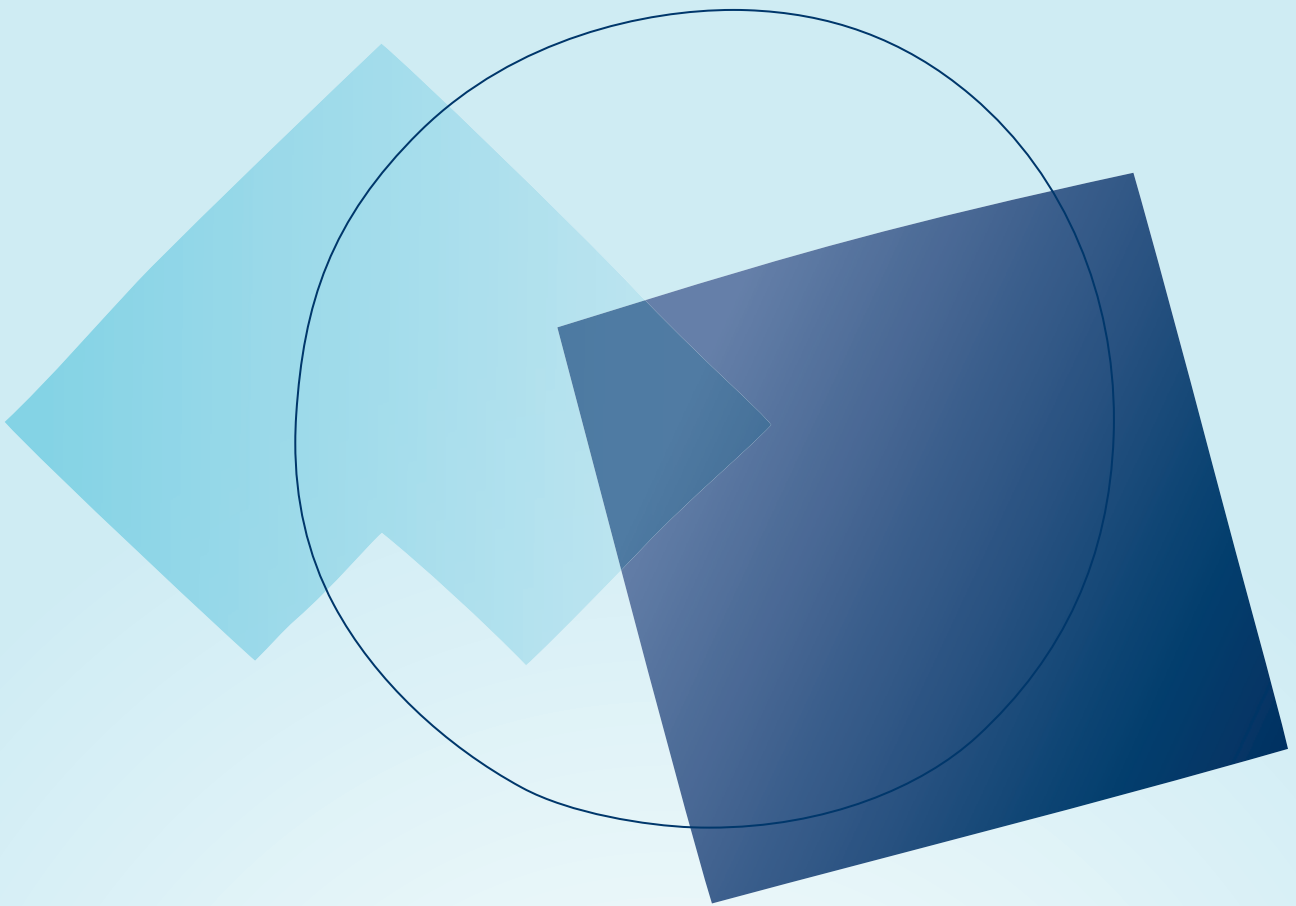


Contributing to sustainable change, one investment at a time





RESPECT &
RESPONSIBILITY

EQUAL OPPORTUNITIES &
DIVERSITY



JUSTICE

PEACE



SUSTAINABILITY



FOOTPRINT

POLLUTION





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Statement by the Chief Executive Officer and the Chief Investment Officer

Dear Reader

Our collective awareness of the importance of sustainability has grown dramatically in recent years. The global challenges we face are clearer to us now than they have ever been before. Governments and businesses have increased their commitments to combating climate change, reducing inequality and ending poverty. Addressing these challenges presents one of the biggest opportunities for the finance industry to create positive and lasting change by directing the flow of capital towards sustainability solutions.

At VP Bank, we can contribute to the achievement of global goals through our own activities and the products and services we provide to our clients. We believe that by doing so, we will create long-term value for our clients, our stakeholders and VP Bank.

VP Bank has incorporated sustainability into its activities for many years. Building on this history, we have embedded sustainability into our overall strategy and developed our Sustainability Plan 2026. Through our Investing for Change initiative, we integrate sustainability factors consistently into all our investment decisions and the advice we give our clients. We help our clients navigate

through the various approaches to find solutions that best meet their preferences, so they can avoid potential risks and benefit from the long-term trends that sustainable investing offers.

In this brochure, we provide an overview of our ambition, our commitment and our approach to sustainability.



Paul H. Arni
Chief Executive Officer



Dr. Felix Brill
Chief Investment Officer

// As a bank, we are in a position
to advance sustainable devel-
opment for the benefit of all our
stakeholders. //

Dr. Felix Brill and Paul H. Arni



Global commitments to addressing some of the challenges we face

Sustainable Development Goals (SDGs)

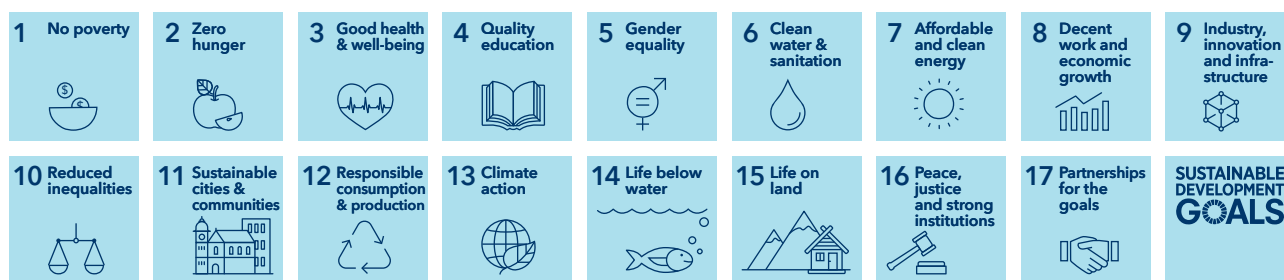


Figure 1

The Sustainable Development Goals (SDGs) for 2030 were launched by the United Nations in 2015. They define the challenges we want to address and cover environmental, social and economic topics. Governments alone cannot fix these problems, and businesses and investors have an important role to play. It is estimated that there is an annual funding gap of USD 2.5 trillion to be made up if we are to achieve the UN SDGs - which presents a USD 2.5 trillion opportunity to invest in sustainability solutions.

The Paris Agreement to combat climate change was signed in 2016. The parties to the agreement agreed to

- limit the global temperature increase to 2°C, and try to limit it to 1.5°C;
- achieve net zero CO₂ emissions by 2050; and
- implement mechanisms for adaptation and resilience to climate change.

Governments are developing and implementing policies to fulfil their commitments to the Paris Agreement. These include the European Green Deal, which aims to make Europe climate neutral by 2050, China's aims to achieve carbon neutrality before 2060, Liechtenstein's 2050 Energy Vision and Switzerland's climate strategy for 2050.

VP Bank's commitment to sustainability

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

Our decisions and actions will be guided by the following principles:

- Focus on the topics where we have an impact and set targets accordingly
- Integrate sustainability into our investment decisions and advisory processes to identify long-term risks and opportunities
- Support our clients to achieve their sustainability goals through investments and philanthropy
- Partner and engage with stakeholders to drive industrywide improvements
- Communicate on our activities and progress towards our targets

Through these actions we will contribute to a more sustainable economy for the benefit of all our stakeholders.

Our Sustainability Plan 2026

Sustainability is an important pillar in our Strategy 2026 and will be key in ensuring our long-term success.

We operate with the mindset that the way we invest today determines our future. As a bank, our duty is to ensure growth, profitability and stability for our clients. This goes hand in hand with having a positive impact on our natural and social environment and ensuring that our collective future is not only safe and stable, but ever improving and prosperous.

Our ambition is to grow our business while having a positive impact. We will do this by offering our clients opportunities in solutions to global sustainability challenges through our strategic Investing for Change initiative. We integrate sustainability in everything we do to ensure our credibility. With this ambition, we are well placed to grasp opportunities.

Our Sustainability Plan supports our core ambition and outlines what we want to achieve by 2026.

The plan encompasses our efforts to invest for change with our range of products and services and invest in change in our business activities. We are convinced that by consistently implementing this approach, we can create positive change and ensure continued success at the Bank.

Our Sustainability Board supports the implementation of the Sustainability Plan 2026 and ensures consistency across the Bank. It is chaired by the Chief Investment Officer and includes senior representatives from various departments. The board meets to review progress, discuss any issues and develop suggestions for further improvements.

Our Sustainability Plan 2026

Investing for Change with our product offering	Investing in Change in our business activities
Integrate sustainability into our investment process	Integrate sustainability into our business activities
Create a net positive impact through our offering	Achieve CO ₂ -neutral operations
Grow assets under management in sustainable investment solutions	Improve gender diversity in our workforce
Achieve "AA" MSCI ESG rating	

Table 1

Why is sustainable investing beneficial for clients?

Why does integrating sustainability lead to better decision making?

This approach gives us a better understanding of long-term risks and opportunities. For us, sustainability is not just one solution among many, but part of every investment decision.

Why is sustainable investing advantageous for investors?

Including sustainability factors leads to a better risk/return relationship. We expect sustainability to have a stronger influence on returns in the future. For example, we know climate change will affect companies in very different ways. Sustainability criteria help identify new risks.

How do I know the sustainability features of my portfolio?

We include information from the VP Sustainability Score in client statements so clients can form their own opinions. Clients can also use the VP Bank Sustainability Score to compare their investments.

How is our approach different?

In addition to offering sustainability products and mandates, we fully integrate sustainability into our advisory and investment services.

// Sustainable investing is advantageous for all investors. //

Investing for change with our products and services

Our investment philosophy

- Our sustainable investment philosophy is based on the understanding that sustainability is much more than merely excluding certain companies. We incorporate sustainability criteria into our processes in such a way that it creates added value for investors.
- We use sustainability indicators to identify long-term opportunities for change and potential risks and impacts to provide investment solutions aligned with our clients' objectives.
- We take a pragmatic approach while adhering to high standards and align our products and services with sustainability criteria.
- We integrate sustainability criteria consistently and transparently into our investment processes.
- We focus on the portfolio level, assessing sustainability as holistically as possible and not limiting ourselves to individual products.

Our philosophy in practice

We apply the following principles in our investments:

- Integrate sustainability into our investment process to identify long-term opportunities and risks
- Apply sustainability criteria consistently in all our investment and advisory processes
- Avoid investments that pose an unacceptably high risk and may have an adverse impact by defining clear thresholds
- Optimise sustainability performance at portfolio level, rather than focusing on individual products alone
- Be active owners in our asset management activities and for our own funds
- Ensure transparency for our clients in terms of the sustainability performance of their portfolios to help them make informed decisions
- Apply the same philosophy in our own investments as we do for our clients

// We launched our Investing for Change initiative to bring about positive change through sustainable investing. //

At VP Bank, we are convinced that integrating sustainability factors into the investment process leads to better decision-making, as it reveals potential risks as much as new opportunities. As well as providing a sound investment strategy for all investors, sustainable investing allows us to meet the preferences of our clients in this area. By harnessing this potential, our goal is to create an overall net positive impact with our range of products and services, including in the area of climate change.

Investing for Change initiative

We integrate sustainability risks and opportunities into all our investment decisions. Through thematic investing, we identify future topics and companies that are responding to social and environmental changes in a significant way. We do not treat sustainability as a product; instead, we consistently incorporate it into our investment processes, including it in the portfolio-construction stage for

our discretionary mandates and the advice we give our clients. By doing so, we enable our clients and investors to seize opportunities on the financial markets and profit sustainably. There are many approaches to sustainable investing. We focus on the following aspects (see figure 2).

Our approach is holistic, consistent and transparent across all our investment decisions.

Our **sustainable investing policy** describes how we incorporate sustainability in our investment decisions and advice.

VP Bank Sustainable Investment Approach

Sustainable Investing			
Negative Screening	Positive Screening	Thematic	Impact
Investments are excluded based on lagging performance and controversial behaviours. Minimal exposure to problematic products.	Investments are screened based on ESG rating, ESG momentum, business practices and business activities.	Solutions to specific environmental or social challenges (e.g. climate change, health).	Intentionally generate a measurable, beneficial social and environmental impact alongside a financial return.
Reduce risk	Include opportunities	Focus on opportunities	Address specific preferences
Applied to all investment decisions	Applied to all investment decisions	Offered	Offered

Figure 2



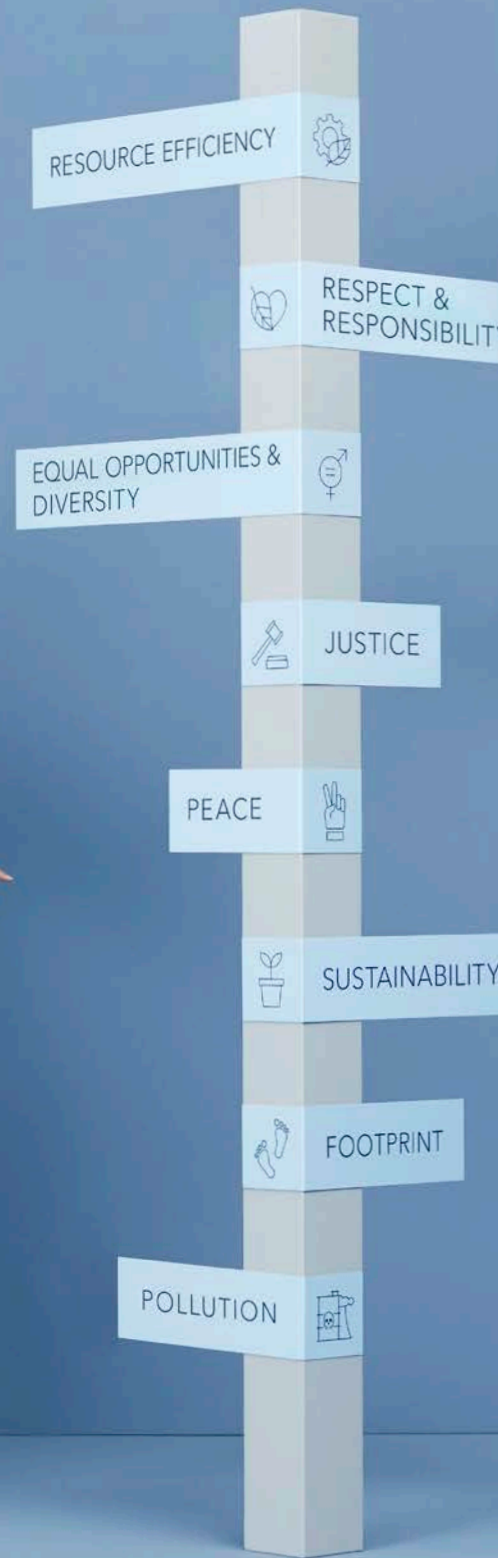
Figure 3

The VP Bank Sustainability Score

To guide our investment decisions, we developed the VP Bank Sustainability Score to capture those elements we consider important. This approach has many benefits, since it

- incorporates our own philosophy, values and criteria;
- focuses on integration rather than exclusion;
- ensures transparency at the portfolio level;
- makes it possible to compare different asset classes and financial instruments; and
- allows clients to adjust their sustainability profile.

Our approach is holistic, consistent and transparent across all our investment decisions. This is what sets us apart.



Philanthropy and impact



Finding purpose. Achieving impact.

When it comes to achieving their goals in life and making conscious decisions regarding wealth planning for their families, our clients are becoming increasingly interested in giving their wealth a purpose. Many of them now want to make philanthropic gestures with meaningful, sustainable investments. Our philanthropy and impact approach helps our clients do exactly that.

We are committed to effecting positive change together by engaging our clients actively with the following three pillars:

1. Philanthropy Catalogue

Our Philanthropy Catalogue is a collection of carefully curated charitable initiatives, trusts and foundations from which our clients can select. They can also share their own personal foundations to champion those causes which are most important to them.

2. Hybrid Venture Philanthropy

Our new Hybrid Venture Philanthropy model helps our clients include ESG criteria in their investments with a dedicated allocation (in the form of a social impact donation) to any of the charitable causes listed in the Philanthropy Catalogue.

3. Philanthropy advisory service

VP Bank's shareholder partners are a group of professional advisors who specialise in helping families and individuals structure trusts and foundations. By combining their knowledge with our personalised banking expertise, we can identify and build solutions that are perfectly matched to our clients' legacy planning needs.

Investing in change in our business activities

While we believe that we can have the greatest impact with the products and services we offer our clients, positive change starts with the way we as a Bank conduct ourselves. As such, our efforts to invest in change in our business activities are an important part of our Sustainability Plan 2026. By this, we mean

- adhering to best-practice standards and principles to guide us in our daily activities;
- actively contributing to the sustainable development of the finance industry; and
- upholding our tradition of innovation, competence and courage, while continuously evolving and refining not only our products and services, but also our business practices and contribution to society.

Our **sustainability report** is available online and provides more information on our activities and performance.

// We integrate sustainability into all our business processes. //



Our governance practices

VP Bank promotes trust through voluntary commitments to ethical principles in its business practices. Our **Code of Conduct** and the Bank's values and management principles underpin our binding commitment to ethically correct management and serve as guidelines for good conduct. VP Bank's business relationships, both internal and external, are conducted in line with the principles of the Universal Declaration of Human Rights and ILO Standards. This includes a ban on forced or child labour at all locations where VP Bank operates.

Reporting violations

Employees are required to immediately report suspected violations to their direct supervisor, Compliance, Group Internal Audit or the local whistle-blower office. Employees who, in good faith, inform the responsible office of a suspected violation need not fear any personal disadvantages as a consequence. Confidentiality is assured, subject to the applicable legal provisions. All reported incidents are investigated and violations are penalised through disciplinary measures and consequences, as authorised under labour law.

Mandatory training

To ensure employees are well informed about VP Bank's rules and commitments, periodic communications and mandatory training are provided. This includes courses on the Code of Conduct, data protection and IT security for all employees. Additional mandatory training on subjects such as financial crime and market abuse is completed according to roles and functions.

Conflicts of interest

Conflicts of interest could arise between the Bank and clients, between individual clients, between the Bank, its governing bodies, employees and clients and within VP Bank Group or between VP Bank subsidiaries and other financial services companies. Such conflicts may involve traditional banking transactions or other business opportunities or purposes. VP Bank acts in the best interests of its clients. A comprehensive set of rules and supporting processes (e.g. with respect to benefits) are in place to maintain objectivity and prevent conflicts of interest.

Anti-corruption measures

VP Bank works actively to combat bribery, which is the basis for corruption, the granting or receiving of advantages and financial crimes in the banking business. Our efforts to combat bribery include ongoing training for client advisors and internal monitoring measures.

Tax compliance

VP Bank is fully committed to the clean money strategy of the Liechtenstein banking centre. VP Bank employees do not support any unauthorised transactions that would serve to reduce taxes or duties or conceal tax-related information. In addition, VP Bank observes all national and international regulatory requirements concerning tax.

VP Bank pursues a tax strategy geared towards long-term value creation and does not utilise aggressive tax practices of any kind. Transfer prices for services within the Group are based on market value (arm's-length principle). VP Bank does not adopt structures that lead to taxation in low-tax countries without performing corresponding business activities there.



At VP Bank, a management approach that embraces sustainable corporate leadership plays an essential role in our overall success. This means looking further than compliance and good governance and thinking beyond our products and services. True sustainability includes the well-being of our employees and the communities we operate in. As such, we are committed to continuously improving our employment practices and social conduct.

Equal opportunities

Employees and managers are hired according to strict qualification criteria, regardless of age, gender, sexual orientation or nationality. VP Bank is committed to ensuring diversity at all corporate levels and offers all employees equal employment and promotion opportunities.

Our People Strategy

We know that only enthusiastic employees will inspire our clients and make it possible for us to achieve our Group goals for 2026. To seize current and future opportunities to change and contribute to the sustainability of the financial sector, we have developed our People Strategy, which is composed of four central pillars (see figure 4).

Supporting our communities

Serving the interests of the public, being good neighbours and giving back to the communities we operate in is a matter of course for us. Corporate citizenship is therefore another avenue where we practise sustainability and put our values into action. Our philanthropic and volunteering efforts are regularly reviewed by our stakeholders. Furthermore, the Board of Trustees of the VP Bank Foundation ensures good governance and adherence to the Foundation's statutes.



Figure 4

Philanthropy

The VP Bank Foundation supports projects, institutions and individuals which show outstanding commitment to environmental and sustainability issues. Its central goal is to promote values that are of lasting importance to society.

Volunteering

Employees are entitled to take one working day per year to volunteer at non-profit social services organisations, training programmes or environmental organisations of their choosing.

To find out how we help our clients achieve their philanthropic goals, see [philanthropy and impact](#) on page 13.



The Paris Agreement has mapped out the path ahead to combat climate change. Parties to the agreement all committed to bringing CO₂ emissions down to net zero by 2050. Governments can set the wheels in motion here and provide an appropriate framework; however, net zero cannot be achieved without a concerted effort by businesses and individuals. VP Bank has been committed to environmental sustainability for many years and has already implemented a number of specific measures. These provide a sound foundation to achieve our goal of carbon-neutral operations by 2026.

Clean energy and CO₂ management

VP Bank Group has a long history of using renewable energy. Most of the energy used in our offices is from renewable sources. Solar panels on the roofs of our offices in Liechtenstein have been providing clean energy for 25 years. We also use LED and motion-detection lighting.

Resource efficiency

Our environmental efforts also include recycling and reducing waste where possible. By increasing our focus on digitalisation, we have been able to reduce the amount of paper we use.

Through VP Bank's partnership with Drink & Donate, our employees receive a reusable glass bottle, thus reducing the demand for individual plastic bottles. The partnership also includes donations to programmes ensuring access to safe drinking water in communities where this does not yet exist.

Your contact – wherever you may be

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