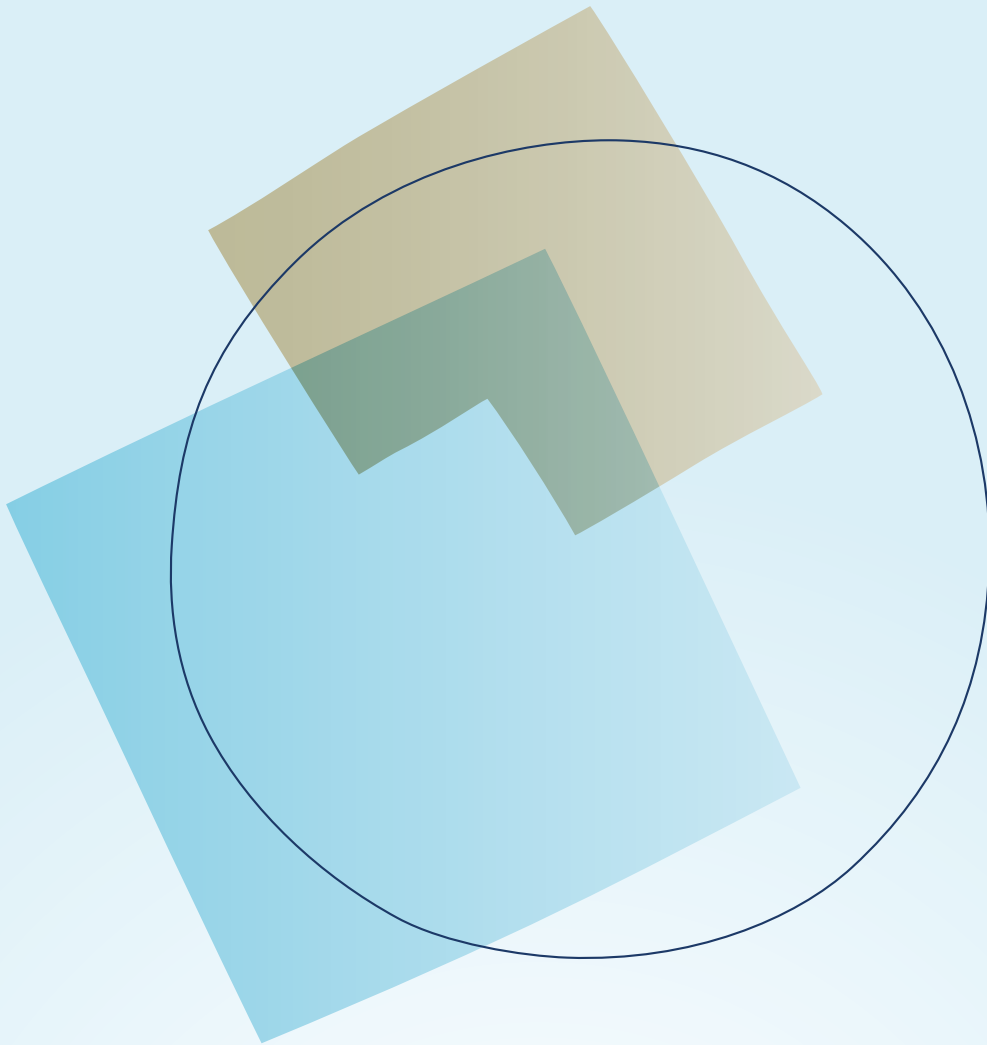


Investing for Change



 RESPECT & RESPONSIBILITY

EQUAL OPPORTUNITIES & DIVERSITY 

 JUSTICE

PEACE 

 SUSTAINABILITY

 FOOTPRINT

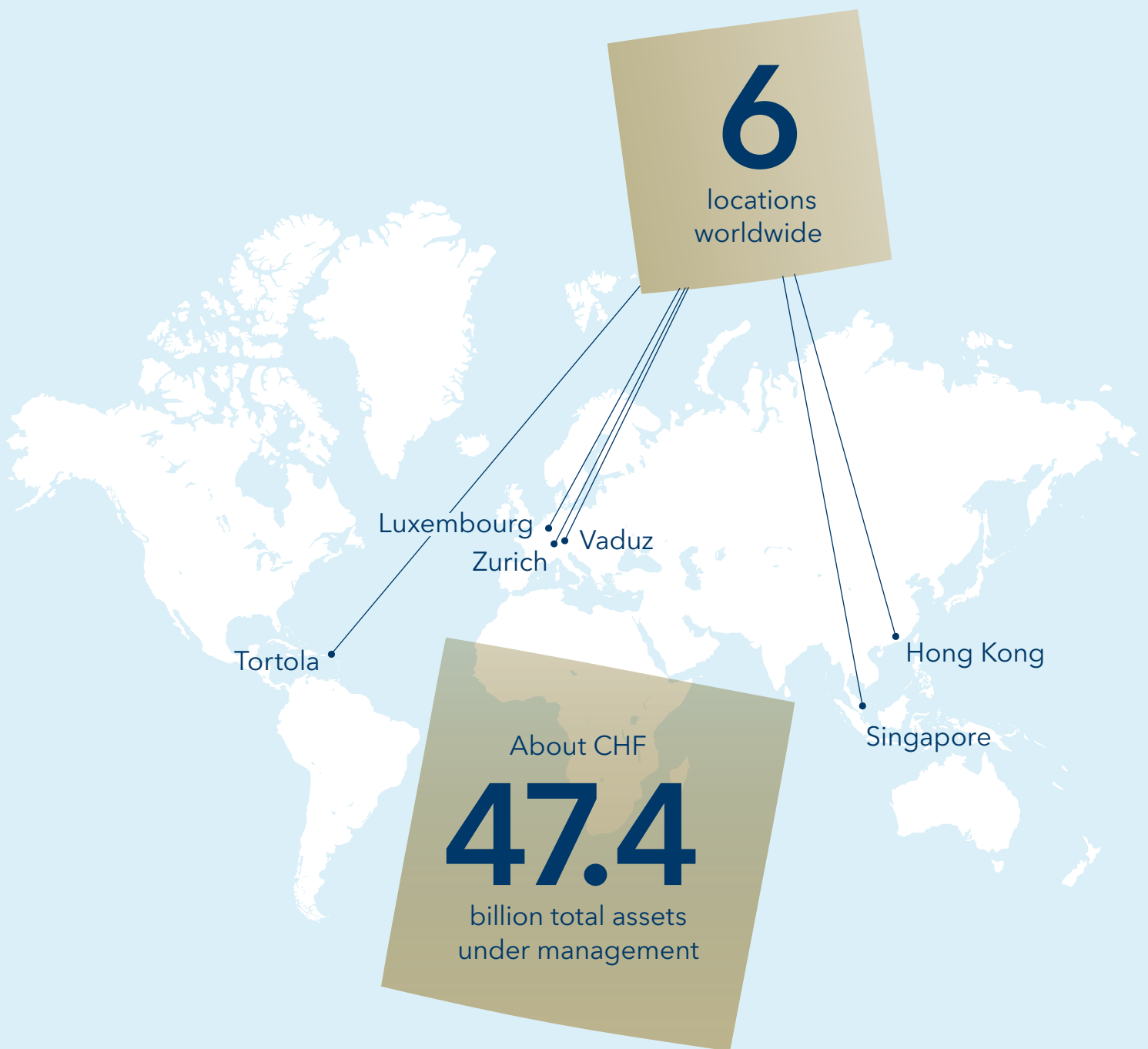
POLLUTION 



Table of contents

Key facts and figures	4
Contributing to sustainable change, one investment at a time	5
1. Introduction	6
1.1. VP Bank at a glance	6
1.2. Our value chain	6
2. Our Strategy 2026	8
2.1. Sustainability Plan 2026	8
2.2. Stakeholder engagement	9
2.3. Material topics	11
2.4. Sustainability governance	13
3. Investing for Change in our client offering	15
3.1. Our sustainable investment strategy	15
3.2. New Investing for Change products	17
3.3. Innovation and impact	18
4. Investing in change in our business activities	19
4.1. Governance (G)	19
4.2. Social change (S)	20
4.3. Environmental change (E)	23
5. Disclosures	25
5.1. About the report	25
5.2. Appendix	25
5.3. GRI index	26
5.4. UN Global Compact	30

Key facts and figures



About CHF

41.6

million group net income



93%

of energy consumption
comes from renewal
sources



Highlights

- An "A" rating from Standard & Poor's
- Listed on SIX Swiss Exchange
- Sustainability factors integrated into all investment decisions and advice
- Signatory to the UN Principles for Responsible Investment (PRI) and UN Principles for Responsible Banking (PRB) in early 2021



Contributing to sustainable change, one investment at a time

Statement by the Chief Executive Officer and the Chief Investment Officer

Dear Stakeholders

It is impossible to reflect on the last year without acknowledging the impact the pandemic has had on all aspects of our lives. With regard to the global economy, COVID-19 has emphasised the importance of having resilient business strategies in place while being open to change. As a bank, our core responsibility during this time has been to protect the interests of our clients, employees and other stakeholders. Thanks to the flexibility of our employees and our focus on digitalisation in the past few years, VP Bank was able to react quickly, successfully maintaining its high standards of client support and business conduct despite travel and co-working restrictions.

The pandemic also highlights that a healthy economy needs a healthy society and environment. We continue to witness the impact and devastation that sustainability challenges place on communities, the environment and the economy. The post COVID-19 recovery plan offers a once-in-a-lifetime opportunity to rebuild global systems to accelerate the achievement of the UN Sustainable Development Goals (SDGs) and the Paris Agreement under the United Nations Framework Convention on Climate Change. This opportunity has not gone unnoticed by world leaders and we have seen a big push by major economies towards a green recovery: proposed investments by Europe, China and the United States are expected to reach a combined USD 5 trillion. These investments go hand in hand with strong political will and provide a clear signal on the future direction of environmental and social policies. The European Green Deal and the EU Action Plan: Financing Sustainable Growth are further signs of a move towards mainstreaming sustainable finance and will bring consistency and transparency to the industry. The European Commission (EC) estimates that roughly EUR 260 billion in additional investments per annum will be needed to achieve the 2030 climate and energy targets. As such, the finance industry plays a hugely important role in integrating, planning for and addressing sustainability challenges. After all, the future will be determined by how we invest today.

Sustainability is a key pillar in our Strategy 2026 and we are convinced that it will be key in ensuring our long-term success. To identify what matters most to our stakeholders and where VP Bank can have the biggest impact, we conducted an extensive stakeholder engagement process last year, including a materiality assessment. The resulting Sustainability Plan 2026 summarises what we want to achieve over the coming years, with this inaugural Sustainability Report representing our foundational step. As we move forward, we look forward to engaging with our stakeholders on a regular basis to ensure our continued success.

In 2020, we also launched our “Investing for Change” initiative, which includes integrating sustainability into all our investment and advisory processes. “Investing for Change” is the title of this Report to reflect where our focus lies: the more we can invest in sustainable solutions, the greater our impact.

The SDGs define the world we want to live in by 2030. VP Bank is committed to contributing to the achievements of the SDGs and the Paris Agreement. Our material issues highlight this connection. While our greatest impact is through our sustainable investing, the way we conduct our business reflects our commitment and contributes to the change we want to see. As such, our Sustainability Plan 2026 includes our goal to invest for change and invest in change with our business activities.

We would like to thank our employees, who have worked tirelessly to ensure a seamless transition to our new normal, as well as our clients for their continued trust in us and everyone who took part in the stakeholder engagement process last year. We are proud of where we are today and are committed to integrating sustainability into everything we do for the benefit of all our stakeholders. In doing so, we will ensure our continued growth, credibility and success and are well placed to seize today's and tomorrow's opportunities.



Paul H. Arni
Chief Executive Officer



Dr Felix Brill
Chief Investment Officer

¹ https://ec.europa.eu/info/sites/info/files/european-green-deal-communication_en.pdf

1. Introduction

1.1. VP Bank at a glance

VP Bank Group is an internationally active private bank. Our business model is based on intermediary business (external asset managers, fiduciaries, attorneys, family offices), private banking for high-net-worth individuals as well as investment solutions (including investment funds and private market investments). In addition, we engage in retail banking and commercial business in Liechtenstein and operate an international fund competence centre. With a focus on the future, we see change as a source of opportunities and aim to offer our clients outstanding investment solutions that successfully tap into that.

VP Bank is one of the largest banks in the Liechtenstein financial centre. In addition to its headquarters in Vaduz, Liechtenstein, VP Bank Group operates in five other locations around the globe: Zurich, Luxembourg, Singapore, Hong Kong and Tortola (British Virgin Islands). Target markets in Europe include Liechtenstein, Switzerland, Germany, Luxembourg, Russia and Ukraine, as well as Denmark, Norway and Sweden. In Asia, the target markets consist of Singapore, Hong Kong, Indonesia, Malaysia and Thailand.

The investment fund business of VP Bank Group is brought together under the VP Fund Solutions umbrella - an international fund competence centre with a presence in the Liechtenstein and Luxembourg fund centres. It includes third-party fund business, private label funds and our own home-grown funds.

A large proportion of the Bank's equity capital is held by three anchor shareholders: the foundations Stiftung Fürst-

licher Kommerzienrat Guido Feger, U.M.M. Hilti-Stiftung and Marxer Stiftung für Bank- und Unternehmenswerte.

VP Bank's 990 employees manage CHF 47.4 billion in assets. Its client advisors are supported by a global network of partner firms that contribute to the international know-how of our organisation.

For a detailed look at our organisational structure, see our → Annual Report 2020.

1.2. Our value chain

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

- Asset management
- Investment solutions
- Wealth planning
- Acting as a partner for financial intermediaries
- Serving as an international fund competence centre

As a bank, our greatest potential for making an impact comes from our client offering through our "Investing for Change" initiative. See → section 3 for more details on this. To ensure good business conduct, remain an employer of choice and lead by setting a good example, we are also committed to investing in change in our business activities. As such, we create a positive impact for all our stakeholders. See → figure 1 "Our value creation" for more details on our impact and → section 4 for more information on our business activities, including our People Strategy and philanthropic efforts.

Sustainable Development Goals (SDGs)



The financial industry has one of the biggest opportunities to create positive and lasting change by directing the flow of capital towards sustainability solutions. We strive to contribute to the achievement of the SDGs as defined by the United Nations (UN) and to the Paris Agreement. Some of our material topics directly link to various SDGs (see → section 2.3), as do our thematic investing products (see → section 3.2), and we are working on integrating the SDGs into our VP Bank Sustainability Score methodology (see → section 3.1).

Our value creation



Our impact highlights

Integration of sustainability risks and opportunities into all investment decisions
Remuneration policy includes sustainability considerations
Active contribution to the Sustainable Development Goals with our client offering and in our business activities
93% of our energy consumption is renewable
VP Bank Foundation grants made to 28 charitable organisations

For our stakeholders



Figure 1

2. Our Strategy 2026

Based on our business model and our value creation capabilities, our Strategy 2026 follows the motto "Seize opportunities". To put this into action, we focus on three strategic pillars:



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

For more on this, watch Paul Arni, CEO VP Bank Group, illustrate the pillars of the new Strategy 2026 in this → video.

Building on these three strategic pillars, our goals for 2026 are as shown in → figure 2 below.

Acting responsibly, sustainably and with foresight are key elements in the implementation of our business strategy.

We strongly believe that in order to seize opportunities we must look to the future, continue what works and adds value, transform what does not and actively embrace change.

2.1. Sustainability Plan 2026

We operate with the mindset that the way we invest today determines our future. As a bank, our duty is to ensure growth, profitability and stability for our clients. This goes hand in hand with having a positive impact on our natural and social environment. VP Bank has already implemented several measures, including offering an ESG mandate since 2017, using renewable energy as well as reducing waste.

In order to ensure that our collective future is not only safe and stable, but ever-improving and prosperous, we have developed our Sustainability Plan 2026. By integrating sustainability criteria into all our business processes, we aim to create a positive impact on society and the environment and actively contribute to the sustainable development of the finance industry.

Our Sustainability Plan supports our core ambition and presents what we want to achieve by 2026. On 1 January 2021, our Sustainability Plan 2026 came into action and, as such, 2021 will serve as the baseline year to measure our progress. The plan encompasses our efforts of investing for change with our product offering and investing in change in our business activities (see → table 1). We are convinced that by consistently implementing this approach we can create positive change as well as drive our company's growth.

VP Bank's strategic goals 2021-2026



¹ Over the cycle 2021-2026

² Total operating expenses / total net operating income

Figure 2

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



Our sustainability ambition 2026

We want to grow our business while creating a positive impact. We will do this by offering our clients opportunities to invest in solutions to global sustainability challenges through our "Investing for Change" initiative. We will continue to integrate sustainability in everything we do to ensure our credibility. With this ambition, we are well placed to seize today's and tomorrow's opportunities.



Our sustainability outlook

We will continue to work on achieving the goals formulated in our Sustainability Plan 2026 and will ensure that we meet the regulatory requirements as set out in the EU Sustainable Finance Action Plan. We will do our part to support and contribute to the SDGs and the Paris Agreement. We will also continue to develop our internal training programmes and work with partners to progress towards a sustainable future.

We know that one of the most important factors underpinning the success of our Sustainability Plan is the capacity of our people. To ensure that our colleagues understand the importance of sustainability for VP Bank and our approach to sustainable investing, we have developed a comprehensive mandatory training programme for our client advisors and investment experts.

The implementation of any new strategy comes with challenges. As such, an important part in the implementation of this Sustainability Plan will be the monitoring and tracking of our progress and we are currently developing our monitoring tools.

VP Bank's Head of Sustainability will ensure that the plan is rolled out across the Bank and will report on progress as well as potential challenges to the Sustainability Board.

For more on our sustainability governance, see → section 2.4.

2.2. Stakeholder engagement

A crucial part in the development, implementation and monitoring of our Sustainability Plan 2026 is the engagement with our stakeholders. VP Bank engages with internal and external stakeholders on a regular basis. This allows us to identify trends at an early stage and integrate learnings into our activities.

Our stakeholder engagement activities include the following:

Stakeholder engagement activities

Stakeholders	Form of engagement
Authorities	<ul style="list-style-type: none"> Trade organisation work and engaging with interest groups
Clients	<ul style="list-style-type: none"> Client discussions and feedback management Client events
Board of Directors, Group Executive Management and employees	<ul style="list-style-type: none"> Employee discussions In-house events In-house magazine
Shareholders, investors and financial analysts	<ul style="list-style-type: none"> Investor meetings, roadshows and investor day Sector-specific information sharing
Suppliers and partners	<ul style="list-style-type: none"> Cooperation with sustainable suppliers and consultants as well as cooperation with schools, institutes of higher learning and universities
The media and the general public	<ul style="list-style-type: none"> Press conferences Thematic conferences Trade shows PR work on investment, market and company subjects

Table 2

Sustainability Plan engagement process

To help us define our priorities and develop our Sustainability Plan 2026, we conducted a comprehensive stakeholder engagement process, which included a materiality assessment of environment, social and governance (ESG) topics that are most important to our business and to our stakeholders. In selecting the stakeholders, we were committed to integrating as many diverse experiences and perspectives into the conversation as possible. The parti-

cipants represented views of internal and external stakeholders (see → table 3 below).

The results strengthened our commitment to making sustainability an integral part of our day-to-day business and will guide us in creating sustainable value and seizing opportunities.

The stakeholder engagement process consisted of various consultations between November 2019 and February 2020:

Sustainability Strategy engagement process

Stakeholders	Process	Key issues raised
External stakeholders		
Sustainability & Sustainable finance experts	<ul style="list-style-type: none"> Stakeholder dialogue Individual phone and in-person interviews 	<ul style="list-style-type: none"> VP Bank should have the best sustainability offer and follow a fittingly bold approach The reason “why” must guide the impact VP Bank wants to create
Intermediary clients	<ul style="list-style-type: none"> Stakeholder dialogue 	<ul style="list-style-type: none"> VP Bank’s approach and offering must be specific and credible VP Bank should: <ul style="list-style-type: none"> Focus on influencing/changing the attitude of clients towards sustainable investment Develop joint projects with professional clients Anticipate certain “shocks” and have a mitigation plan ready
Private clients	<ul style="list-style-type: none"> Stakeholder dialogue Individual phone and in-person interviews 	<ul style="list-style-type: none"> Credibility and transparency are key: doing the minimum will not be sufficient Sustainability is not a new topic and will be a particular concern for the next generation
Shareholders	<ul style="list-style-type: none"> In-person interviews 	<ul style="list-style-type: none"> VP Bank needs to differentiate itself Specific product offerings with a thematic focus will attract new clients
Internal stakeholders		
Employees	<ul style="list-style-type: none"> Internal online survey 	<ul style="list-style-type: none"> Sustainability fits well with the values and culture of VP Bank Sustainable investment is most important for VP Bank’s long-term success VP Bank must stop all investments in critical industries and unethical companies to ensure credibility
Group Executive Management	<ul style="list-style-type: none"> Sustainability Plan workshop 	<ul style="list-style-type: none"> A critical element for the achievement of the Sustainability Plan 2026 is the integration of sustainability targets in performance remuneration (see → section 4.2. for more on our remuneration policy) Employees will have to be informed and involved in the implementation of the Sustainability Plan 2026
Strategy and Digitalisation Committee of the Board of Directors	<ul style="list-style-type: none"> Sustainability Plan workshop 	<ul style="list-style-type: none"> An analysis of what VP Bank can implement internally and in which areas it is better to partner with other players needs to be conducted VP Bank should engage in appropriate partnerships

Table 3

Together with the stakeholders, we identified the focus areas (see → figure 3), matched them with VP Bank’s core competencies and discussed opportunities and challenges in our business activities and offering (see → section 2.4.). The investor perspective was integrated by considering disclosure expectations from MSCI² and SASB³. The

Group Executive Management and the Strategy and Digitalisation Committee of the Board of Directors 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.

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.

Memberships and initiatives

We actively participate in organisations in which we can help promote progress, learn from experts and peers, share knowledge and experience and keep up with emerging topics. As a member of numerous federations and associations, VP Bank fosters dialogue with business and society. The different types of collaboration are tailored to suit both the particular needs and objectives of the initiatives and those of VP Bank and its clients.

Below are some memberships in organisations with a sustainability focus where we actively participate. Generally, membership and participation are coordinated by the Sustainability department. Additional memberships and initiatives can be found in the → Annual Report 2020.

Organisation	Purpose	Joined in
UN Global Compact	Accountability	2016
Swiss Sustainable Finance	Exchange of experiences and knowledge sharing	2016
Swiss Climate Foundation	Support climate protection measures in Switzerland and Liechtenstein	2012

Table 4

In addition to the above, VP Bank is a member of the Liechtenstein Bankers Association, which tackles many different

topics relevant to the industry. Different departments participate in the relevant working groups, including the Sustainability department.

In early 2021, VP Bank became a signatory to the UN Principles for Responsible Investment (PRI) and UN Principles for Responsible Banking (PRB) to further engage with peers and experts and expand knowledge sharing. The disclosure requirements for both the PRI and PRB were therefore considered in writing this Report.

For more on the scope of this Report, see the → Global Reporting Initiative (GRI) and → UN Global Compact disclosure tables in section 5.

2.3. Material topics

A central outcome of the stakeholder engagement process has been the materiality matrix (see → figure 3 below). It integrates the inputs from all participating internal and external stakeholders and defines the priority topics of VP Bank in terms of

- significance of VP Bank's economic, environmental and social impacts and
- influence on stakeholders' assessments and decisions.

Some topics are relevant for our business activities, some for our offering and some for both.

Materiality matrix

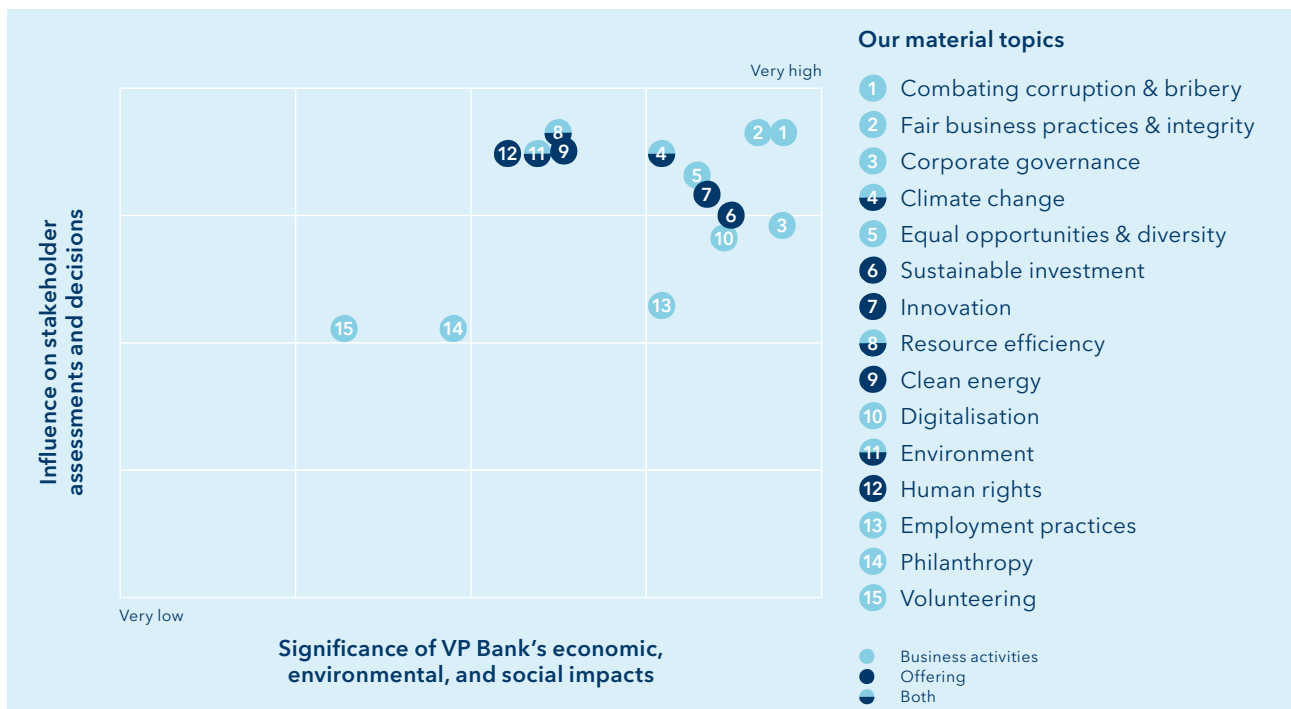


Figure 3

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.

Figure 4

Stakeholders agreed that the must-have topics such as “corruption and bribery”, “fair business practices and integrity” and “corporate governance” have to be implemented in day-to-day business activities. VP Bank has already put in place robust programmes in these areas and will continue to monitor and update them on a regular basis.

See → section 4.1. for more information on our governance.

Sustainable investment was confirmed as being important. Themes of particular interest for our stakeholders in our offering included “climate change”, “innovation” and “clean energy”.

Refer to → section 3 for more information on our sustainable investment approach, including our own sustainability rating methodology.

Priority topics in VP Bank’s business activities included “climate change”, “equal opportunities and diversity”, and “resource efficiency”.

See → section 4.1. for more information on our governance as well as → sections 4.2. and 4.3., respectively, for more details on our approach to social and environmental topics.

The definition table (see → figure 4) outlines the boundary for each of these material topics.

2.4. Sustainability governance

Efficient and effective sustainability governance is essential in ensuring that we continue to embed sustainability into our business, stay on track with our sustainability goals and recognise potential opportunities and challenges at an early stage. As such, we have put into place a straightforward governance structure and a comprehensive support mechanism by way of our Sustainability Board.

The integration of sustainability into the investment and advisory processes is governed by relevant Group policy frameworks, including our investment policy and related compliance and monitoring systems.

Governance structure

The Group Sustainability department is responsible for setting strategic priorities, developing and implementing the Sustainability Plan and monitoring progress. This includes supporting different departments with relevant sustainability topics, as well as raising awareness among all employees.

The topic of sustainability is firmly anchored in our core business, with the Head of Group Sustainability reporting directly to the Chief Investment Officer (CIO), who in turn reports to the Chief Executive Officer (CEO). Regular updates are provided to the Group Executive Management (GEM) and annually to the Strategy & Digitalisation Committee of the Board of Directors (see → figure 5 above).

Governance structure

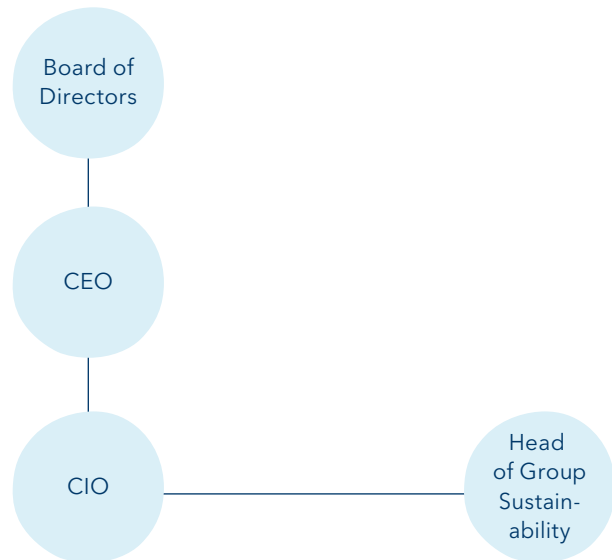


Figure 5

The 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 (see → figure 6 below). The Sustainability Board meets three times per year to review progress, discuss any issues and develop suggestions for further improvements. The meetings are organised by the Head of Group Sustainability.

The Sustainability Board



Figure 6

Key risks and opportunities

Risk management

VP Bank supports a precautionary approach to environmental and social challenges. Risks are allocated to the following five groups and sustainability is becoming increasingly important in all:

Strategic: A potential decline in profitability as a result of an inadequate corporate strategy in relation to the market environment (political, social, technological, ecological, legal) or absence of effective counter-measures in the case of changes.

Business: Location-related factors, new product launches, market access, new or existing regulations, high costs and political or geopolitical influences.

Financial: Short-term liquidity and refinancing risks, market liquidity risks and credit risks.

Operational: Losses arising from the inappropriateness or failure of internal procedures, individuals or systems or as a result of external events.

Reputational: The trust of employees, clients, shareholders, regulatory authorities and the public in general is weakened or the public image and/or reputation of the Bank is impaired as a result of other types of risk or through various events.

For a comprehensive description of our risk management, see → the section "Risk management of VP Bank Group" in the Annual Report 2020.

Key opportunities

In terms of opportunities, we are guided by our business strategy and its central motto of "Seize opportunities" and are focusing on the following key areas:

- Retail and commercial banking in Liechtenstein
- Wealthy individuals in Europe and Asia
- Intermediaries in Europe and Asia

In order to seize opportunities as a bank and enable our clients to do the same, we strongly believe that the biggest opportunities lie in sustainable investment. For more on this, see → section 3.

Preparation for future requirements

VP Bank continuously works to ensure that it is prepared for upcoming requirements. This includes sustainability regulations and extends to voluntary disclosures and memberships.

The "EU Action Plan: Financing Sustainable Growth" was adopted in 2018 and aims to direct financial flows towards a more sustainable economy. The objectives of the EU Action Plan are to:

1. Reorient capital flows towards a more sustainable economy
2. Embed sustainability in risk management
3. Promote transparency and a long-term perspective

Regulations to support these objectives cover the following:

1. **Taxonomy** - provide common definitions for sustainable economic activities covering investments that promote environmental and social characteristics and products with sustainability objectives
2. **Disclosures** - for sustainable investment and sustainability risks such as how ESG factors are integrated into investment decisions and into risk processes
3. **Client preferences** - understanding and fulfilling client preferences for sustainable investing
4. **Benchmarking** - new carbon benchmarks to assess the impact of investments

The first set of requirements relates to disclosures of sustainability considerations and entered into force in March 2021. In preparation, VP Bank conducted a detailed analysis of the requirements and mapped them to what we already have in place or have planned. The resulting gap analysis provided the basis to establish a project team with representatives from relevant functions who are tasked with developing and implementing the requirements in accordance with the regulatory schedule.

3. Investing for Change in our client offering

Material topics covered in this section:



Sustainable investment



Innovation

Investors are increasingly interested in sustainable investing as evidenced by the record highs reached in sustainable funds in 2020 with over USD 300 billion in new investments according to investment research firm Morningstar.⁴ This is more than double the previous record set in 2019.

At VP Bank, we are convinced that integrating ESG factors into the investment process leads to better decision-making, as it reveals potential risks as much as new opportunities. In addition to a sound investment strategy for all investors, sustainable investments allow 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 through our offering, including in the area of climate change.

3.1. Our sustainable investment strategy

The Investing for Change initiative

In 2020 we launched our Investing for Change initiative to actively bring about positive change through sustainable investing. Under this initiative we have developed a sustainability assessment methodology to guide our investment decisions and launched products with an ESG focus.

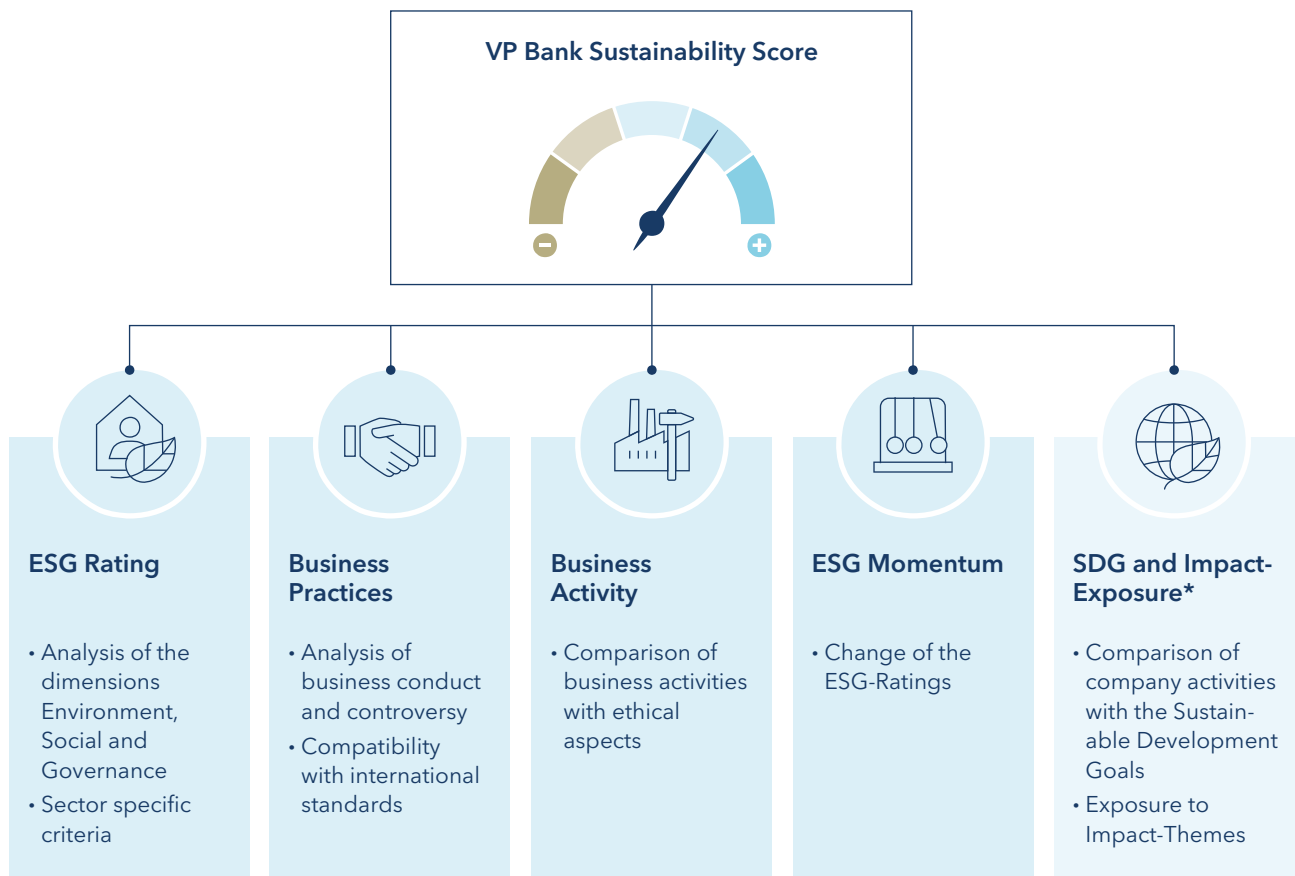
Since 1 January 2021, we are integrating sustainability risks and opportunities into all investment decisions. Through thematic investing, we identify future topics and companies that are responding to social and environmental changes in a significant way. We do not treat sustainability as a product, but consistently incorporate it into our investment processes and include it in the portfolio construction for our discretionary mandates as well as in the advice we provide to our clients. By doing so, we enable our clients and investors to seize opportunities on the financial market and profit sustainably. There are many approaches to sustainable investing and we apply the following (see → figure 7 below).

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	Adress specific preferences
Applied to all investment decisions	Applied to all investment decisions	Offered	Offered

Figure 7

⁴ <https://www.morningstar.com/lp/global-esg-flows>



* Inclusion planned, not yet part of the scoring

Figure 8

VP Bank Sustainability Score

To guide our investment decisions, we developed our own VP Bank Sustainability Score (VPSS) to capture the elements we consider important. This approach has the following benefits. It:

- incorporates our own philosophy, values and criteria
- centres on integration and not exclusion
- allows for transparency at the portfolio level
- enables the comparison of different asset classes and financial instruments
- allows clients to adjust their sustainability profile

The VPSS takes into account the following factors and relies on data provided by a third party:

1. ESG rating

The ESG rating is comprised of sector-specific material ESG factors and shows how well a company is performing relative to its sector.

2. Business practices

Business practices refer to the behaviour of companies. VP Bank is guided by the three internationally recognised standards UN Global Compact, UN Guiding Principles on Business and Human Rights and the International Labour Organization's (ILO) Standards. Companies are monitored on a continuous basis in order to ensure adherence to these standards. Potential violations or controversies are examined and companies that are found to be in violation are categorically excluded.

3. Business activity

Business activities refer to the products offered by a company and reducing exposure to critical business areas such as tobacco, gambling, thermal coal, nuclear and controversial weapons.

4. ESG momentum

The momentum indicator measures to what extent and in what direction the ESG rating has changed.

5. SDG and impact exposure

This factor considers how enterprise activities are contributing towards achieving the SDGs and will be added in 2021.

A more detailed description of the methodology and its inclusion and exclusion criteria can be found on our → website.

3.2. New Investing for Change products

Aside from the VPSS, which describes our approach to sustainability integration, we are also working to expand our product offering and provide our clients with relevant investment opportunities. In 2020, we developed two new products with an ESG focus and, over time, we will continue to grow our offering of sustainable investments.

Risk Optimised ESG Equity funds

Our Risk-Optimised ESG Equity strategy combines sustainability criteria with a risk-optimised investment style. Integrating ESG factors serves to improve risk management and achieve higher returns in the long run, while also making a positive contribution to the environment and society at large. This serves to optimise the risk/reward profile associated with financial investments.

We identify the equities that entail the lowest risk in combination with each other and combine them systematically to create a robust portfolio. Companies whose share prices feature a low level of volatility and whose business models exhibit stable development also tend to be well managed and are less likely to breach major ecological or social standards on average.



Our risk-optimised ESG investment approach is designed for the long term. Losing less in the short-term results in greater profits in the long run. When markets are turbulent, it makes sense to suffer as small a loss as possible because minor losses are easier to make up. This is shown once again by the market distortions caused by the coronavirus. Our funds serve as core components within a well-diversified portfolio.

Advantages at a glance:

- Sustainability criteria help to identify, evaluate and reduce risks.
- Companies with higher ESG ratings tend to achieve better overall returns.
- The combination of ESG criteria and risk optimisation yields better performance in the long term.
- Risk-optimised investment styles ensure the lowest possible investment risk.
- With sustainable investments, you make a positive contribution to the environment and society.

Green City Basket: investing in sustainable urbanisation

In 2020, the proportion of the global population living in cities rose to 56%. With a weekly influx of 1.5 million people, it is expected that more than two-thirds of humanity will be living in metropolitan regions by 2050. Cities already consume three-quarters of the world's resources. While 80% of the world's economic output is produced in cities, they are also responsible for 80% of all pollutant emissions. To manage this trend without compromising on quality of life and increasing the strain on our environment, a strong focus on environmental sustainability, resource management and digitalisation is required for future urban developments.

The health crisis as a catalyst

The coronavirus pandemic is turbo-charging these changes. The UN found that almost 90% of viral illnesses occur in cities. Conversely, it is also in cities where crucial work on finding solutions is being done. Necessary support has been provided by online trade, delivery services and, most importantly, telecommunications. The digital transformation is not only helping to manage the current crisis, but is also serving as a catalyst and pool of possibilities for modern urban development.

Providing solutions in strategic areas

In the wake of this development, the following four strategic topics are of particular importance and are of interest from the perspective of investors:

- Modern city management
- Environmentally friendly utilities
- Ecologically sustainable infrastructure
- Urban mobility

Based on these four broad topics, VP Bank has developed an investment solution in the form of an actively managed share certificate with which investors can participate in the trend towards modern major cities and regions that strive to be sustainable. Each of the companies in the portfolio supports the fulfilment of specific SDGs as defined by the UN.

For more details about Green Cities, see our → [detailed report](#).

3.3. Innovation and impact

The “Move” pillar of our Strategy 2026 refers to the opening up of new business opportunities. In 2020, the Client Solutions unit was created to open up new business opportunities with a focus on private market solutions, digital assets and the development of networked platforms. The unit will build a modular and open investment and structuring platform for our clients and partners. In the area of digital assets, we are developing a tokenisation product (e.g. of art) that can be offered to clients by mid-2021.

Within Client Solutions, the Philanthropy & Impact function aims to offer clients a wide selection of opportunities to meet their personal philanthropy and impact goals. In close collaboration with the CIO and Sustainability teams, we aim to develop an offering that brings together investing and philanthropy to create an enhanced impact and deliver measurable benefits to the environment and society.

For more on our Strategy 2026 and the “Move” pillar, see our → [Annual Report 2020](#).

4. Investing in change in our business activities

While we believe that we can have the greatest impact with our client offering, positive change starts with our own behaviour and, as such, an important pillar of our Sustainability Plan 2026 are our efforts to invest in change in our business activities. 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 product offering, but also our business practices and contribution to society.

4.1. Governance (G)



Material topics addressed in this subsection:

-  Corporate governance (sustainability governance is covered in → section 2.4.)
-  Fair business practices and integrity
-  Corruption and bribery
-  Digitalisation

VP Bank promotes client proximity and trust through voluntary commitments to ethical principles in its business practices and creates a solid foundation for operating principles. Our → Code of Conduct, which is well established at VP Bank, as well as the Bank's values and management principles underpin VP Bank's binding commitment to ethically correct management and serve as a guide for good conduct. VP Bank's business relationships, both internally and externally, are in line with the principles of the International Convention on Human Rights and ILO Standards. This includes a ban on forced or child labour in all locations where VP Bank operates. Violations of the Code of Conduct or against VP Bank rules are penalised through disciplinary measures and consequences, as authorised under labour law.

We regularly consult with our stakeholders with regard to our activities and progress. This approach also applies to our commitment to good governance, fair business practices and tax compliance. For more on our stakeholder engagement activities, see → section 2.2.

Reporting of violations

Employees who identify a suspected violation of the Code of Conduct or any VP Bank rules are required to immediately report it to their direct supervisor, Compliance, Group Internal Audit or the local whistle-blowing office. Supervisors forward the report to Compliance or Group Internal Audit. Employees who, in good faith, inform the responsible office of a suspected violation need not fear any personal disadvantages as a consequence. This applies even in cases where it transpires that no violation has occurred. Confidentiality is assured, subject to the applicable legal provisions. Violations of the Code of Conduct were reported across the Group in 2020. All were investigated and appropriate follow-up actions were taken.

Mandatory training

VP Bank also has rules covering key topics such as banking secrecy, data protection, conflicts of interest, insider information and data integrity, as well as areas such as equal opportunities and social media. These are reinforced through periodic communications and mandatory training. All employees must complete annual training on the Code of Conduct, data protection and IT security. Additional mandatory training on subjects such as financial crime and market abuse, among others, is completed according to roles and functions.

Conflicts of interest and anti-corruption measures

Conflicts of interest may arise between the Bank and clients, between individual clients, between the Bank, its governance 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 as well as other business opportunities or purposes. A comprehensive set of rules and supporting processes (e.g. with respect to benefits) exist to maintain objectivity and prevent conflicts of interest. VP Bank acts in the best interests of its clients. To that end, a strict division of tasks exists between the Asset Management, Investment Advisory, Trading, Financial Analysis, Financing, Risk Monitoring and Clearing departments and Chinese walls prevent the sharing of sensitive information in this regard.

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. This objective is accomplished, on the one hand, through ongoing training for client advisors and, on the other, through internal monitoring measures.

Tax compliance

VP Bank is fully committed to the clean money strategy of the Liechtenstein banking centre and therefore adheres to the corresponding binding provisions of the Liechtenstein Bankers Association. Through their conduct and activities, 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 tax regulatory requirements such as Qualified Intermediary (QI), Foreign Account Tax Compliance Act (FATCA) and the Automatic Exchange of Information (AEOI).

Regarding its own tax strategy, VP Bank pursues a 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 the 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.

For more information, see our → Code of Conduct, our → Organisations and Business Regulations, our → Articles of Association and our → Annual Report 2020 for an update on our corporate governance.

Digitalisation

We are responding to the changing needs of clients for the digitalisation of banking services with the ongoing expansion of our VP Bank e-banking client portal, focusing on transparency and accessibility. New interaction and messaging functions, for example, allow for quick and secure communication between the client and the Bank.

Digital tools support our client advisors through the entire advisory process. Various investment proposals can be simulated directly during client meetings and adjustments can be made together, making the process transparent and comprehensive. With the introduction of a new cockpit for our client advisors, we are enabling a significant increase in efficiency in the handling of administrative tasks.

The restrictions on face-to-face contact due to COVID-19 further have enabled new digital solutions in client advisory services and we have been able to continue providing our clients individual, personal consultations via videoconference.

As we move forward, we will continue to engage with our employees, in particular our client advisors, as well as our clients to ensure that we continue to seize digital opportunities both in our product offering and our business activities.

4.2. Social change (S)



Material topics covered in this subsection:

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

For VP Bank, a management approach that embraces sustainable corporate leadership plays an essential role in its overall success. Leadership for us means going beyond compliance and good governance and also extends beyond our product offering. 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.

Our employees

VP Bank provides modern and appealing working conditions. In addition, motivation and health have an impact on individual performance and therefore we promote a working atmosphere where all employees feel comfortable and empowered. VP Bank encourages its employees to develop and implement their own ideas and offers them training and continuing education opportunities.

Equal opportunities

As of 31 December 2020, VP Bank Group employed 990 people, 161 of whom were client advisors. The average length of service at VP Bank Group remained unchanged at nine years at the end of 2020. In the reporting year, an average of between 20 and 30 vacancies were advertised per month. The employee turnover rate for 2020 was 6% (previous year: 7.2%).

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

The evaluation of employees' work performance is fair and objective. Whenever possible, those on long-term sick leave are reintegrated into the work environment and are offered professional support.

The → tables below provides the current employee statistics of VP Bank Group. Employee data for the entire VP Bank Group is stored in a centralised data system. Authorised personnel are able to extract information and generate reports.

Employee statistics

	Total	Men	% men	Women	% women
Number of employees	990	600	61	390	39
Average age	42.7	43.7		41.2	
Average length of service	8.9	8.7		9.1	
Employees with permanent contracts	941	573	61	368	39
Employees with temporary contracts	49	27	55	22	45
Employees in full-time employment	766	535	70	231	30
Employees in part-time employment	224	65	29	159	71

Table 5

Diversity Data

	Total	Men	% men	Women	% women
Board of directors	8	5	63	3	38
Management Level 1	5	5	100	0	0
Management Level 2	25	24	96	1	4

Table 6

Employee engagement

VP Bank regularly assesses its performance as an employer. A comprehensive Group-wide employee engagement

survey was conducted in 2019 and a pulse survey in 2020 covered the same topics. The aim was to assess employee commitment and satisfaction, attractiveness as an employer and inclination to recommend VP Bank. With a response rate of over 90% in 2020, the results are representative of employee sentiment.

Employees maintained a high level of commitment with scores above 80 (out of 100), which was also the case in 2019. Scores in areas of satisfaction and employer recommendation were 70 and 76, respectively. They are slightly lower than in 2019, but still remain above the acceptable threshold. The assessment of employer attractiveness saw the biggest decline to a score of 67 (2020) from 73 (2019).

Some of the decline in the scores can be attributed to the uncertainties that the coronavirus posed and the process of transformation the Bank is undergoing. The Group Executive and Senior Management are working to identify measures to be taken in the areas of tangible work activities, such as workload, as well as cultural aspects. The results showed concern about how the company deals with change and the overall company strategy, a point we took on board in the development of our new People Strategy and will continue to monitor as we implement our Strategy 2026 and our Sustainability Plan 2026.

Our People Strategy

We know that only enthusiastic employees will inspire our clients and therefore support the achievement of the Group goals for 2026. To seize current and future opportunities of 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 9)

Talent management (excite talents)

VP Bank is committed to the professional training of interns in the areas of sales and information technology. This allows trainees to put their knowledge into practice and lays the foundation for future career moves. For the Bank, the development of trainees through the cooperative educational system continues to represent a strategically important talent management component. At the end of 2020, VP Bank was training 15 young people in the sales area and five in information technology.

In 2020, the development programmes for students (Support Model) and university graduates (Career Start) were further expanded. In order to also offer opportunities for bachelor's degree graduates, VP Bank has launched a Bachelor Graduate programme. At the end of 2020, two students participated in the programme, five graduates in the Career Start programme, and one person in the Bachelor Graduate programme. With these programmes, VP Bank fosters new talent to ensure growth from within.



Figure 9

Employee development (grow for the future and love to empower)

“Management by Objectives” (MbO) is a key part of our approach to leadership at VP Bank. With our annual performance evaluation process, we ensure that the goals of the Bank are systematically broken down across all levels of the organisation. At the individual level, corresponding goals and primary tasks are agreed upon with our employees. At the end of the review, managers agree on a performance-based compensation, taking into account the achievement of objectives, fulfilment of main tasks and, in particular, compliance with regulatory requirements, internal regulations and client-specific requirements.

VP Bank continually invests in the professional development of its employees and managers. In Liechtenstein, 26 people completed a job-related course with a recognised diploma and another 38 participated in continuing education. The year 2020 was significantly shaped by the influence and impact of COVID-19. Our main focus was supporting our employees and managers in the new remote working world and we launched various training

and individual development measures on the topic of working and leading in this digital world.

Remuneration

VP Bank’s remuneration policy provides a binding Group-wide framework for remuneration practice, thereby ensuring that VP Bank personnel are compensated according to uniform guidelines and that the principle of equal pay for equivalent work is systematically applied. VP Bank Group’s remuneration policy and practices are simple, transparent and geared to sustainability, which includes environmental, social and governance aspects. Relevant targets are incorporated into each employee’s objectives according to their role. For example, sustainability risk considerations for client advisors.

Employee representation

Freedom of association is guaranteed throughout VP Bank in accordance with applicable legal regulations. Employment contracts are negotiated mainly on an individual basis rather than through collective bargaining.

Employees in Liechtenstein and Luxembourg are represented by the Arbeiternehmervertretung (ANV), which acts as a contact point for employees to mediate with regards to various topics such as dismissals or the protection of employee interests. This represents 80% of the total workforce. All suggestions, complaints and personal concerns are handled with the utmost discretion and dealt with in regular meetings. The work of the ANV is based on the Rules of Participation, adopted by the Executive Board. The ANV must be informed and involved by the Executive Board if the general conditions of employment are to be changed or if a reduction in the number of employees is planned. The President of the ANV and the HR division management meet regularly to exchange views on current HR topics. Between VP Bank and VP Fund Solutions, a joint works council represents the interests of the employees of both companies. The works council is committed to the protection and improvement of working conditions and the preservation of the employment situations and jobs.

Supporting our communities

Serving the public interest, being good neighbours and giving back to the communities we operate in is a matter of course for us. Our social engagement is therefore another avenue where we practice sustainability and put our values into action.

Our philanthropic and volunteering efforts, like all material topics, 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.

Philanthropy

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

In 2020, the VP Bank Foundation made grants of approximately CHF 200,000. Major beneficiaries in the area of education and science were: the Lebenswertes Liechtenstein, myclimate and Zukunft.li foundations, the Private University in the Principality of Liechtenstein (UFL) and Technopark Liechtenstein. Through the Lichtblick event, donations were provided to 28 charitable organisations in Liechtenstein. Overall, distribution was as follows:

Lichtblick donation distribution

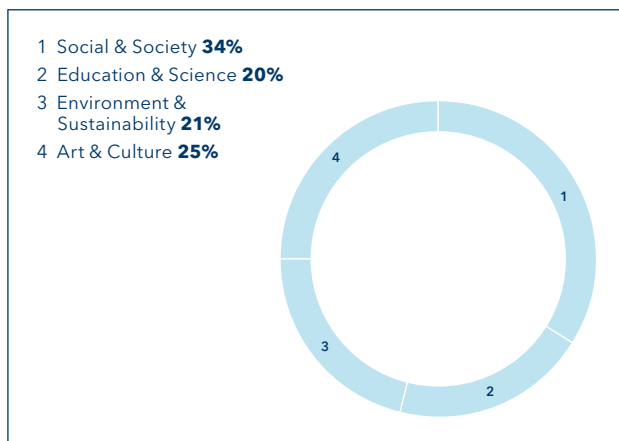


Figure 10

In addition to the donations through the VP Bank Foundation, VP Bank supports the Liechtensteinische Gesellschaft für Umweltschutz.

For more on our social engagement, including the management approach for our philanthropic efforts, see the "Social engagement" section in our → Annual Report 2020.

Volunteering

The Volunteering Day programme was initiated by VP Bank in 2015 and enables its employees in Liechtenstein and Switzerland to spend a day doing volunteer work at non-profit social services organisations, training programmes or environmental organisations.

For more on our Volunteering Day, see the "Sustainable business activity" section in our → Annual Report 2020.

4.3. Environmental change (E)



Material issues addressed in this subchapter:

-  Climate Change
-  Clean Energy
-  Environment
-  Resource efficiency

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 and provide an appropriate framework. However, net zero cannot be achieved without a determined effort by businesses and individuals. VP Bank has been committed to environmental sustainability for many years and has already successfully implemented a number of specific measures. They provide a sound foundation to achieve our goal of CO₂ neutral operations by 2026.

Our stakeholders agree on the importance of this topic and have ranked climate change and resource efficiency as two of our most material topics in terms of our business activities. In order to ensure that we stay on the right track with our targets, we will regularly consult with our stakeholders and monitor our progress. For more on our stakeholder engagement process, goals and material topics, see → section 2.

Clean energy and CO₂ management

VP Bank Group has a long history of using renewable energy. A photovoltaic system on the roof of the Giessen building in Vaduz has been providing environmentally friendly energy for 25 years. The installation of an additional solar energy system at the Triesen building was completed in 2020. Other technologies deployed in some of our offices include LED lighting, motion detection lighting and various sources of renewable energies.

In order to establish a baseline to track our progress over the coming years, we collected the 2020 energy consumption data for our Bank across all locations. A total of 4,418 MWh of energy was consumed, of which 93% was renewable and only 7% came from non-renewable sources. This resulted in CO₂ emissions of 119 tonnes. For more information on the energy types and emission factors, see our → Appendix.

Total energy consumption 2020

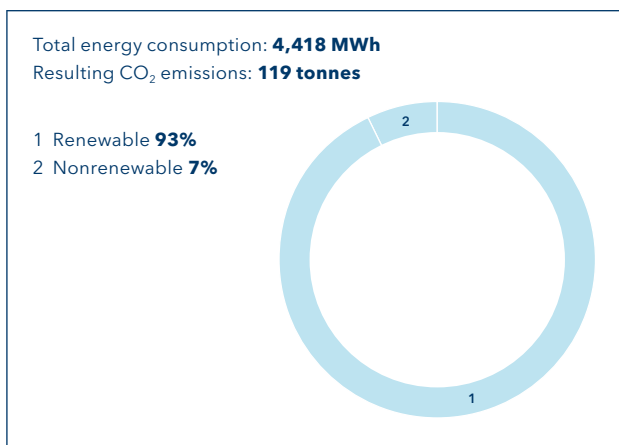


Figure 11

The table below provides information on our business flights in 2020 and the associated CO₂ emissions. We are providing this data in the knowledge that it does not provide a representative baseline. The impact of COVID-19 has resulted in a significant reduction in flights and corresponding CO₂ emissions. In addition, this information covers Liechtenstein, Luxembourg and Switzerland. In 2021, we plan to work with our travel agency to extend the coverage to all our locations.

Airline kilometres	CO ₂ emissions in tonnes
316,983	96

Table 7

Environment and resource efficiency

Our internal environmental efforts not only extend to clean energy and a reduction in our CO₂ footprint. We have also put in place stringent waste management and resource-efficiency solutions. Part of this is an increased focus on digitalisation and the reduction of our paper consumption. Our waste disposal concept ensures that we recycle and reduce waste where possible. For more information on our resource management approach in Liechtenstein, see our → Annual Report 2020.

A further measure taken at VP Bank is our partnership with Drink & Donate. Employees receive a reusable glass bottle, thus reducing the demand for individual plastic bottles. This partnership also includes donations facilitating access to drinking water in communities in Tanzania.

Supply chain

All of the suppliers we work with have to comply with relevant regulations and international standards. A significant portion of our procurement is consulting- and IT-related and we therefore do not face the same large-scale supply chain challenges as other industries. However, we follow the “Avoid, reduce, recycle” rule and give preference to goods that are environmentally friendly or are supplied by environmentally certified manufacturers. There were no significant changes to our supply chain in 2020.

5. Disclosures

5.1. About the Report

This Report is written in accordance with GRI Core and Sustainability Accounting Standards Board (SASB) asset management standards. The Report addresses all material topics and discloses our management approach for each. The scope of individual material topics can be found in the → definition table in section 2. This Report can be read in conjunction with the Annual Report 2020 for additional information. Links to relevant policies and standards are included in this Report as well as where further information is available. This Report has not been externally verified and external assurance is foreseen for the next report.

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5.2. Appendix

Energy consumption

The table below provides the types of energy and basis for CO₂ emissions estimation for each location.

Location	Source of energy and basis for emissions estimation
VPBCH	Information obtained from providers Electricity: generation is CO ₂ neutral. 91.3% renewable, 7.8% nuclear, 0.45% waste from renewable source, 0.45% waste from nonrenewable. ⁵ Heating: 20% biogas, 80% natural gas ⁶ ; Emission factor: 0.198 kg CO ₂ / kWh ⁷ Consumption information excludes our offices at Talstrasse 62 as data is not available, however, this is a small office.
VPBLU	100% hydroelectricity
VPBSG	Information obtained from provider ⁸ Electricity: average grid emission factor is 0.4085 kg CO ₂ /kWh. Fuel mix is 95.6% natural gas, 2.8% renewable, 1.2% coal and 0.4% diesel and fuel oil Cooling: Excluded from total consumption as data is not available.
VPBVG	Emissions are estimated since no emission data available from provider ⁹ . Electricity: Generated from oil that is shipped in.
VPBLI	100% renewable: 82.3% hydropower and 17.7% solar

⁵ http://www.fernwaerme-zuerich.ch/index_en.htm

⁶ <https://www.energie360.ch/de/energie-360/wissen/erdgas-biogas>

⁷ Klimastiftung Schweiz

⁸ <https://www.ema.gov.sg/singapore-energy-statistics>

⁹ <https://cambioclimatico-regatta.org>

5.3. GRI index

GRI Standard		Reference
Organizational profile		
102-1	Name of the organization	VP Bank AG
102-2	Activities, brands, products, and services	→ 2020 Sustainability Report: VP Bank at a glance, page 6; Our Value chain, page 6
102-3	Location of headquarters	→ 2020 Sustainability Report: VP Bank at a glance, page 6
102-4	Location of operations	→ 2020 Sustainability Report: VP Bank at a glance, page 6
102-5	Ownership and legal form	→ 2020 Sustainability Report: VP Bank at a glance, page 6
102-6	Markets served	→ 2020 Sustainability Report: VP Bank at a glance, page 6
102-7	Scale of the organization	→ 2020 Sustainability Report: VP Bank at a glance, page 6
102-8	Information on employees and other workers	→ 2020 Sustainability Report: Employee statistics, page 21
102-9	Supply chain	→ 2020 Sustainability Report: Supply chain, page 24 → 2020 Annual Report: Suppliers, page 41
102-10	Significant changes to the organization and its supply chain	→ 2020 Annual Report: Segment Reporting, page 86
102-11	Precautionary Principle or approach	→ 2020 Sustainability Report: Risk management, page 14
102-12	External initiatives	→ 2020 Sustainability Report: Memberships and initiatives, page 11
102-13	Membership of associations	→ 2020 Sustainability Report: Memberships and initiatives, page 11
Strategy		
102-14	Statement from senior decision-maker	→ 2020 Sustainability Report: Letter to our Stakeholders, page 5
102-15	Key impacts, risks, and opportunities	→ 2020 Sustainability Report: Key risks and opportunities, page 14 → 2020 Annual Report: Coronavirus crisis management, pages 51-52; Risk Committee, page 71; Risk management pages 111-130
Ethics and integrity		
102-16	Values, principles, standards, and norms of behaviour	→ 2020 Sustainability Report: Governance, pages 19-20 → 2020 Annual Report: Corporate Governance, page 63
102-17	Mechanisms for advice and concerns about ethics	→ 2020 Sustainability Report: Reporting of violations, page 19
Governance		
102-18	Governance structure	→ 2020 Sustainability Report: Sustainability governance, page 13 → 2020 Annual Report: Organisational structure, pages 14-17
Stakeholder engagement		
102-40	List of stakeholder groups	→ 2020 Sustainability Report: Stakeholder engagement, pages 9-10 → 2020 Annual Report: Stakeholders, page 40
102-41	Collective bargaining agreements	→ 2020 Sustainability Report: Employee representation, page 22
102-42	Identifying and selecting stakeholders	→ 2020 Sustainability Report: Stakeholder engagement, pages 9-10
102-43	Approach to stakeholder engagement	→ 2020 Sustainability Report: Stakeholder engagement, pages 9-10
102-44	Key topics and concerns raised	→ 2020 Sustainability Report: Stakeholder engagement, page 10

GRI Standard		Reference
Reporting practice		
102-45	Entities included in the consolidated financial statements	→ 2020 Annual Report: Segment Reporting, page 86; Principles underlying financial statement reporting and notes, page 102
102-46	Defining report content and topic Boundaries	→ 2020 Sustainability Report: Memberships and initiatives, page 11; About the report, page 25
102-47	List of material topics	→ 2020 Sustainability Report: Material topics, pages 11-12
102-48	Restatements of information	→ 2020 Sustainability Report: About the report, page 25
102-49	Changes in reporting	→ 2020 Sustainability Report: About the report, page 25
102-50	Reporting period	→ 2020 Sustainability Report: About the report, page 25
102-51	Date of most recent report	→ 2020 Sustainability Report: About the report, page 25
102-52	Reporting cycle	→ 2020 Sustainability Report: About the report, page 25
102-53	Contact point for questions regarding the report	→ 2020 Sustainability Report: About the report, page 25
102-54	Claims of reporting in accordance with the GRI Standards	→ 2020 Sustainability Report: About the report, page 25
102-55	GRI content index	→ 2020 Sustainability Report: GRI table, pages 26-27
102-56	External assurance	→ 2020 Sustainability Report: About the report, page 25
205 - Anti-corruption. relates to "Corruption and bribery"		
103	Explanation of the material topic and its Boundary	→ 2020 Sustainability Report: Material topics, pages 11-12
	The management approach and its components	→ 2020 Sustainability Report: Governance, page 19 → 2020 Annual Report: Risk management of VP Bank Group, pages 114 and 129-130 → Code of Conduct, Organisations and Business Regulations, Articles of Association
	Evaluation of the management approach	→ 2020 Sustainability Report: Governance, page 19
206 - Anti-competitive behaviour. relates to "Fair business practices and integrity"		
103	Explanation of the material topic and its Boundary	→ 2020 Sustainability Report: Material topics, pages 11-12
	The management approach and its components	→ 2020 Sustainability Report: Governance, page 19 → 2020 Annual Report: Corporate Governance, page 63 → Code of Conduct, Organisations and Business Regulations, Articles of Association
	Evaluation of the management approach	→ 2020 Sustainability Report: Governance, page 19 → 2020 Annual Report: Corporate Governance, page 63
207 - Tax. relates to "Corporate governance"		
103	Explanation of the material topic and its Boundary	→ 2020 Sustainability Report: Material topics, pages 11-12
	The management approach and its components	→ 2020 Sustainability Report: Governance, page 19
	Evaluation of the management approach	→ 2020 Sustainability Report: Governance, page 19 → 2020 Annual Report: Legislation and supervisory authorities, page 58; Principles underlying financial statement reporting and notes, page 102

GRI Standard		Reference
302 - Energy. relates to "Climate change", "Clean energy" and "Environment"		
103	Explanation of the material topic and its Boundary	→ 2020 Sustainability Report: Material topics, pages 11-12
	The management approach and its components	→ 2020 Sustainability Report: Environmental change, pages 23-24; Appendix, page 25 → 2020 Annual Report: Business ecology, pages 54-57
	Evaluation of the management approach	→ 2020 Sustainability Report: Environmental change, pages 23-24
305 - Emissions. relates to "Climate change" and "Environment"		
103	Explanation of the material topic and its Boundary	→ 2020 Sustainability Report: Material topics, pages 11-12
	The management approach and its components	→ 2020 Sustainability Report: Environmental change, pages 23-24 → 2020 Annual Report: Business ecology, pages 54-57
	Evaluation of the management approach	→ 2020 Sustainability Report: Environmental change, pages 23-24
306 - Effluents and waste. relates to "Resource efficiency" and "Environment"		
103	Explanation of the material topic and its Boundary	→ 2020 Sustainability Report: Material topics, pages 11-12
	The management approach and its components	→ 2020 Sustainability Report: Environmental change, pages 23-24 → 2020 Annual Report: Business ecology, pages 54-57
	Evaluation of the management approach	→ 2020 Sustainability Report: Environmental change, pages 23-24
401 - Employment. relates to "Employment practices"		
103	Explanation of the material topic and its Boundary	→ 2020 Sustainability Report: Material topics, pages 11-12
	The management approach and its components	→ 2020 Sustainability Report: Our employees, pages 20-22
	Evaluation of the management approach	→ 2020 Sustainability Report: Our employees, pages 20-22
405 - Diversity and equal opportunity. relates to "Equal opportunities and diversity"		
103	Explanation of the material topic and its Boundary	→ 2020 Sustainability Report: Material topics, pages 11-12
	The management approach and its components	→ 2020 Sustainability Report: Our employees, pages 20-21
	Evaluation of the management approach	→ 2020 Sustainability Report: Our employees, pages 20-21
406 - Non-discrimination. relates to "Equal opportunities and diversity"		
103	Explanation of the material topic and its Boundary	→ 2020 Sustainability Report: Material topics, pages 11-12
	The management approach and its components	→ 2020 Sustainability Report: Our employees, pages 20-21
	Evaluation of the management approach	→ 2020 Sustainability Report: Employee engagement, pages 20-21

GRI Standard		Reference
412 - Human rights assessments. relates to "Human rights"		
103	Explanation of the material topic and its Boundary	→ 2020 Sustainability Report: Material topics, pages 11-12
	The management approach and its components	→ 2020 Sustainability Report: The Investing for Change initiative, pages 15-16; Governance, page 19
	Evaluation of the management approach	→ 2020 Sustainability Report: The Investing for Change initiative, pages 15-16; Governance, page 19
413 - Local communities. relates to "Philanthropy" and "Volunteering"		
103	Explanation of the material topic and its Boundary	→ 2020 Sustainability Report: Material topics, pages 11-12
	The management approach and its components	→ 2020 Sustainability Report: Philanthropy, page 23 → 2020 Annual Report: Social engagement, page 53
	Evaluation of the management approach	→ 2020 Sustainability Report: Philanthropy, page 23
Material topic (not covered by reporting standards): Sustainable Investment		
103	Explanation of the material topic and its Boundary	→ 2020 Sustainability Report: Material topics, pages 11-12
	The management approach and its components	→ 2020 Sustainability Report: Our Strategy 2026, page 8; Sustainability Plan 2026, page 9; Our sustainable investment strategy, pages 15-18
	Evaluation of the management approach	→ 2020 Sustainability Report: Sustainability Plan 2026, pages 9-10; Investing for Change, pages 15-18
Material topic (not covered by reporting standards): Digitalisation		
103	Explanation of the material topic and its Boundary	→ 2020 Sustainability Report: Material topics, pages 11-12
	The management approach and its components	→ 2020 Sustainability Report: Green City Basket, page 17; Digitalisation, page 20 → 2020 Annual Report: Client advisory, page 43
	Evaluation of the management approach	→ 2020 Sustainability Report: Digitalisation, page 20
Material topic (not covered by reporting standards): Innovation		
103	Explanation of the material topic and its Boundary	→ 2020 Sustainability Report: Material topics, pages 11-12
	The management approach and its components	→ 2020 Sustainability Report: Innovation and impact, page 18
	Evaluation of the management approach	→ 2020 Sustainability Report: Innovation and impact, page 18

5.4. UN Global Compact

Principle	Reference
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	→ 2020 Sustainability Report: Material topics, page 12; Governance, page 19; Supply chain, page 24. → Code of Conduct
Principle 2: make sure that they are not complicit in human rights abuses.	→ 2020 Sustainability Report: The Investing for Change initiative, page 15; Governance, page 19; Supply chain, page 24. → 2020 Annual Report: Our Suppliers, page 41
Labour	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	→ 2020 Sustainability Report: Employee representation, page 22
Principle 4: the elimination of all forms of forced and compulsory labour;	→ 2020 Sustainability Report: Governance, page 19 → Code of Conduct
Principle 5: the effective abolition of child labour; and	→ 2020 Sustainability Report: Governance, page 19 → Code of Conduct
Principle 6: the elimination of discrimination in respect of employment and occupation.	→ 2020 Sustainability Report: Material topics, page 12; Equal opportunities, pages 20-21
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	→ 2020 Sustainability Report: Key risks and opportunities, page 14
Principle 8: undertake initiatives to promote greater environmental responsibility; and	→ 2020 Sustainability Report: Sustainability Plan 2026, pages 8-9; Material topics, pages 11-12; Green City Basket, page 17; Supply chain, page 24. → 2020 Annual Report: Our Suppliers, page 41
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	→ 2020 Sustainability Report: Material topics, pages 11-12; The Investing for Change Initiative, pages 15-16; Environmental change, pages 23-24
Anti-Corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	→ 2020 Sustainability Report: Material topics, pages 11-12; Governance, page 19 → Code of Conduct

