmes.

Leadership trainings

The daily work of each individual employee is decisively shaped by the interaction with his or her supervisor. For this reason, it is particularly important for VP Bank that its managers have a uniform understanding of leadership. In 2023, the focus was on aligning the different styles of management with the various challenges of daily management work and on creating a common understanding of leadership quality. The goal of leadership training is to enable all managers to support and inspire VP Bank's employees in times of change and to take advantage of the opportunities that arise. This requires continuous development, particularly with regard to the leadership culture and Group-wide cooperation.

Another aspect of management training is the evaluation of management style by one's own team, accompanied by a self-assessment. This training programme serves to develop leadership skills and ensures the continuous, qualitative development of management at VP Bank.

Talent Academy

The Talent Academy is an internal development programme for employees. Each year, up to 20 individuals are selected to participate in the Talent Academy as part of a calibration process. The Academy offers the opportunity to work on personal strengths through various modules, to expand one's network and to participate in a hackathon to improve one's behavioural and methodological skills. The aim of the two-day hackathon is to work on a real business challenge and develop ideas or solutions.

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, 17 people (previous year: 30) completed a training course with a recognised diploma in the year under review, and a further 48 people (previous year: 29) were in training at the end of the year. The average amount spent on external training is around CHF 10,000.

	2023	2022	2021
Successfully completed continuing education	17	30	27
Currently in a continuing education training (as of 31.12.)	48	29	34

Table 18

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 the year under review, the Foundation awarded grants totalling approximately CHF 196,000, which were distributed as shown in the chart below.

One example of an environment-related organisation supported by the VP Bank Foundation is the myClimate Foundation. This includes the collaboration between the myClimate Foundation and the VP Bank Foundation in organising a two-day energy and climate workshop. Eight apprentices of VP Bank AG learned about climate change, climate protection and sustainability and developed projects to be implemented at VP Bank. The apprentices will present their projects at the Liechtenstein Energy and Climate Workshop at the end of June.

The Foundation also promotes diversity and inclusion through its support of the Women's Archive project, which archives sources related to the civil women's rights movement and provides a more complete and accurate picture of the history of the women's movement and gender equality in Liechtenstein. The Foundation also supports the "Diversity in Politics" initiative of the Association Frauennetz Liechtenstein, which aims to achieve a balanced composition of political bodies with people from all population groups, i.e. women and men of different ages and backgrounds.

VP Bank Foundation's distribution of funds

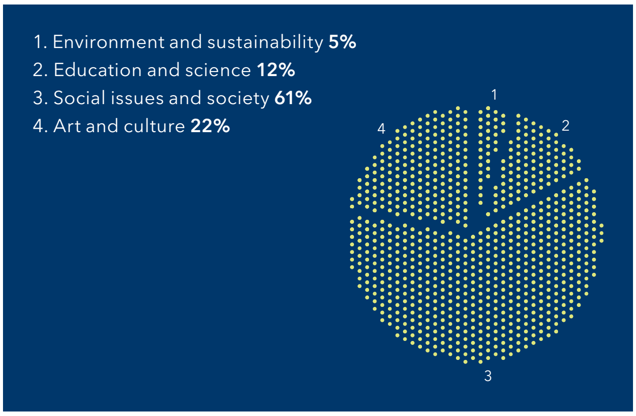


Figure 15

VP Bank and the Feldfreunde Association

Since the beginning of 2023, the VP Bank Foundation has been supporting the Feldfreunde association. The Feldfreunde association is committed to sustainable, agro-ecological food and agriculture, with the vision of establishing a sustainable understanding of nutrition in Liechtenstein. Various activities were organised with the Feldfreunde this year, including two volunteer days for VP Bank employees in Liechtenstein. The volunteer work included hands-on work and learning on local farms in Liechtenstein, such as clearing pastures, building fences and weeding. In addition to their work, the employees gained valuable insights into agro-ecological agriculture and its connection to good nutrition.

In addition to the volunteer days, other activities organised with the Feldfreunde included a small market stand set up in the VP Bank Bistro in Triesen, Liechtenstein, to give employees the opportunity to get to know the association and taste local products from Liechtenstein farmers. The Foundation has also collaborated with the Friends of the Land on events such as a public producers' arena in the "Ich, die Zukunft" tower in Schaan, Liechtenstein, which brought together local farmers, chefs and community members to create a link between regional products and local gastronomy.

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 19.

	2023	2022	2021	2020
Total	53	6	21	5

Table 19

Some of the events were organised as individual assignments, while others were team events. The assignments ranged from organising alumni events to assisting at Pink Ribbon charity events to volunteering at football tournaments with people with and without disabilities. In the year under review, the programme was communicated more strongly internally and supported by organised offers of work assignments through the VP Bank Foundation. This led to a significant increase in the number of participants.

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 parties to the agreement 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 identified climate change and resource efficiency as two of the most important topics in our business activities. To ensure that we achieve our goals, we will communicate regularly with our stakeholders and monitor our progress.

Climate change and clean energy

In our efforts to achieve our goal of CO_2-neutral business operations, we follow the hierarchy of climate protection measures:

- Reduce as much as possible: E-charging stations in Liechtenstein garages (fifteen facilities 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 more than 25 years ago, 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.
- Offsets as a last resort: In locations where we have no influence on the energy source, we will purchase offset certificates (e.g. in Singapore).

The VP Bank Group can look back on a long tradition of using renewable energies. The photovoltaic system installed on the roof of the Giessen building in Vaduz has been supplying environmentally friendly energy for 25 years. In 2023, we were able to generate a total of 189 MWh of our own energy with our photovoltaic system, of which we consumed 180 MWh. Other technologies used at our locations include LED lighting, motion-activated lighting systems and various renewable energy sources, such as the use of geothermal energy.

Table 20 shows the total energy consumption at Group level and the percentage share of fossil fuels and renewable energies. For 2023, the share of renewable energy in the Group's total consumption is 94.1% and the total energy consumption is 3,624 MWh. The total energy consumption of the sites in Liechtenstein decreases by 13.1% in 2023 compared to the previous year.

Energy consumption and energy mix of VP Bank Group

		2023	2022
1	Fuel consumption from coal and coal products (MWh)	19.0	21.1
2	Fuel consumption from crude oil and petroleum products (MWh)	94.7	96.0
3	Fuel consumption from natural gas (MWh)	96.7	96.1
4	Fuel consumption from other fosssil sources (MWh)	0.0	0.0
5	Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	0.0	85.0
6	**Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)**	**210.4**	**298.2**
	Share of fossil sources in total energy consumption (%)	5.8	6.5
7	Consumption from nuclear sources (MWh)	2.7	16.6
	Share of consumption from nuclear sources in total energy consumption (%)	0.1	0.4
8	Fuel consumption for renewable sources, including biomas (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	2'715.6	3'462.4
9	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	515.3	641.5
10	The consumption of self-generated non-fuel renewable energy (MWh)	180.2	196.4
11	**Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)**	**3'411.1**	**4'300.3**
	Share of renewable sources in total energy consumption (%)	94.1	93.2
	Total energy consumption (MWh) (calculated as the sum of lines 6, and 11)	**3'624.1**	**4'615.1**

Table 20

Environment and resource efficiency

Our internal environmental efforts are not limited to clean energy and reducing our carbon footprint. We have also implemented strict waste management policies and resource-efficient solutions. This includes an increased focus on digitisation and reducing our paper consumption. Our waste management policy ensures that we reduce and recycle waste wherever possible. Table 21 provides an overview of resource consumption at the Liechtenstein site over the last four years.

For example, paper consumption in Liechtenstein fell from 68.03 metric tons in 2004 to 19.1 metric tons in 2023. Paper consumption per employee was 29.3 kilograms in 2023. The increase of 8.3 percent compared to the previous year is due to the fact that numerous files from the archive were destroyed in 2023. The waste paper disposed of by VP Bank is shredded in an internal recycling plant and pressed into briquettes. In 2023, around 23.8 metric tons of paper briquettes were produced in this way. These were collected by a local recycling company and reused.

The total amount of waste at the Liechtenstein site was 172 metric tons, 30.1% more than in 2022. The increase is due to the reconstruction and dismantling of our data centres in Eschen and Giessen. As a result, we had significantly higher waste consumption in 2023 (waste wood, long scrap and industrial waste).

Environmental engagement

As part of our commitment to sustainability, we have been supporting the Drink & Donate organization since 2017. We provide an annual sum of CHF 42,000 to support these projects.

In this year's employee vote for the Drink & Donate donation, the Oratta project won with 51% of the vote. The Oratta project focuses on helping communities in Mozambique, East Africa, to expand their drinking water systems. The project team also trains authorities, local water commissions and companies to improve the reliability and quality of the existing water supply. In the third phase of the project, schools are being educated about menstrual hygiene and sexual and reproductive health.

Operational GHG emissions

Using an operational control approach, we report Scope 1, Scope 2 and Scope 3 emissions relevant to our own operations in accordance with the guidelines of the GHG Protocol. The following Scope 3 categories are included in our emissions inventory Categories 1, 2, 3, 5, 6 and 7. These Scope 3 categories have been selected based on their relevance to our operations, the size of the emissions and the influence we have on changing the category. Table 22 summarises the Group-wide operational greenhouse gas emissions of VP Bank.

For the calculation of the Global Warming Potential 100 (GWP 100), the values of the Intergovernmental Panel on Climate Change (IPCC) 2021 were used. These values are based on data published by the IPCC and express greenhouse gas emissions in kilograms of CO_2 equivalent over a time horizon of 100 years.

Resource consumption at the locations in Liechtenstein

	Einheit	2023	2022	2021	2020
Water consumption					
Total	t m^3	5.0	5.0	4.9	5.1
Δ previous year	%	0.4	1.4	–2.9	–9.2
Per employee	m^3	7.7	8.0	8.2	8.4
Paper consumption					
Total	t	19.1	17.6	25.3	32.7
Δ previous year	%	8.3	–30.3	–22.7	–8.7
Per employee	kg/MA	29.3	28.3	41.8	54.1
Waste consumption					
Total	t	171.7	132.0	124.8	150.3
Δ previous year	%	30.1	5.8	–17.0	–17.9
Per employee	kg/MA	263.3	211.9	206.6	248.4
Recycled	%	3.6	6.5	3.3	7.6

Table 21

GHG emissions of VP Bank Group

	2023	2022
Scope 1 greenhouse gas emissions		
Gross Scope 1 GHG emissions (tCO2e)	61.8	
Scope 2 greenhouse gas emissions		
Gross location-based Scope 2 GHG emissions (tCO2eq)	844.5	1'064.6
Gross market-based Scope 2 GHG emissions (tCO2eq)	149.8	168.6
Scope 3 greenhouse gas emissions (material)		
Total Gross indirect (Scope 3) GHG emissions (tCO2eq)	2'353.2	
1 Purchased goods and services	77.1	
2 Capital goods	281.9	
3 Fuel and energy-related activities	81.9	
5 Waste generated in operations	211.3	
6 Business travels	706.0	
7 Employee commuting	995.1	
Total GHG emissions		
Total GHG emissions (location-based) (tCO2eq)	3'259.6	
Total GHG emissions (market-based) (tCO2eq)	2'564.8	

Table 22

EU Taxonomy reporting

Article 8 of the EU Taxonomy Regulation 2020/852 aims to increase market transparency by providing investors with information on the environmental performance of the assets and economic activities of financial and non-financial companies. Article 8(1) of the EU Taxonomy Regulation stipulates that all financial and non-financial companies falling within the scope of Directive 2014/95/EU on non-financial reporting (NFRD) must report on the extent to which their economic activities are classified as environmentally sustainable in accordance with the Taxonomy Regulation ("taxonomy-aligned economic activities").

The key performance indicator for credit institutions is the Green Asset Ratio (GAR), which is the ratio of risk exposures arising from taxonomy-aligned activities to the total assets of these credit institutions. The GAR provides information on the extent to which credit institutions finance taxonomy-compliant activities when these relate to the core business of credit institutions, i.e. lending and investment, including loans, credits and debt securities, as well as their equity investments.

Financial institutions will be required to disclose GAR for the first time for the 2023 reporting year. The disclosure has been prepared on a best effort basis. The database has not been externally audited. Detailed information in tabular form using the reporting forms is provided in the annex to this report.

Table 23 provides an overview of the key results of the EU taxonomy disclosure in the Appendix to this report. As of 31 December 2023, the GAR of VP Bank Group amounts to 0.22% based on revenues and 0.48% based on CAPEX in relation to the total assets covered.

The Green Asset Ratio for participations of credit institutions in non-financial companies ("GAR EH") amounts to 7.8% based on revenues and 16.6% based on CAPEX.

At the time of reporting, financial institutions were not subject to any reporting requirements with regard to the taxonomy KPIs. Due to a lack of data, VP Bank's GAR therefore does not include any data relating to financial institutions. The retail business consists primarily of our mortgage portfolio, which focuses on financing in Liechtenstein and Switzerland. Currently, there are no national thresholds for near-zero energy buildings for which a conformity check can be performed. In addition, no or incomplete taxonomy information is available for the companies we finance. This is mainly due to the challenges of lending, which currently does not allow for full disclosure.

Increased transparency on the EU taxonomy will allow realistic and relevant GAR targets to be set for our future investments and financing, so that further integration into internal processes and policies can be considered.

Overview of disclosure in accordance with Article 8 of the EU Taxonomy Regulation

GAR by risk positions (CHF Mio.)	Total carrying amount	Taxonomy-aligned (Revenue)		Taxonomy-aligned (CAPEX)	
		carrying amount	%-aligned	carrying amount	%-aligned
Financial undertakings	105	0	0%	0	0%
non-financial undertakings	265	21	7.8%	44	16.6%
Households	2'674	0	0%	0	0%
Local governments financing	0	0	0%	0	0%
Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0%	0	0%
Assets excluded from the numerator for GAR calculation (covered in the denominator)	6'161	0	0%	0	0%
Total GAR assets	**9'205**	**21**	**0.2%**	**44**	**0.5%**
Assets not covered for GAR calculation	2'245				
Total assets	11'450				

Table 23

06 〉Disclosures

About this report

This report has been prepared in accordance with the core standards of the GRI. The report covers all material topics, the process for identifying and prioritising them through our stakeholder engagement, the potential impacts and a description of how the material topics are managed. For more information on the scope of each material topic, see → Table 3.

For additional information, this report can be read in conjunction with the 2023 Annual Report. Links to relevant guidelines and standards are included in this report, as well as references to where further information can be found.

This Sustainability Report covers the period from 1 January 2023 to 31 December 2023 and is published annually. The reporting period coincides with the 2023 Annual Report and is published at the same time.

There were no corrections or restatements of information that were published as part of the Sustainability Report 2022.

This Sustainability Report has not been externally verified.

Contact point for questions regarding the report or its content:

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Explanation of energy consumption and energy mix

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: 0.013 kg CO2e/kg (source: ecoinvent 3.10) **Heating:** 100% biogas. Emission factor (biogas): 0.012 kg CO_2e/kWh (source: Energie 360°)
VPBLU	**Electricity:** 100% renewable, from hydroelectricity. Emission factor: 0.004 kg CO_2/kWh (source: ecoinvent 3.10)
VPBSG	**Electricity:** 95% natural gas, 1% oil, 4% other. Emission factor (average): 0.4168 kg CO_2e/kWh (source: Energy Market Authority Singapore)
VPWHK	**Electricity:** 68% coal & oil, 32% natural gas, 0.1% renewable energy. Emission factor: 0.68 kg CO_2e/kWh (source: HK Electric)
VPBVG	**Electricity:** generated from crude oil that is transported. Emission factor: 1.00 kg CO_2/kWh (source: ecoinvent 3.10)
VPBLI	**Electricity:** 100% renewable, from hydropower and solar energy, including our own photovoltaic system. Emission factor (Naturstrom): 0.01713 kg CO_2e/kWh (source: Liechtensteinisches Kraftwerk LKW) **Heating:** 100% biogas. Emission factor (biogas): 0.012 kg CO_2e/kWh (source: Energie 360°)

Table 24

Explanation of the collection and calculation of operational GHG emissions

Where possible, the data used to calculate our greenhouse gas emissions comes directly from our suppliers, such as the emission factor for our energy consumption. Where this data was not available, the ecoinvent 3.10 database was used. As we now use emission factors from the ecoinvent database, the factors from previous years may have changed slightly. Where the emission factors were not available in ecoinvent, values from other published sources were used. We plan to improve our data collection and emission factor data for future reports in order to increase data quality.

Position	Explanation
Scope 1	Direct emissions from bank-owned or rented vehicles, generators, and refrigerants are included. For rented vehicles, supplier-specific emission factors are used. Other scope 1 emission factors were obtained from ecoinvent 3.10.
Scope 2	Location-based emission factors are from the following sources (in order of preference): 1) government websites, 2) emission factor from the country's largest electricity provider, or 3) ecoinvent 3.10. These factors often include transport, the fuel itself, etc. The amount of electricity was obtained from the respective electricity providers. Market-based emission factors were also supplier specific, except for VP Bank in BVI where ecoinvent 3.10 was used and VP Bank in Singapore where the grid emission factor from the Energy Market Authority was used. 2022 emissions data has been corrected to reflect the following: renewable energy is now treated as a zero-emission factor; a new emission factor from ecoinvent is used for VP Bank in BVI; and electricity data for Talstrasse 62 in Switzerland is now included.
Scope 3.1: Purchased goods and services	Purchased goods and services include meals served for locations with cafeterias, the coffee and snack services at our Liechtenstein location, coffee services at our Swiss location, and office supplies such as paper and toner for each location. We plan to expand the scope of purchased goods and services included in future reports. Cradle-to-plate emission factors for cafeteria services were estimated with figures from the AGRIBALYSE v3.0.1, 2020 database. Other non-food cradle-to-gate emission factors were obtained from either the supplier website or from the ecoinvent 3.10 database.
Scope 3.2: Capital goods	Our capital goods include the cradle-to-gate emissions of our IT infrastructure purchased in the reporting year, a new automobile purchase, and significant office renovations at VP Bank in Singapore. Cradle-to-gate emission factors were obtained from the ecoinvent 3.10 database, except for the Singapore office renovations, where the medium estimate for embodied carbon published by the Carbon Leadership Forum (https://carbonleadershipforum.org/office-buildings-lca/) was used.
Scope 3.3: Fuel and energy related activities	Cradle-to-gate emissions factors for renewable energy production (e.g., renewable power plant infrastructure) and for the extraction, production and transportation of petrol and diesel used in our bank owned or rented vehicles were obtained from the ecoinvent 3.10 database, except for Biogas and VP Bank Liechtenstein's electricity emissions where supplier-specific emission factors were used.
Scope 3.5: Waste generated in operations	Waste is not yet measured at VP Bank locations in Luxembourg, Singapore, Hong Kong, and BVI. We therefore assume that these offices produce the same amount of waste per employee as the offices in Liechtenstein. We use national data of these countries to determine the waste treatment method. Emissions factors were obtained from ecoinvent 3.10.
Scope 3.6: Business travel	Emission factors for travel for VP Bank in Luxembourg, Liechtenstein, and Switzerland were provided by the travel agency. For the other locations, CO_2 conversion factors for car travel and short-, medium- and long-haul flights were taken from ecoinvent. Business travel at VP Bank in the BVI is not included.
Scope 3.7: Employee commuting	Employee commuting is location-specific for VP Bank in Hong Kong, Singapore, and BVI. Commuting for VP Bank in Switzerland, Liechtenstein, and Luxembourg is based on average national data on commuting patterns in Switzerland (https://www.bfs.admin.ch/bfs/en/home/statistics/mobility-transport/passenger-transport/commuting.html).

Table 25

The EU Taxonomy, as part of the European Green Deal, provides an ambitious framework for categorising sustainable activities in order to channel investments into sustainable projects. In this chapter, we explain how our business activities and investments fulfil the criteria for environmentally sustainable economic activities, including our contributions to climate protection and adaptation to climate change.

Based on Article 9 of the EU Taxonomy Regulation 2020/852, the following environmental objectives are applied:
1. climate change mitigation;
2. climate change adaptation;
3. the sustainable use and protection of water and marine marine resources;
4. the transition to a circular economy;
5. pollution prevention and control;
6. protection and restoration of biodiversity and ecosystems.

On the following pages you will find the reporting forms according to the Delegated Act on Disclosure (2021/2178/EU), Annex VI and Annex XII in relation to nuclear and fossil gas activities, as well as additional qualitative information for a better understanding of the information.

Environmental objectives

In 2023, the EU taxonomy was expanded to include the four remaining environmental targets (3 to 6) covered by the EU environmental legislation and the "EU taxonomy: Delegated act on climate to accelerate decarbonisation" relating to certain gas and nuclear activities. Activities in connection with EU environmental targets 3 to 6 are not reported for the 2023 financial year due to a lack of data.

Performance indicators

The key performance indicators are based on revenue (turnover) and capital expenditure ("CapEx").

Non-financial undertakings

Non-financial undertakings have been reporting their key performance indicators (KPIs) to the taxonomy since 1 January 2023. All non-financial undertakings subject to the NFRD were taken into account, provided they were identified as such by our data provider. We expect the transparency of companies in relation to the EU taxonomy to increase.

Financial undertakings (financial companies)

Financial undertakings report their KPIs from 1 January 2024. All non-financial undertakings subject to the NFRD were taken into account, provided they were identified as such by our data provider. At the time of reporting, the financial counterparties had not yet reported their taxonomy KPIs. There is a dependency on the reporting of the companies in which investments are made with regard to the technical test criteria defined in the EU Taxonomy Regulation.

Retail business (Households)

The disclosure of the KPIs of the credit institutions relates to the retail loan portfolio, in particular the mortgage loan portfolio. This KPI is disclosed taking into account compliance with the technical screening criteria for buildings in accordance with sections 7.2, 7.3, 7.4, 7.5, 7.6 and 7.7 of Annex I of the Delegated Act on Climate Change.

As set out in the Commission Communication of 21 December 2023 on Article 8 of the EU Taxonomy Regulation, for retail exposures (e.g. mortgage and car loans), if no data or evidence is available, financial entities should consider the exposure as non-taxonomy eligible or non-taxonomy compliant, i.e. financial entities should enter a "zero" value in the numerator of the relevant KPI without further verification.

Financing to public authorities (local government financing)

VP Bank's business model does not include the financing of public housing construction or financing of other activities of public institutions within the EU; for this reason, no such KPI exists.

Total GAR

The calculation underlying the denominator (Total GAR Assets) is based on the balance sheet total (assets) of VP Bank, 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 (Assets not covered for GAR).

Green ratio for financial guarantees to financial and non-financial companies (FinGuar-KPI)

The green ratio for financial guarantees to companies is defined as the proportion of financial guarantees that support debt securities for the financing of taxonomy-compliant economic activities compared to all financial guarantees that support corporate debt securities. As at the reporting date, there are no such financial guarantees in the EU.

Green ratio for assets under management (AuM KPI)

The green ratio of assets under management is the share of assets under management (equity and debt instruments) of companies that finance taxonomy-compliant economic activities in total assets under management (equity and debt instruments). Among other things, assets such as derivatives, foreign exchange, precious metals, money market positions, structured products and digital assets were not taken into account. Excluding these items results in coverage of 93% of assets under management (excluding custody assets).

Data basis

The EU taxonomy reporting was prepared based on the regulatory consolidation of VP Bank Group in accordance with the regulatory reporting of financial institutions pursuant to Regulation (EU) 575/2013 and Implementing Regulation (EU) 2021/451 (FINREP). In the area of direct investments and investment funds relating to financial companies and non-financial companies subject to the NFRD, we rely on the taxonomy information from MSCI. We only use values reported by the companies; estimated values from the third-party provider are not taken into account. In the case of collective investments, a clear distinction between reported and estimated values is only possible to a limited extent; exceptions may occur.

Data limitations

At present, we do not have the necessary data coverage and quality to identify and document all of the Bank's sustainable activities that fall under the EU taxonomy. In the coming years, we will continue our efforts to improve data coverage and quality.

As the reporting of non-financial companies in relation to the two climate targets – climate change mitigation (CCM) and climate change adaptation (CCA) – is less precise than for the total amount (CCM + CCA), the underlying data basis from MSCI is incomplete in some cases. As a result, there are occasional inconsistencies between the amounts shown in Template 1 in accordance with Art. 8 of the Taxonomy Regulation and in the templates in accordance with Annex XII Activities in the areas of nuclear energy and fossil gas.

In the area of mortgages, Liechtenstein does not yet have a national threshold value for near-zero energy buildings, which is required for the assessment of taxonomy conformity. A similar situation exists due to insufficient regulations on energy efficiency, which is also important for the calculation of the GAR.

Information on GAR sectors

The template "2nd sector information" only contains information for sectors in which there is exposure.

Exposure to nuclear energy and fossil gases

In accordance with Art. 8 (6) and (7) and Annex XII of the EU Taxonomy Regulation 2021/2178, the activities in the areas of nuclear energy and fossil gas are disclosed in reporting forms 1 to 5. VP Bank is not actively involved in the areas indicated as "Yes" in disclosure form 1, but finances such activities in individual cases by holding risk positions (e.g. by purchasing bonds). There is no credit exposure related to these activities as at the reporting date.

Other disclosures

The KPIs fees and commissions (template 6) will be subject to disclosure from 2026 and therefore disclosure of this template is not required in the current reporting period. Template 4 on "GAR inflows" is not applicable in the first year of GAR reporting as there is no reference period. Pursuant to Art. 94 (1) CRR, VP Bank Group has a small trading book. For this reason, the obligation to report KPIs on the trading book portfolio does not apply (template 7).

Summary of KPIs

Turnover

		Total environmentally sustainable assets (in CHF Mio.)	KPI[4]	KPI[5]	% coverage (over total assets)[3]	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	20.5	0.2%	n/a	0.18%	53.8%	

		Total environmentally sustainable activities (in CHF Mio.)	KPI[4]	KPI[5]	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	–	–	–	–	–	
	Trading book[1]	n/a	n/a	n/a			
	Financial guarantees	–	–	n/a			
	Assets under management	204.2	0.8%	n/a			
	Fees and commissions income[2]	n/a	n/a	n/a			

Investments (CapEx)

		Total environmentally sustainable assets (in CHF Mio.)	KPI[4]	KPI[5]	% coverage (over total assets)[3]	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	44.1	n/a	0.5%	0.38%	53.8%	

		Total environmentally sustainable activities (in CHF Mio.)	KPI[4]	KPI[5]	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	–	–	–	–	–	
	Trading book[1]	n/a	n/a	n/a			
	Financial guarantees	–	n/a	–			
	Assets under management	401.8	n/a	1.6%			
	Fees and commissions income[2]	n/a	n/a	n/a			

[1] For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR
[2] Fees and commissions income from services other than lending and AuM
Instutitons shall dislcose forwardlooking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.
[3] % der für den KPI erfassten Vermögenswerte im Verhältnis zu den Gesamtaktiva der Banken
[4] based on the Turnover KPI of the counterparty
[5] based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used
Note 1: Across the reporting templates: cells shaded in black should not be reported.
Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs´inclusion in these KPI will only apply subject to a positive result of an impact assessment.

Assets for the calculation of GAR

Turnover

		a	b	c	d
	Million CHF	Total (gross) carrying amount	Climate Change Mitig		
			Of which towards taxonomy relevant s		
				Of which environme (Taxonomy-	
					Of which Use of Pro- ceeds
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	3'044	3.6	17.8	–
2	**Financial undertakings**	105	–	–	–
3	Credit institutions	84	–	–	–
4	Loans and advances				
5	Debt securities, including UoP	84	–	–	
6	Equity instruments	–	–	–	
7	Other financial corporations	21	–	–	–
8	of which investment firms	–	–	–	–
9	Loans and advances				
10	Debt securities, including UoP				
11	Equity instruments				
12	of which management companies	21	–	–	–
13	Loans and advances				
14	Debt securities, including UoP	12	–	–	
15	Equity instruments	9	–	–	
16	of which insurance undertakings	–	–	–	–
17	Loans and advances				
18	Debt securities, including UoP				
19	Equity instruments				
20	**Non-financial undertakings**	265	3.6	17.8	–
21	Loans and advances	57			
22	Debt securities, including UoP	173	3.6	15.5	
23	Equity instruments	36	–	2.2	
24	**Households**	2'674			
25	of which loans collateralised by residential immovable property	1'603	–	–	–
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**				
29	Housing financing				
30	Other local government financing				
31	**Collateral obtained by taking possession: residential and commercial immovable properties**				
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	6'161			
33	**Financial and Non-financial undertakings**	4'559			
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1'194			
35	Loans and advances	382			
36	of which loans collateralised by commercial immovable property				
37	of which building renovation loans				
38	Debt securities	743			
39	Equity instruments	69			
40	Non-EU country counterparties not subject to NFRD disclosure obligations	3'364			
41	Loans and advances	2'386			
42	Debt securities	914			
43	Equity instruments	65			
44	**Derivatives**	42			
45	**On demand interbank loans**	772			
46	**Cash and cash-related assets**	562			
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	227			
48	**Total GAR assets**	**9'205**	**3.6**	**17.8**	**–**
49	**Assets not covered for GAR calculation**	2'245			
50	**Central governments and Supranational issuers**	634			
51	**Central banks exposure**	1'611			
52	**Trading book**	0			
53	**Total assets**	11'450			
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations				
54	Financial guarantees	–			
55	Assets under management	24'890	41.4	183.5	183.5
56	Of which debt securities	16'078	29.3	145.8	145.8
57	Of which equity instruments	8'811	12.1	37.7	37.7

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).

2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.

e	f	g	h	i	j	ab	ac	ad	ae	af
Disclosure reference date T										
ation (CCM)		Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
sectors (Taxonomy-eligible)		Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
ntally sustainable -aligned)			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
0.1	4.6	–	0.2	–	0.2	54.1	20.5	–	0.1	4.6
–	–	–	–	–	–	2.9	–	–	–	–
–	–	–	–	–	–	1.6	–	–	–	–
–	–	–	–		–	1.6	–		–	–
–	–	–	–		–	–	–		–	–
–	–	–	–	–	–	1.3	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	1.3	–	–	–	–
–	–	–	–		–	0.5	–		–	–
–	–	–	–		–	0.8	–		–	–
–	–	–	–	–	–	–	–	–	–	–
0.1	4.6	–	0.2	–	0.2	51.1	20.5	–	0.1	4.6
						5.7				
0.0	3.3	–	0.2		0.2	35.7	18.2		0.0	3.3
0.1	1.3	–	0.0		–	9.7	2.3		0.1	1.3
–	–	–	–	–	–	–	–	–	–	–
0.1	**4.6**	**–**	**0.2**	**–**	**0.2**	**54.1**	**20.5**	**–**	**0.1**	**4.6**
6.2	97.6	0.0	4.4	4.4	0.5	843.8	204.2	204.2	6.6	104.4
4.6	85.1	0.0	2.5	2.5	0.4	659.3	156.2	156.2	4.6	87.9
1.7	12.5	–	1.9	1.9	0.1	184.5	48.1	48.1	2.0	16.5

3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations.

4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure.

CapEx

		a	b	c	d
	Million CHF	Total (gross) carrying amount	Climate Change Mitig		
			Of which towards taxonomy relevant s		
				Of which environme (Taxonomy-	
					Of which Use of Proceeds
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	3'044	4.9	38.9	
2	**Financial undertakings**	105	–	–	
3	Credit institutions	84	–	–	
4	Loans and advances				
5	Debt securities, including UoP	84	–	–	
6	Equity instruments	0	–	–	
7	Other financial corporations	21	–	–	
8	of which investment firms	0	–	–	
9	Loans and advances				
10	Debt securities, including UoP				
11	Equity instruments				
12	of which management companies	21	–	–	
13	Loans and advances				
14	Debt securities, including UoP	12	–	–	
15	Equity instruments	9	–	–	
16	of which insurance undertakings	0	–	–	
17	Loans and advances				
18	Debt securities, including UoP				
19	Equity instruments				
20	**Non-financial undertakings**	265	4.9	38.9	
21	Loans and advances	57			
22	Debt securities, including UoP	173	4.9	32.4	
23	Equity instruments	36	–	6.6	
24	**Households**	2'674			
25	of which loans collateralised by residential immovable property	1'603			
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**				
29	Housing financing				
30	Other local government financing				
31	**Collateral obtained by taking possession: residential and commercial immovable properties**				
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	6'161			
33	**Financial and Non-financial undertakings**	4'559			
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1'194			
35	Loans and advances	382			
36	of which loans collateralised by commercial immovable property				
37	of which building renovation loans				
38	Debt securities	743			
39	Equity instruments	69			
40	Non-EU country counterparties not subject to NFRD disclosure obligations	3'364			
41	Loans and advances	2'386			
42	Debt securities	914			
43	Equity instruments	65			
44	**Derivatives**	42			
45	**On demand interbank loans**	772			
46	**Cash and cash-related assets**	562			
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	227			
48	**Total GAR assets**	**9'205**	**4.9**	**38.9**	
49	**Assets not covered for GAR calculation**	2'245			
50	**Central governments and Supranational issuers**	634			
51	**Central banks exposure**	1'611			
52	**Trading book**	0			
53	**Total assets**	11'450			
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations				
54	Financial guarantees	0			
55	Assets under management	24'890	36.0	377.3	
56	Of which debt securities	16'078	29.2	294.4	
57	Of which equity instruments	8'811	6.8	82.8	

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).

2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.

e	f	g	h	i	j	ab	ac	ad	ae	af
Disclosure reference date T										
ation (CCM)		Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
sectors (Taxonomy-eligible)		Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
ntally sustainable -aligned)			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
0.7	13.1	–	0.0		0.0	89.9	44.1		0.7	13.1
–	–	–	–		–	3.0	–		–	–
–	–	–	–		–	1.6	–		–	–
–	–	–	–		–	1.6	–		–	–
–	–	–	–		–	–	–		–	–
–	–	–	–		–	1.4	–		–	–
–	–	–	–		–	–	–		–	–
–	–	–	–		–	1.4	–		–	–
–	–	–	–		–	0.6	–		–	–
–	–	–	–		–	0.8	–		–	–
–	–	–	–		–	–	–		–	–
0.7	13.1	–	0.0		0.0	86.9	44.1		0.7	13.1
						5.3				
0.6	9.9	–	0.0		0.0	68.0	37.5		0.6	9.9
0.2	3.1	–	0.0		–	13.7	6.6		0.2	3.1
0.7	**13.1**	**–**	**0.0**		**0.0**	**89.9**	**44.1**		**0.7**	**13.1**
18.1	171.6	–	4.2		1.1	1'202.8	401.8		19.5	185.2
14.2	139.6	–	2.1		0.5	941.0	306.9		14.8	143.8
3.9	32.0	–	2.2		0.6	261.8	94.9		4.7	41.4

3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations.

4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure.

GAR sector information

Turnover

		a	b	c	d
Breakdown by sector – NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		(Gross) carrying amount		(Gross) carrying amount	
		Million CHF	Of which environmentally sustainable (CCM)	Million CHF	Of which environmentally sustainable (CCM)
1	35.11	21'165'985	5'898'130		
2	35.13	13'257'944	3'987'878		
3	53.10	7'393'695	2'062'841		
4	49.31				
5	46.73	5'607'906	953'344		
6	19.20	2'785'363	807'755		
7	37.00				
8	49.50	1'862'525	353'880		
9	42.11	1'860'883	372'177		
10	53.20	1'864'565	315'111		
11	29.10	2'826'714	282'671		
12	68.20	1'852'133	196'326		
13	61.20	6'602'460	193'708		
14	80.20	2'815'039	84'451		
15	20.30	9'382'033	22'519		
16	28.92	2'799'682	8'399		
17	20.59	3'724'567	7'449		

1. Credit institutions shall disclose in this template information on exposures in the banking book towards those sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty.

CapEx

		a	b	c	d
Breakdown by sector – NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		(Gross) carrying amount		(Gross) carrying amount	
		Million CHF	Of which environmentally sustainable (CCM)	Million CHF	Of which environmentally sustainable (CCM)
1	06.10	7'574'614	128'768		
2	10.51	3'809'732	11'429		
3	19.20	2'785'363	2'089'022		
4	20.30	9'382'033	28'148		
5	20.42	6'577'669	591'990		
6	20.59	3'724'567	18'623		
7	26.30	1'870'662	56'120		
8	28.92	2'799'682	8'399		
9	29.10	2'826'714	621'877		
10	35.11	21'165'985	13'369'415		
11	35.13	13'257'944	11'134'703		
12	37.00				
13	42.11	1'860'883	111'653		
14	46.73	5'607'906	1'962'767		
15	47.11	3'732'634	223'958		
16	47.71	2'817'008	422'551		
17	49.31				
18	49.50	1'862'525	707'759		
19	52.21				
20	53.10				
21	53.20	1'864'565	139'842		
22	61.20	6'602'460	83'112		
23	61.30	5'729'805	5'730		
24	68.20	1'852'133	577'865		
25	80.20	2'815'039	56'301		

1. Credit institutions shall disclose in this template information on exposures in the banking book towards those sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty.

e	f	g	h	y	z	aa	ab
Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount	
Million CHF	Of which environmentally sustainable (CCA)	Million CHF	Of which environmentally sustainable (CCA)	Million CHF	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Million CHF	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
				21'165'985	5'898'130		
				13'257'944	3'987'878		
				7'393'695	2'062'841		
				4'677'734	2'058'203		
				5'607'906	953'344		
				2'785'363	807'755		
				1'871'454	619'451		
				1'862'525	372'505		
				1'860'883	372'177		
				1'864'565	315'111		
				2'826'714	282'671		
				1'852'133	196'326		
6'602'460	157'333			6'602'460	193'708		
				2'815'039	84'451		
				9'382'033	22'519		
				2'799'682	8'399		
				3'724'567	7'449		

2. The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.

e	f	g	h	y	z	aa	ab
Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount	
Million CHF	Of which environmentally sustainable (CCA)	Million CHF	Of which environmentally sustainable (CCA)	Million CHF	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Million CHF	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
				7'574'614	121'194		
				3'809'732	11'429		
				2'785'363	2'089'022		
				9'382'033	28'148		
				6'577'669	591'990		
				3'724'567	18'623		
				1'870'662	56'120		
				2'799'682	8'399		
				2'826'714	621'877		
				21'165'985	13'369'415		
				13'257'944	11'323'398		
				1'871'454	159'074		
				1'860'883	111'653		
				5'607'906	1'962'767		
				3'732'634	223'958		
				2'817'008	422'551		
				4'677'734	972'969		
				1'862'525	722'660		
				10'489'110	110'136		
				7'393'695	3'719'029		
				1'864'565	139'842		
6'602'460	31'841			6'602'460	83'112		
				5'729'805	5'730		
				1'852'133	577'865		
				2'815'039	56'301		

2. The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.

GAR KPI stock

Turnover

		a	b	c	d	e
	% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.1	0.6		0.0	0.2
2	**Financial undertakings**	–	–		–	–
3	Credit institutions	–	–		–	–
4	Loans and advances					
5	Debt securities, including UoP	–	–		–	–
6	Equity instruments					
7	Other financial corporations	–	–		–	–
8	of which investment firms					
9	Loans and advances					
10	Debt securities, including UoP					
11	Equity instruments					
12	of which management companies	–	–		–	–
13	Loans and advances					
14	Debt securities, including UoP	–	–		–	–
15	Equity instruments	–	–		–	–
16	of which insurance undertakings					
17	Loans and advances					
18	Debt securities, including UoP					
19	Equity instruments					
20	**Non-financial undertakings**	1.4	6.7		0.0	1.7
21	Loans and advances	–	–		–	–
22	Debt securities, including UoP	2.1	9.0		0.0	1.9
23	Equity instruments	–	6.3		0.2	3.6
24	**Households**	–	–		–	–
25	of which loans collateralised by residential immovable property	–	–		–	–
26	of which building renovation loans		–		–	–
27	of which motor vehicle loans		–		–	–
28	**Local governments financing**		–		–	–
29	Housing financing		–		–	–
30	Other local government financing		–		–	–
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–	–		–	–
32	**Total GAR assets**	0.0	0.2		0.0	0.1

f	g	h	i	aa	ab	ac	ad	ae	af
Disclosure reference date T									
Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
–	0.0		0.0	1.8	0.7		0.0	0.2	–
–	–		–	2.8	–		–	–	–
–	–		–	1.9	–		–	–	–
–	–		–	1.9	–		–	–	–
				–	–				
–	–		–	6.4	–		–	–	–
				–	–				
–	–		–	6.4	–		–	–	–
–	–		–	4.2	–		–	–	–
–	–		–	–	–		–	–	–
				–	–				
–	0.1		0.1	19.3	7.8		0.0	1.7	–
–	–		–	10.1	–		–	–	–
–	0.1		0.1	20.7	10.6		0.0	1.9	–
–	0.1		–	–	–		0.2	3.6	–
–	–		–	–	–		–	–	–
–	–		–	–	–		–	–	–
–	–		–	–	–		–	–	–
–	–		–	–	–		–	–	–
–	–		–	–	–		–	–	–
–	–		–	–	–		–	–	–
–	–		–	–	–		–	–	–
–	–		–	–	–		–	–	–
–	0.0		0.0	0.6	0.2		0.0	0.1	–

GAR KPI stock

CapEx

	% (compared to total covered assets in the denominator)	a	b	c	d	e
		Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.2	1.3		0.0	0.4
2	**Financial undertakings**	–	–		–	–
3	Credit institutions	–	–		–	–
4	Loans and advances					
5	Debt securities, including UoP	–	–		–	–
6	Equity instruments					
7	Other financial corporations	–	–		–	–
8	of which investment firms					
9	Loans and advances					
10	Debt securities, including UoP					
11	Equity instruments					
12	of which management companies	–	–		–	–
13	Loans and advances					
14	Debt securities, including UoP	–	–		–	–
15	Equity instruments	–	–		–	–
16	of which insurance undertakings					
17	Loans and advances					
18	Debt securities, including UoP					
19	Equity instruments					
20	**Non-financial undertakings**	1.9	14.7		0.3	4.9
21	Loans and advances	–	–		–	–
22	Debt securities, including UoP	2.9	18.8		0.3	5.8
23	Equity instruments	–	18.4		0.5	8.8
24	**Households**	–	–		–	–
25	of which loans collateralised by residential immovable property	–	–		–	–
26	of which building renovation loans		–		–	–
27	of which motor vehicle loans		–		–	–
28	**Local governments financing**		–		–	–
29	Housing financing		–		–	–
30	Other local government financing		–		–	–
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–	–		–	–
32	**Total GAR assets**	0.1	0.4		0.0	0.1

f	g	h	i	aa	ab	ac	ad	ae	af
Disclosure reference date T									
Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
–	0.0		0.0	3.0	1.4		0.0	0.4	–
–	–		–	2.8	–		–	–	–
–	–		–	1.9	–		–	–	–
–	–		–	1.9	–		–	–	–
				–	–				
–	–		–	6.6	–		–	–	–
				–	–				
–	–		–	6.6	–		–	–	–
–	–		–	4.6	–		–	–	–
–	–		–	–	–		–	–	–
				–	–				
–	0.0		0.0	32.8	16.6		0.3	4.9	–
–	–		–	9.3	–		–	–	–
–	0.0		0.0	39.4	21.7		0.3	5.8	–
–	0.0		–	–	–		0.5	8.8	–
–	–		–	–	–		–	–	–
–	–		–	–	–		–	–	–
–	–		–	–	–		–	–	–
–	–		–	–	–		–	–	–
–	–		–	–	–		–	–	–
–	–		–	–	–		–	–	–
–	–		–	–	–		–	–	–
–	–		–	–	–		–	–	–
–	0.0		0.0	1.0	0.5		0.0	0.1	–

KPI off-balance sheet exposures

Umsatz

% (compared to total eligible off-balance sheet assets)

		a	b	c	d	e
		Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)					
2	Assets under management (AuM KPI)	0.17	0.74	-	0.03	0.39

1. Institution shall dislcose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.
2. Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures.

CapEx

% (compared to total eligible off-balance sheet assets)

		a	b	c	d	e
		Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)					
2	Assets under management (AuM KPI)	0.14	1.52	-	0.07	0.69

1. Institution shall dislcose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.
2. Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures.

f	g	h	i	j	ab	ac	ad	ae
Disclosure reference date T								
Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
0.00	0.02	–	0.00	3.39	0.82	–	0.03	0.42

f	g	h	i	j	ab	ac	ad	ae
Disclosure reference date T								
Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
–	0.02	–	0.00	4.83	1.61	–	0.08	0.74

Template 1:
Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Template 2:
Taxonomy-aligned economic activities (denominator)

Turnover

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		**Climate change adaptation (CCA)**	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	979’995	4.8	979’995	5.5	–	–
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	19’550’150	95.2	16’812’177	94.5	186’954	100.0
8	**Total applicable KPI**	**20’530’144**	**–**	**17’792’172**	**–**	**186’954**	

CapEx

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		**Climate change adaptation (CCA)**	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–		–
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	206’011	0.5	206’011	0.5	–	–
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1’739’324	3.9	1’739’324	4.5	–	–
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	46’453	0.1	46’453	0.1	–	–
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	41’808	0.1	41’808	0.1	–	–
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	42’041’536	95.4	36’868’579	94.8	47’645	100.0
8	**Total applicable KPI**	**44’075’131**	**–**	**38’902’174**	**–**	**47’645**	**–**

Template 3:
Taxonomy-aligned economic activities (numerator)

Turnover

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		**Climate change adaptation (CCA)**	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	0	–	0	–	0
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	0	–	0	–	0
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3’026’283	15	3’026’283	17	–	0
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	0	–	0	–	0
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	0	–	0	–	0
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	0	–	0	–	0
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**17’503’862**	**85**	**14’765’889**	**83**	**186’954**	**0**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**20’530’144**		**17’792’172**		**186’954**	

CapEx

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		**Climate change adaptation (CCA)**	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	0	–	0	–	0
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	343’352	1	343’352	1	–	0
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2’581’978	6	2’581’978	7	–	0
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	55’744	0	55’744	0	–	0
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	51’098	0	51’098	0	–	0
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	0	–	0	–	0
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**41’042’959**	**93**	**35’870’002**	**92**	**47’645**	**0**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**44’075’131**		**38’902’174**		**47’645**	

Template 4:
Taxonomy-eligible but not taxonomy-aligned economic activities

Turnover

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		**Climate change adaptation (CCA)**	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	18'609	0.1	18'609	0.1	–	–
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2'169'667	6.5	1'942'465	5.8	–	–
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1'702'293	5.1	1'702'293	5.1	–	–
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	948'403	2.8	948'403	2.8	–	–
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**28'706'470**	**85.6**	**28'933'672**	**86.3**	–	–
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**33'545'442**	**-**	**33'545'442**	**-**		**-**

CapEx

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		**Climate change adaptation (CCA)**	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	18'609	0.0	18'609	0.0	–	–
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	961'810	2.1	872'306	1.9	–	–
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1'328'564	2.9	1'328'564	2.9	–	–
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**43'527'720**	**95.0**	**43'617'224**	**95.2**	–	–
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**45836702.79**	**-**	**45'836'703**	**-**		**-**

Template 5:
Taxonomy non-eligible economic activities

Turnover

Row	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	916’011	0.0
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**6’105’878’106**	**100.0**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**6’106’794’117**	**–**

CapEx

Row	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1’510’750	0.0
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	407’197	0.0
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	297’811	0.0
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**6’068’742’113**	**100.0**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**6’070’957’870**	**–**

TCFD

Area	TCFD Recommendations	Reference
Strategy		
	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	30–31
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	30–31
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios,including a 2°C or lower scenario.	30–31
Governance		
	Describe the board's oversight of climate-related risks and opportunities.	28–29
	Describe management's role in assessing and managing climate-related risks and opportunities.	28–29
Risk Management		
	Describe the organization's processes for identifying and assessing climate-related risks.	32–33
	Describe the organization's processes for managing climate-related risks.	32–33
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	32–33
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.	34–35
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	34–35
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	34–35

UN Global Compact

Principle	Report Reference
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	23–24, 26, 38, 42; Code of Conduct; Diversity and Inclusion Strategy
Principle 2: make sure that they are not complicit in human rights abuses.	38, 42
Labour	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	45–46
Principle 4: the elimination of all forms of forced and compulsory labour;	42–44; Code of Conduct
Principle 5: the effective abolition of child labour; and	38, 42; Code of Conduct
Principle 6: the elimination of discrimination in respect of employment and occupation.	46–47
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	27–35
Principle 8: undertake initiatives to promote greater environmental responsibility; and	25–26, 50–51
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	39, 50–51
Anti-corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	26, 32, 42–43; Code of Conduct

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 2023 to 31 December 2023.		
	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	
2-2	Entities included in the organization's sustainability reporting	83	
2-3	Reporting period, frequency and contact point	54	
2-4	Restatements of information	54	
2-5	External assurance	54	
	Activities and workers		
2-6	Activities, value chain and other business relationships	11–14	
2-7	Employees	4–5, 45–49	
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 83–105	
2-10	Nomination and selection of the highest governance body	AR 85–95	
2-11	Chair of the highest governance body	AR 85–86	
2-12	Role of the highest governance body in overseeing the management of impacts	28–29; AR 92–95	
2-13	Delegation of responsibility for managing impacts	28–29	
2-14	Role of the highest governance body in sustainability reporting	22, 28	
2-15	Conflicts of interest	32, 43, 45–46; Service Regulations	
2-16	Communication of critical concerns	25, 42–44	
2-17	Collective knowledge of the highest governance body	25; AR 92–95	
2-18	Evaluation of the performance of the highest governance body	AR 92–95	
2-19	Remuneration policies	AR 106–108	
2-20	Process to determine remuneration	AR 106–113	
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	7–8	
2-23	Policy commitments	26, 42–44, 45–47	
2-24	Embedding policy commitments	42–44; AR 65–67	
2-25	Processes to remediate negative impacts	43; 25–26	
2-26	Mechanisms for seeking advice and raising concerns	43; 25–26	
2-27	Compliance with laws and regulations	AR 138–158	
2-28	Membership associations	26	
2-29	Approach to stakeholder engagement	25–26	
2-30	Collective bargaining agreements	46	

Standard	Disclosure	Location	Omission
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	22–24	
3-2	List of material topics	23–24	
GRI 205: Anti-corruption 2016			
3-3	Management of material topics	22–24, 32–33; Code of Conduct	
205-1	Operations assessed for risks related to corruption	AR 158	
205-2	Communication and training about anti-corruption policies and procedures	42–43; AR 158; 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	22–24; Code of Conduct	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	42–44	
GRI 207: Tax 2019			
3-3	Management of material topics	22–24, 43; Code of Conduct	
207-1	Approach to tax	43; AR 142, 158; Code of Conduct	
207-2	Tax governance, control, and risk management	43; AR 142, 158; Code of Conduct	
207-3	Stakeholder engagement and management of concerns related to tax	25, 43	
207-4	Country-by-country reporting	4–5, AR 164–166	
GRI 302: Energy 2016			
3-3	Management of material topics	22–24	
302-1	Energy consumption within the organization	50–52	
302-2	Energy consumption outside of the organization	50–52	
302-3	Energy intensity	50–52	
302-4	Reduction of energy consumption	50–52	
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	22–24; 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	51	
GRI 305: Emissions 2016			
3-3	Management of material topics	22–24; Code of Conduct	
305-1	Direct (Scope 1) GHG emissions	50–52	
305-2	Energy indirect (Scope 2) GHG emissions	50–52	
305-3	Other indirect (Scope 3) GHG emissions	50–52	
305-4	GHG emissions intensity	50–52	
305-5	Reduction of GHG emissions	50–52	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.

Standard	Disclosure	Location	Omission
GRI 306: Waste 2020			
3-3	Management of material topics	22–24; 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	51	
306-4	Waste diverted from disposal	51	
GRI 401: Employment 2016			
3-3	Management of material topics	22–24, 45–49; Service regulations	
401-1	New employee hires and employee turnover	46	
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	22–24, 45–49; Diversity and Inclusion Policy	
405-1	Diversity of governance bodies and employees	46–47	
405-2	Ratio of basic salary and remuneration of women to men		Not specified. VP Bank conducted a Group-wide gender pay gap analysis in 2024 and achieved the SGS Fair-ON-Pay certificate, a recognized Swiss standard.
GRI 406: Non-discrimination 2016			
3-3	Management of material topics	22–24, 45–49; 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	22–24, 37–40	
Material Topic (not covered by GRI): Digitalisation			
3-3	Management of material topics	22–24, 44	
Material Topic (not covered by GRI): Innovation			
3-3	Management of material topics	22–24, 37–40	

VP Bank Ltd is a bank domiciled in Liechtenstein and is subject to supervision by the Financial Market Authority (FMA) Liechtenstein, Landstrasse 109, 9490 Vaduz, Liechtenstein, www.fma-li.li

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