

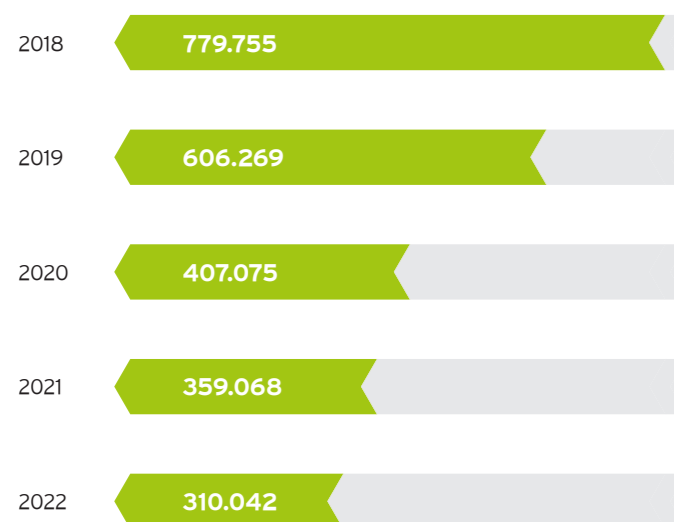


Responsibility for the future

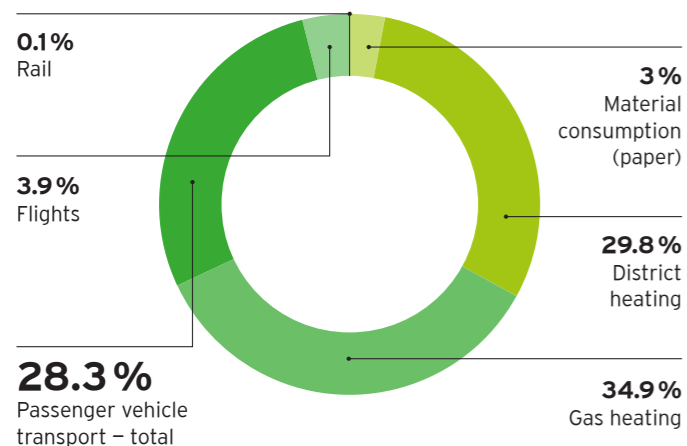
Group non-financial highlights

HYPO NOE GROUP CO₂ EMISSIONS

kg CO₂-e

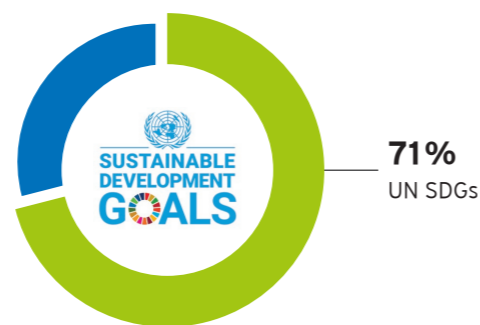


BREAKDOWN OF CO₂ EMISSIONS



CONTRIBUTION TO ACHIEVEMENT OF THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

% of financing volume



In line with its business model, which focuses on infrastructure and housing finance, HYPO NOE makes a significant contribution to achievement of the United Nations Sustainable Development Goals, primarily those relating to sustainable cities and communities, infrastructure and health and well-being.

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The full annual report is available for download at:



ir.hyponoe.at/en/



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Committed to championing sustainability: Management Board Member Markets and Speaker of the Board Wolfgang Viehauser (right) and Management Board Member Finance, Risk & Operations Udo Birkner



“We can play a huge part in making the economy climate-neutral”

MANAGEMENT TEAM. Management Board members Wolfgang Viehauser and Udo Birkner talk about how banks can support the transition to a climate-neutral future, financing that generates added value for society, and the challenges posed by demographic changes.

The European Union's Green Deal is designed to steer the region's economy towards a climate-neutral future. Banks will play a significant role in the process. Is that a challenge or an opportunity?

BIRKNER: The World Economic Forum pinpointed climate change and its consequences as the biggest long-term risks facing the world today. About half of global GDP depends on keeping our environment intact. We are sliding more and more quickly towards a tipping point when climate change and all of the associated effects on humanity will

become irreversible. The challenges we face in this regard are enormous. The majority of young people are anxious about the future and expect decisive, proactive steps from businesses and politicians. Financing and capital flows will have to be steered towards sustainable investment. And banks can play a significant part in this.

VIEHAUSER: The shift towards a climate-neutral economy will be very capital-intensive. According to the latest calculations, Austria will need to invest about EUR 150bn in the energy, industrial, real estate and transport sectors between now

»

» and 2030. Thanks to our business model, with its emphasis on finance for projects that generate added value for local communities in the shape of affordable housing, real estate and public infrastructure, we can provide substantial support in this regard. The need for investment in renovation and renewable energy is particularly high, because buildings account for around 40% of all greenhouse gas emissions in the EU. But financing is also required in order to adapt to the consequences of climate change, for example by means of flood protection measures or reforestation. What's more, the European Union is aiming to implement a fully functional circular economy, and achieving this is a job for both businesses and the public sector. This is why we developed our green investment loan, which opens the door to tailor-made solutions for our customers.

For many years now you've been reporting on your efforts to boost sustainability – you started long before you were obliged to do so by law. How has sustainability reporting changed over the years?

VIEHAUSER: We launched our sustainability programme exactly a decade ago. Back then, the biggest challenge was measuring our carbon footprint and generating comprehensive, resilient data. This ultimately paved the way for us to join the klimaaktiv initiative. The main change is that the focus has shifted more towards value creation – for banks, this means the emphasis is on actual financing. About two thirds of our loan portfolio

“Financing and capital flows will have to be steered towards sustainable investment. And banks can play a significant part in this.”

Udo Birkner,
Management Board Member Finance, Risk & Operations

“As a result of the Green Deal and the EU taxonomy, the topics of data availability, as well as loan portfolio assessment and management have become markedly more important.”

Wolfgang Viehauser,
Management Board Member Markets and Speaker of the Board

is geared towards achieving the UN's Sustainable Development Goals. As such, we already have a highly sustainable business model. As a result of the Green Deal and the EU taxonomy, the topics of data availability, as well as loan portfolio assessment and management have become markedly more important.

Demographic shifts will pose significant challenges for businesses over the coming years. What consequences do you anticipate for your company?

BIRKNER: We'll mainly feel the effects when it comes to recruitment – the battle to attract the brightest minds is already under way. Having a strong image as a sustainable business can be helpful in this respect, because as surveys have shown, a company's approach to sustainability can be a key consideration when people look at a prospective employer. Of course, there are other decisive factors that can help to make an employer more attractive, and this is why we launched an employee experience initiative as part of our corporate development process. This gave rise to a whole package of measures that we are now implementing. In particular, we've focused on creating an appropriate work-life balance, as well as working arrangements that are in step with various life phases. The steps we've taken include proactive management of parental leave, flexible working time models, working from home, and building frameworks that support staff training and development. Regular employee surveys and our obligation to complete external audits, including for “berufundfamilie” [Career and Family - Ed.] certification, enable us to constantly improve. ■

HYPO NOE at a glance

MILESTONE. The HYPO NOE Group launched its sustainability programme ten years ago. And sustainability has been an integral component of the company's strategy ever since.



WHAT DOES ESG STAND FOR?

ESG is the abbreviation for environment, social and governance – the three dimensions of sustainability.

HOW ESG IS EMBEDDED IN OUR ORGANISATIONAL SET-UP



HYPO NOE Group ESG strategy

Our ESG strategy is based on three pillars:

1. Financing that adds value for communities
2. Acting as a responsible employer
3. Reducing the Group's environmental footprint

FINANCING	EMPLOYER	ECOLOGICAL IMPACT
<ul style="list-style-type: none"> ■ Strict ethics guidelines and business principles ■ Contributing to achievement of the SDGs ■ Developing green products¹ ■ Cutting CO₂ emissions through green financing² ■ Regular (compulsory) ESG training (EFPA ESG Advisor®, compliance courses) ■ Building a resilient ESG database (ESG data, CO₂ measurement) ■ Assessing, managing and mitigating sustainability risks 	<ul style="list-style-type: none"> ■ Preventive healthcare for employees ■ Professional and personal development ■ Various forms of employee participation (regular surveys on employee satisfaction, frauen@hyponoe [women@hyponoe] workshops, employee journeys) ■ Working arrangements tailored to different life phases (working from home, flexitime and part-time arrangements, sabbaticals, proactive parental leave management) ■ External audits: "berufundfamilie", "Leading Employer", "Wir stellen gleich" equal opportunities quality seal 	<ul style="list-style-type: none"> ■ ISO 14001 environmental management system ■ klimaaktiv partner ■ Increasing proportion of renewables ■ Expansion of photovoltaic systems ■ Installation of new e-vehicle charging stations ■ Greening the vehicle fleet ■ Various forms of staff participation (internal sustainability working group, employee survey on mobility)



¹ en.hyponoe.at/sustainability
² ir.hyponoe.at/?eID=dumpFile&t=f&f=18418&l=de&token=245708f200518c31ea82dd03c071377b5ac42aff

Sustainability reporting - at a glance



SUSTAINABILITY SUPPLEMENT

The HYPO NOE Group and its strategic business sectors use this supplement to present sustainability-related activities and indicators with a view to increasing transparency in stakeholder relations. HYPO NOE's goal is to ensure that its stakeholders have a clear picture of the products and services it offers, the tasks it performs on behalf of its customers and the contribution it is making towards future-proofing the region.



SCOPE AND BOUNDARY OF THIS REPORT

The supplement covers the activities of all parts of the consolidated HYPO NOE Group. A full list can be found in the annual report at ir.hyponoe.at/en/.

The information provided chiefly relates to the Austrian market. Where this is not the case, a note to this effect can be found in the corresponding chapters and indicators.



REPORT FORMAT

The sustainability supplement and accompanying GRI index can be downloaded from en.hyponoe.at/sustainability.



REPORTING PERIOD

The information and indicators presented in this report relate to 2022 (1 January-31 December). The supplement is published once a year. Where figures relate to a different period, a note to this effect can be found in the corresponding indicators.



CONTACTS

If you have any questions or comments, you can reach the HYPO NOE sustainability team at nachhaltig@hyponoe.at.



GLOBAL REPORTING INITIATIVE STANDARDS

This report has been drawn up with reference to the GRI standards: It is also the subject of an external audit (see p31).

The index containing the GRI standards covered by the report is shown at en.hyponoe.at/sustainability.



CONTENTS

The contents of this supplement were determined and prepared according to the Group's wider sustainability context, and the principles of stakeholder involvement, materiality and completeness. Balance, comparability, accuracy, timeliness, clarity and reliability of the information and data were all taken into account to ensure the report meets the required quality standards. General information on the Group is provided in the 2022 Annual Report and the 2022 Group operational and financial review, references to which are contained in the text.



SUSTAINABILITY AND DIVERSITY IMPROVEMENT ACT - REPORTING REQUIREMENTS

Under the Austrian Nachhaltigkeits- und Diversitätsverbesserungsgesetz (Sustainability and Diversity Improvement Act), which implements EU Directive 2014/95/EU (NFI Directive) in national law, since 2017 large companies of public interest have been obliged to disclose information relating to their approach to environmental and social issues.

The overarching goal of the Directive is to promote transparency while enhancing the relevance, consistency and comparability of the non-financial information currently included in reporting by expanding and clarifying the existing requirements. In line with its legal obligations, HYPO NOE has prepared a consolidated non-financial statement, which can be found in the operational and financial review.

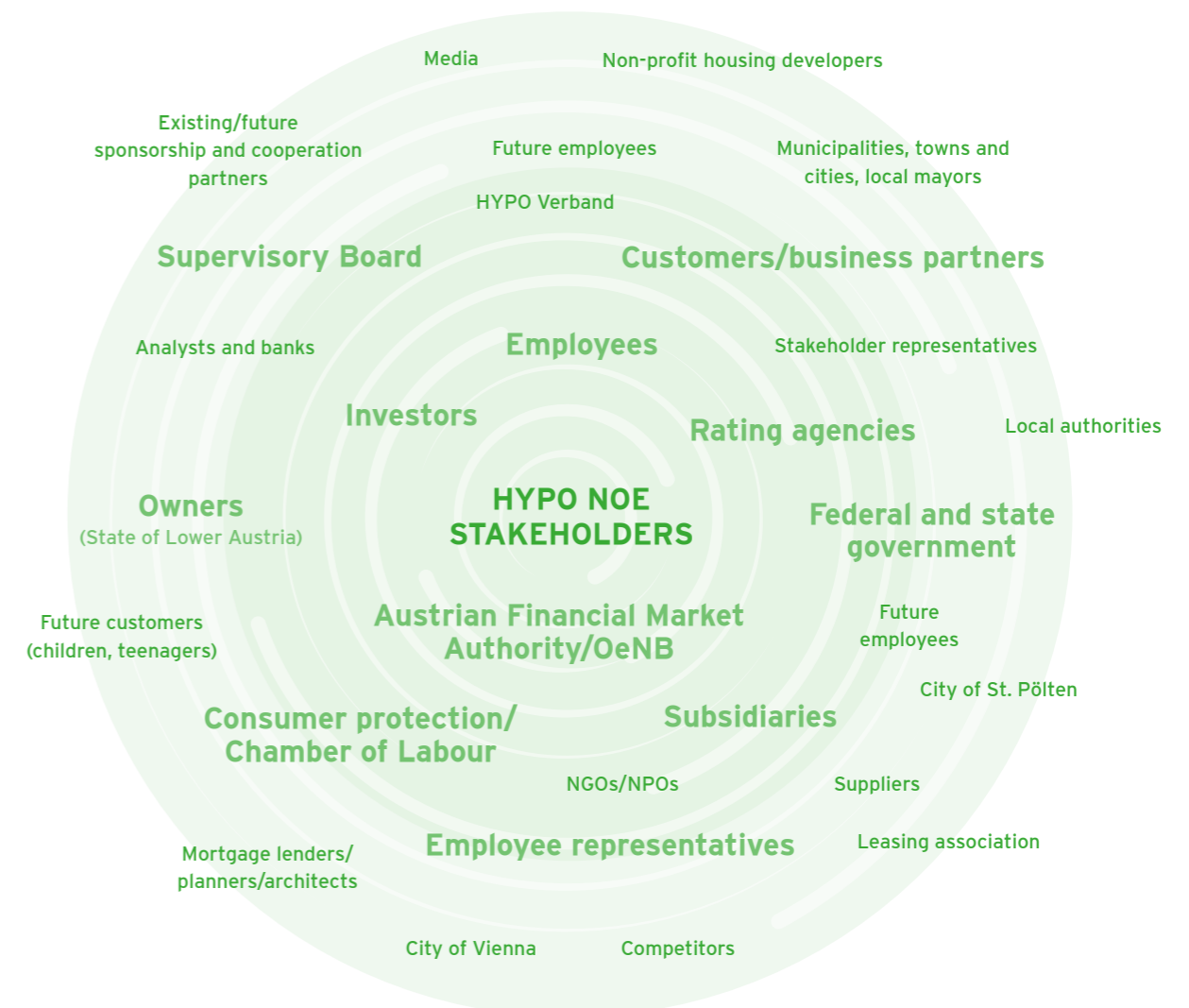
Building on this, the ESG supplement provides more detailed information and has been drawn up with reference to the GRI standards. ■

Double materiality

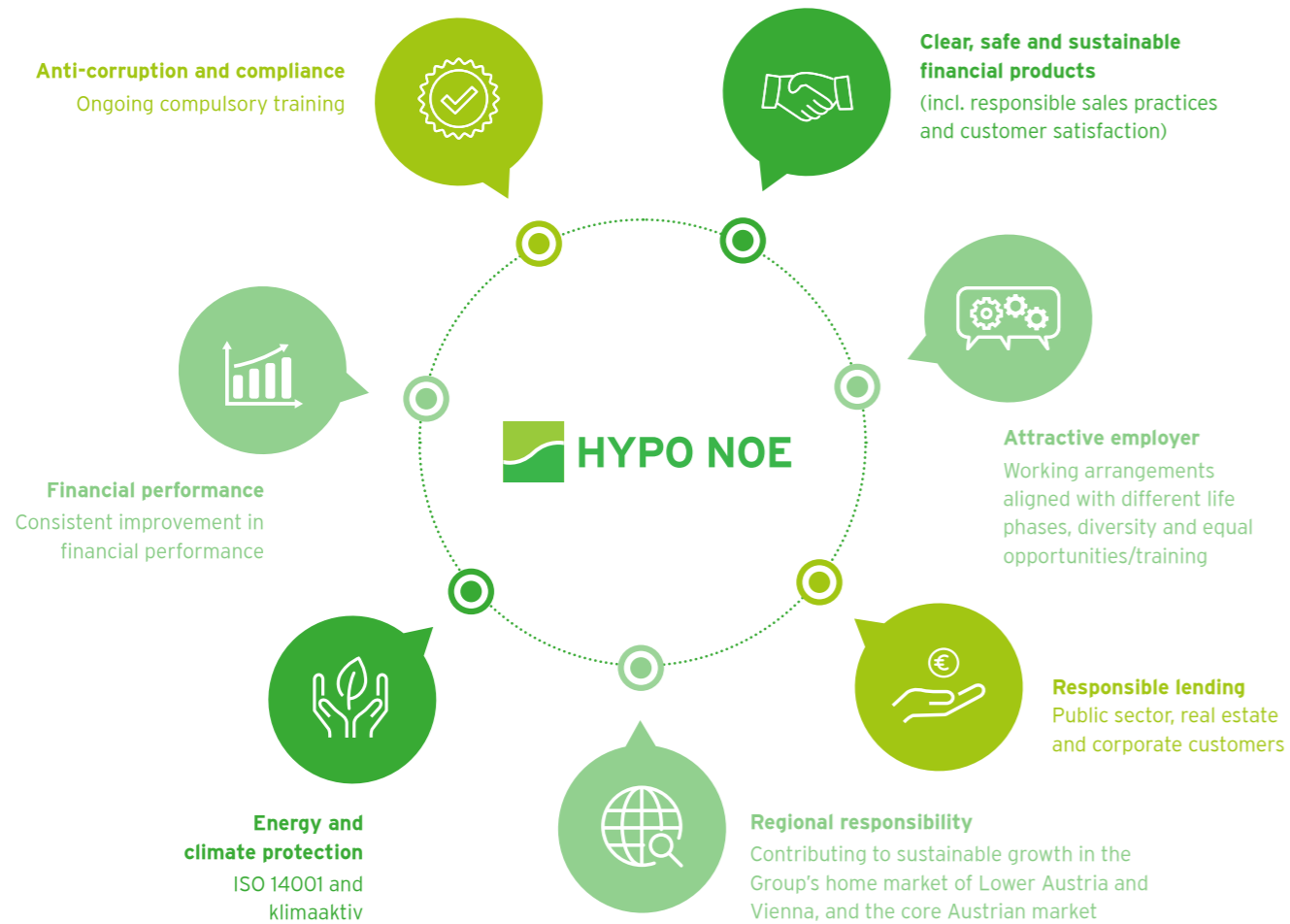
SUSTAINABILITY REPORTING. The concept of double materiality represents a core element in future sustainability-related reporting.

The HYPO NOE Group launched its sustainability programme in 2013, and has been reporting since 2014 on its targets and the progress it has made in terms of sustainability. Since then, topics considered to be material have been assessed at regular intervals. The double materiality principle was first applied in 2022. This means that financial risks are now evaluated in addition to the impacts

of the Group's operating activities, which involves analysing the effects of sustainability issues on an organisation's development, performance and position. Information from employees, customers and investors feed into this analysis. Regular customer and employee surveys and dialogue with stakeholders are also important factors in this regard.



CORE TOPICS AND ACTION AREAS AT A GLANCE



HYPO NOE Group materiality process

The effects on society and the environment (impact/inside out) arising from the Group's business model and from the Company itself, as well as external developments that could potentially expose the Group to financial risks (risk/outside in) are all relevant when identifying and assessing material action areas. The Group's management approach and due diligence processes are designed with these opportunities and risks in mind.

Taking responsible lending as an example, the related **opportunities, risks, management approaches and due diligence** are shown below.

OPPORTUNITIES/IMPACT	RISKS/EXAMPLES	MANAGEMENT APPROACHES	DUE DILIGENCE
Steering finance to activities that have a greater impact on sustainability	Legal risks: examples Climate-related lawsuits against governments with the aim of obliging legislators to implement climate-protection measures more effectively Climate-related lawsuits against businesses obliging them to rectify environmental and climate damage they have caused or to reduce their greenhouse gas emissions	Continuous monitoring Ethics guidelines and business principles incl. inclusion and exclusion criteria Developing green and social products such as Grüne Linie accounts and loans, Immokredit 60+ housing finance and Umweltzeichen-certified products	Sustainability ratings
Sustainability classification of the lending business (taxonomy)			Risk inventory
Reducing environmental impacts (e.g. soil sealing, greenhouse gas emissions, circular economy)	Reputational risk: examples Calls for consumer boycotts due to sustainability risks or loss of trust by customers, e.g. as a result of greenwashing	Enhancing expertise on the EU taxonomy Business model: finance for subsidised homebuilding loans, housing development, energy-efficient buildings and renovations, and social infrastructure	Climate stress tests
Building affordable housing			Heat map for CO ₂ exposures
Supporting the energy transformation	Business risk: examples Loss of confidence on capital markets due to rating downgrades or deterioration in financial indicators as a result of poor strategic decisions Credit risk: examples Deterioration in contractual parties' creditworthiness due to the emerging impacts of physical or transitory risks, e.g. crop failures or changes in the economic or legal environment Sustainability risks: examples (physical and transitory) Risks arising as a result of climate change, e.g. extreme weather events, new regulatory requirements or a paradigm shift, and associated changes in consumer behaviour		ESG industry benchmarking
Enhancing the stability of the financial sector			SDG mapping
Impetus for sustainable business practices			Internal ESG committee

ESG STRATEGY

The Group's ESG strategy rests on three pillars:

- Financing projects that add value for society (loan portfolio)
- Acting as a socially responsible employer (HR strategy)
- Continuous reduction in the Group's environmental footprint (ecological impact)

MANAGEMENT APPROACH

- Focus on lending to public sector, real estate and corporate customers
- Ethics guidelines and business principles
- Developing green products
- Measuring, assessing and managing ESG risks
- Regulatory monitoring (ESG)
- ESG committee and sustainability working group
- Employee participation
- Working arrangements aligned with different life phases
- Compliance guidelines and compulsory training

Green across the board



SUCCESSFUL GROWTH. Previously, the Group's Grüne Linie green products included current and savings accounts as well as green housing loans. The product range grew in 2022 with the addition of a new green investment loan. Meanwhile, our TWENTY5 account for younger customers received Umweltzeichen certification as a sustainable financial product.

Immokredit 60+

In an age when change seems to be the only constant, customers in their later years need products that offer specific solutions, as well as a degree of flexibility, while also taking individual life circumstances into account.

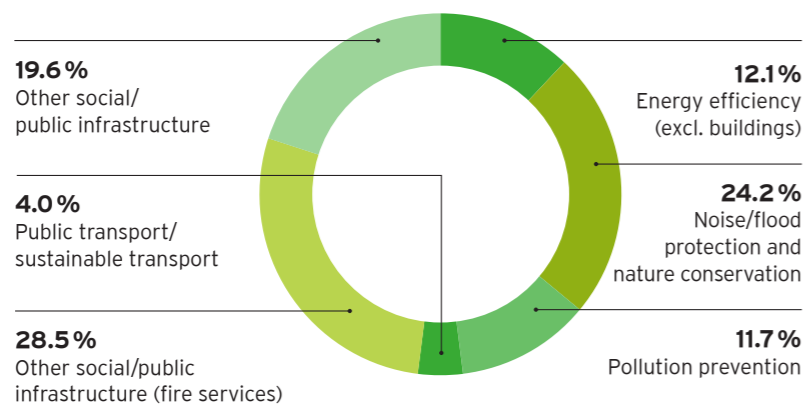
Our new Immokredit 60+ loan was designed with this in mind, and also represents a means of countering age discrimination. The aim is to enable older savers to lead independent lives and take decisions for themselves.¹

Green current and savings accounts

Green current and savings account balances are earmarked for financing of sustainable projects, with an emphasis on social infrastructure. When using funds deposited in green products, the Group ensures that

there are no breaches of the exclusion criteria for the UZ49 standard for sustainable financial products. Details of the framework for the Bank's green accounts can be found on the HYPO NOE Group website².

USE OF GREEN DEPOSITS (%)⁴



TWENTY5 account

Available free to all under-25s, this account - like the Group's green current and savings accounts - has been certified in accordance with the UZ49 Umweltzeichen standard for sustainable financial products.

Green investment loan

The HYPO NOE Group launched its green investment loan in December 2022. Finance is available for projects that demonstrably contribute to achievement of the EU's six environmental targets. In this way, the Group is looking to support the shift towards a climate-neutral economy. The financed investments must meet either the HYPO NOE Group's Green Bond Framework³ or the technical screening criteria of the EU taxonomy for sustainable activities. Examples include energy-efficient building or renovation projects, renewable energy projects such as wind, solar, geothermal and photovoltaic, construction of e-vehicle charging stations, or the changeover to LED lighting or electric cars. Depending on the type of project financed, proof can take various different forms: for example, a valid energy performance certificate for real estate, proof of renewable energy generated by a newly installed photovoltaic system, evidence of reduced CO₂ emissions, or waste reduction or an increase in waste recycling.

"Demand is strong"

COMMENTARY. Securities expert, premium banking adviser and certified EFPA ESG Advisor[®] Martin Lehmann talks about the role of sustainability in investment consultancy

The majority of our customers take a very positive view of sustainable financial products, and demand is strong. Above all, it's important to provide comprehensive, transparent advice, so that customers can build up as clear a picture as possible of the various environmental, social and governance - or ESG - parameters. I think it's essential, because people have differing views of what sustainability actually means. Sustainability rating agencies take ESG factors into account when evaluating companies. The same applies when it comes

to assessing sustainability-related aspects of investment funds. The various methodologies, weightings and objectives used in these evaluations produce contrasting results, which can be difficult to decipher - even for experts.

Since mid-2022 we've been obliged to ask customers about their preferences in terms of sustainability. But sustainability was already an integral part of consultations before that anyway, so not that much has actually changed as a result. Now, we explain background information in greater detail, and we make a record of all of our customers' preferences and decisions. Many customers have even taken the time to get up to speed with the changes. When talking to them, we try to precisely explain concepts such as disclosure, taxonomy classification and principal adverse impact (PAI), as well as the subject of greenwashing, using practical examples to illustrate what is meant by them.

I think it's very positive that sustainability is now front and centre, and playing a more significant part in investments. In the past, earnings and risk appetite were key factors, but now sustainability also influences decision making. The new EU regulation will change the market by increasing transparency as well as raising awareness and enhancing ecological literacy.



"As the father of three children, I just think it's important that we act responsibly and do our bit to try and correct the failings of the past."

Securities expert, premium banking adviser and certified EFPA ESG Advisor[®] Martin Lehmann

¹ Visit www.hyponoe.at/private/immokredit-60plus for details of the terms and conditions (German only)

² en.hyponoe.at/sustainability

³ Green Bond Framework: visit hyponoe.at/en/funding

⁴ as at 30 June 2022, rounded to one decimal place

https://www.hyponoe.at/fileadmin/OE/Vertriebsstrategie/Konten/Gruene_Linie/Gruene_Konten_Berichterstattung_per_30.6.2022_HYPO_NOE.pdf (German only)

Sustainable investment with NÖVK¹

HYPO NOE Landesbank holds a 49% interest in financial services provider and employee benefit fund NÖ Vorsorgekasse AG (NÖVK). As at 31 December 2022, NÖVK had around EUR 667million in funds for termination benefits under management. NÖVK has adopted a comprehensive sustainability strategy, which means that the concept of sustainability is deeply rooted in its investment activities and throughout the company. At NÖVK, sustainability is also closely intertwined with social considerations, and it was the first financial institute in Austria to be awarded the WACA Silver certificate for its redesigned, accessible website. In its annual sustainability audit, performed by the Austrian Society for Environment and Technology (OEGUT), NÖVK received Gold certification - the highest level available - for the fifth year in succession.

In 2016, NÖVK became the second employee benefit fund in Austria to sign up to the United Nations Principles for Responsible Investment (UN PRI), and, as a signatory of the Montreal Carbon Pledge, the company is also committed to measuring its carbon footprint every year.

NÖVK's core objectives are to constantly and actively promote sustainable development wherever possible, and to take the SDGs into account in its investment policies. ■



¹ For more information on NÖVK's sustainability-related activities, visit noevk.at (German only)

Investing in climate protection

GREEN REAL ESTATE. The HYPO NOE Group's green bond asset pool is geared towards financing for properties that are among the top 15% of the most carbon-efficient buildings in Austria and meet the requirements of the Group's Green Bond Framework. As of 31 March 2022, the resulting reduction in CO₂ emissions amounted to 7,225 tonnes. We profile four of these green buildings below.

Affordable housing in Ober-Grafendorf

Funded through housing subsidies from the State of Lower Austria, the 28 rental apartments on Mühlweg in Ober-Grafendorf (in the district of St. Pölten) were built by non-profit housing developer WETgruppe. The low-energy development meets the latest environmental standards, and features controlled ventilation of living spaces as well as heat recovery systems. A heat pump including photovoltaic modules supplies warm water and room heating. In addition to being eco-friendly, the properties

also play an important social role: rents at the cooperative housing development are significantly lower than the usual commercial rates in the area (what's more, the tenancy agreements are not limited in duration). The HYPO NOE Group financed the project with a 35-year subsidised housing construction loan.

The apartments range in size from 57 to 79m², and all properties have a balcony, terrace or garden.



DID YOU KNOW...

... that at an average of EUR 7.40 per m² (incl. operating costs and VAT), rents at non-profit housing developments are around 23% lower than those in the private sector?

... that the Austrian Institute of Economic Research (WIFO) puts the annual gain for rentpayers at EUR 1.2bn?

Q&A WITH Christian Rädler, Managing Director, WETgruppe

What connects WETgruppe with the HYPO NOE Group?

"As with various other projects in the past, we built the properties in Ober-Grafendorf with financing from the HYPO NOE Group. Our shared values - a regional focus, sustainability and a customer-driven approach - are the foundations for the long-standing and highly fruitful collaboration between our two companies. Thanks to reliable partners like the HYPO NOE Group, we have been able to turn our vision into reality: creating sustainable, affordable housing for all."



Christian Rädler, Managing Director, WETgruppe



Rooms with a view: all of the houses have their own garden and access to the Sonnenweiher lake.



"For us as a bank, this is a flagship project and a showcase development."

Michael Swoboda, Head of the HYPO NOE Group's Housing Development Department

SONNENWEIHER GRAFENWÖRTH RESIDENTIAL DEVELOPMENT

- 170 detached, semi-detached and terraced houses, and 36 small lakeside houses
- Scheduled completion: 2026
- Project development: VI-Engineers Bauträger GmbH & Co KG
- Energy supply: rooftop photovoltaic system; each detached, semi-detached and terraced house features a dedicated deep geothermal well and brine/water heat pump
- Total investment: approx. EUR 95m

Sustainable: dream lakeside properties

At first glance, the lake in Grafenwörth (in Tulln district) appears to be all the work of Mother Nature. But in fact, the newly created lake is the centrepiece of the innovative Sonnenweiher residential project, a feature that enhances quality of life for the development's residents as well as other people living in the district. Implemented by VI-Engineers in collaboration with Niederösterreichische Versicherung and costing around EUR 95m, over the next few years the project will see the construction of a total of 170 detached, semi-detached and terraced houses, each with their own garden and access to the lake. For people who require a little less space, there are also 36 smaller lakeside properties where residents can live the whole year round.

ALL-ROUND SUSTAINABILITY

All of the houses feature eco-friendly energy supply systems. Each detached, semi-detached and terraced house has its own brine/water heat pump with a deep geothermal well and a photovoltaic system on the roof. "The houses were designed with financial sustainability in mind, with the aim of making them as affordable and easy to finance as possible for

prospective buyers," as VI-Engineers CEO Patrick Kloihofer points out. Integration into the local community was another important objective for the Sonnenweiher development - the site will include a hotel, restaurant and SeneCura school campus, as well as bathing facilities that are open to the public.

The long construction period, which will be split into several phases, and the size and complexity of the project demanded no little expertise and commitment from HYPO NOE in its role as the funding provider. Pre-financing was required for the initial costs, such as construction of the lake, while the subsequent construction phases will involve building the houses and finding buyers for them. The structured financing project was made all the more challenging by the complex financial and legal frameworks (primarily building regulations), as well as the need to manage the cooperation between the planners, developers, the district council and the various other companies involved. The HYPO NOE Group will also be on hand to support prospective buyers of the 36 smaller lakeside homes.

According to Michael Swoboda, head of the Housing Development Department, who has been working on the project together with colleague Josef Hofstätter since 2018, the Sonnenweiher site is a flagship project and a showcase development, and not only in view of the various challenges that needed to be overcome: "Thanks to the lake, the site features a unique - and sustainable - combination of waterside living and working as well as leisure options."



Beach included: local residents can also enjoy the artificial lake.



The seating integrated into the new maple staircase makes it a perfect place to take a break between lessons.

“Being able to create eco-friendly, modern and attractive schools for children in rural areas is always a great feeling.”

Michael Gruber,
Customer Relationship Manager in the Public Finance Department

will be available for use by the middle school's 150 students, who specialise in computer science.

The old main building and the central section of the school were upgraded in line with strict environmental standards. A redesigned courtyard has helped to make the rooms on the basement level more attractive, and the old sports hall has been replaced by a new build.

The HYPO NOE Group financed the project. “We provided a EUR 9m, 25-year municipal loan with a combination of fixed and variable interest rates. This has helped to enhance planning security, and also enables the customer to respond flexibly to developments on the market,” explains Michael Gruber, a Customer Relationship Manager in the Public Finance Department.

Financing sustainable education projects has been one of HYPO NOE's core competences for years now. During his decade with the bank, Michael Gruber has managed several projects like this: “Being able to create eco-friendly, modern and attractive schools for children in rural areas is always a great feeling.”

Designed by Stubenvoll Architekten,
the remodelled and new sections of the school are due for completion in spring 2023

New learning environment in Orth

For the town of Orth an der Donau (Gänserndorf district), the decision to fully renovate the 50-year-old school was cause for celebration: “I'm delighted and also extremely thankful that this multi-million euro project is about to get under way after long and detailed preparations,” said Elisabeth Wagnes, chair of the school's board of directors and the town's Deputy Mayor, at the groundbreaking ceremony in July 2021. Pupils were able to start lessons in some of the newly renovated classrooms in April 2022, and from spring 2023 all of the learning and sports facilities

MIDDLE SCHOOL FOR COMPUTER SCIENCE IN ORTH AN DER DONAU

- Renovation of the main building and central section, and construction of a new sports hall
- Space for around 150 students
- Investment: EUR 9m



THREE QUESTIONS FOR...

Elisabeth Wagnes,
Chair of the school board of directors and Deputy Mayor of Orth an der Donau

What was the main challenge associated with renovating the middle school?

The biggest hurdle was gaining the approval of all five councils that make up the local schools association: Andlersdorf, Mannsdorf, Eckartsau, Haringsee and Orth an der Donau. This called for years of negotiations and many, many meetings. Ultimately, to realise such a major project, the local councils had to put their own financial plans on the back burner, or restructure them.

What role did climate protection play in the decision?

As an ÖKOLOG-certified school, making a strong commitment to sustainable solutions is very important to us. Safeguarding the school's future by renewing the old, unattractive building was another important factor. We tried to make sure that natural materials like wood were used for the renovation and the new build, wherever this was financially viable. The new insulation is designed to boost energy efficiency, we have installed LED lighting throughout the school, and a photovoltaic system will be installed on the sports hall roof.

Why did you choose HYPO NOE as your financing partner?

Obviously, the fact that the bank submitted the best bid in the tender process was decisive. And as HYPO NOE is such a reliable partner, it was a great combination, and it didn't make our decision any easier.



Elisabeth Wagnes,
Chair of the school board of directors and Deputy Mayor of Orth an der Donau

Solar-powered logistics facility

More than just a warehouse: located close to Vienna International Airport, the building constructed by Beta3 Development GmbH & Co KG in 2022 has significant potential in terms of sustainability. It includes around 24,000m² of storage space and 1,200m² of office space, while the roof features a 12,000m² photovoltaic system. Beta3 Development GmbH & Co KG applied for Gold certification for the property from the highly respected German Sustainable Building Council (DGNB), and the certificate for the construction design, which signifies compliance with the relevant quality criteria, will be issued soon.

LONG-STANDING PARTNERSHIP

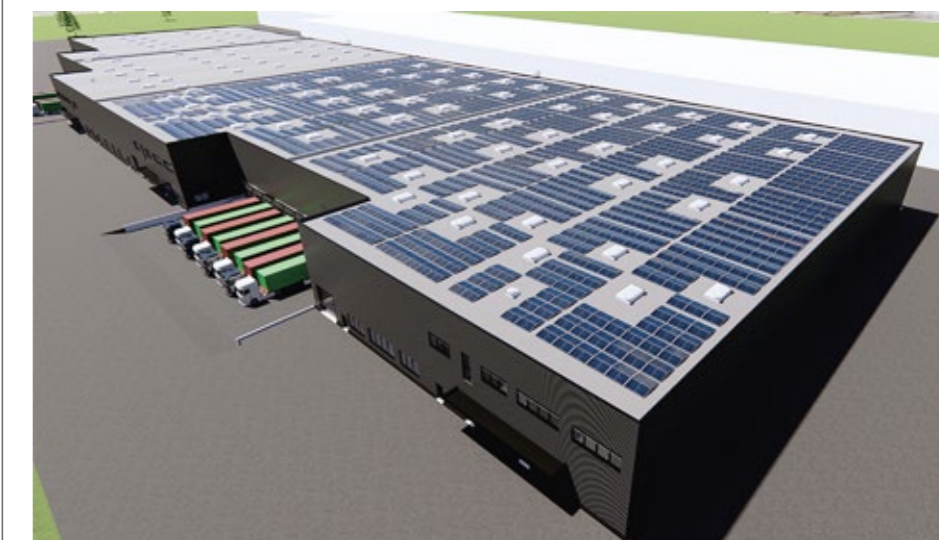
HYPO NOE provided financing for some two-thirds of the total costs in the form of a long-term investment loan. “We're particularly pleased to support sustainable projects like this,” says Thomas Brandstetter, Head of Corporate Customers Austria at HYPO NOE. “After all, the photovoltaic system has a capacity of 1,252.72 kilowatt-peak - that's

the same as the annual electricity demand of 380 average single-family homes.”

Ernst Strobl, Managing Director of Beta3 Development GmbH & Co KG, also speaks highly of the collaboration: “We have a long-standing partnership with HYPO NOE, which came up trumps yet again.” ■

Quality seal for eco-friendly construction

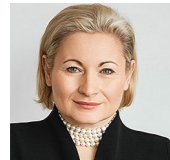
The German Sustainable Building Council (DGNB) was set up by 16 construction and real estate industry pioneers in 2007. Now, the association has more than 1,600 members worldwide, representing all parts of the building and real estate sector value chain: from architectural and planning offices, construction companies and investment businesses to local authorities and academic institutions. The DGNB introduced a certification system in order to make sustainable construction measurable and comparable. Applied for the first time in 2009, the Global Benchmark for Sustainability is now recognised all over the world.



The warehouse is let to several logistics companies and has a 1 MW solar power system on the roof.

Focus on compatibility and diversity

EMPLOYEE MANAGEMENT. Demographic change and shifting expectations regarding future working arrangements are leaving companies faced with some major challenges. At HYPO NOE, measures aimed at meeting them, including putting in place systems designed to help employees strike the right balance between career and family commitments - as well as finding solutions that are compatible with different life phases - are core elements of the human resources policy.



Rita Jakusch, Head of General Secretariat, HR and Law, on children and careers:

“Over the course of the next few years, baby boomers will leave the labour market. The gap they leave in their wake is bound to trigger the tired old debate surrounding the traditional role of women – but having a career and starting a family can never be mutually exclusive.”

It all started with the establishment of the frauen@hyponoe network, a voluntary network of HYPO NOE’s female managers. Its mission: to bring more women into management. This was followed by anonymous staff surveys on the topic of work/life balance, numerous workshops with experts and networking events with positive female role models, as well as baby breakfasts and participation in the Wir stellen gleich equal opportunities quality seal. Based on numerous discussions and surveys, a raft of measures were developed to help employees reconcile work and family commitments, preempting the typical career setbacks associated with starting a family, and helping to promote advancement for women. The individual measures are aligned to targets and translated into measurable key performance indicators. Implementation and achievement of the objectives is monitored in an annual external audit conducted as part of the company’s “berufundfamilie” (Career and Family) certification.

IN STEP WITH VARIOUS LIFE PHASES

At HYPO NOE, the concept of life stage-oriented work means providing the greatest possible degree of flexibility throughout an individual’s career. Working from home options, training and development, moving into other specialisms, reintegration following longer-term sick leave or other interruptions, as well as offering flexitime or temporary part-time working models all make it easier for employees to manage their work commitments whatever their life circumstances at the time.

This flexibility underpins the diverse composition of the company’s teams. Every generation has its own unique skill set: while younger employees tend to have a better intuitive understanding of IT, their older counterparts have the requisite experience. Intergenerational dialogue allows all employees to reap the benefits of one another’s experience and expertise. HYPO NOE firmly believes that mixed teams unlock space for innovation, and that the best results are produced through meaningful work in an appreciative environment. The aim of these efforts is to ensure that employees remain satisfied and motivated in the long run.

FEEDBACK ON DEVELOPMENT PROCESS

The company has conducted regular, anonymous employee surveys on a range of topics including corporate culture, job satisfaction, working conditions and transparency of communication ever since the start of the Group-wide organisational development process. Managers participate in regular 360° feedback sessions. This facilitates the continuous development of the human resources strategy in line with the individual needs of HYPO NOE employees. ■



Fun and informative: the HYPO NOE baby breakfast



Martina Pimiskern, a lawyer working in the General Secretariat, on maintaining a healthy work/family balance:

“The central question in parental leave management is how to make the employee’s eventual return to the workplace as smooth as possible. In my particular case – and I probably speak for many women here – coming back to work after my first period of maternity leave was not easy. For a year, life revolves around changing nappies and feeding times, and then, all of a sudden, you’re back in the office. Things will have moved on during your absence, systems may have changed. Finding your way back into it all within a short time and immersing yourself in once familiar – or new – structures isn’t easy. Offering a minijob arrangement during parental leave is a great way to help people avoid losing touch and it makes the return to working life that much smoother. I also like the opportunity to catch up on all the latest news at the baby breakfasts as they are a great way to compare notes with other employees on parental leave and managers in a very informal setting.” ■



Get-togethers for employees on parental leave are a valuable way of helping them stay connected with the company.

HYPO NOE Group Awards

Leading Employer

Leading Employer is an independent study based on millions of pieces of metadata. In total, the survey covers more than 40,000 companies. Employee satisfaction, working conditions, identification with values, environmental awareness and reputation factors all influence the evaluation process.

berufundfamilie

As part of the “berufundfamilie” (Career and Family) certification process, experienced management consultants help companies to implement family-friendly measures before being audited by an external certification body.

Diversity Charter

This initiative is designed to promote respect for all members of society, regardless of their gender, age, background, sexual identity, outlook or disabilities. At HYPO NOE, diversity is seen as a source of enrichment, and discrimination has no place. For this reason, HYPO NOE is a signatory of the Diversity Charter.



Health. Sustainability. Celebrating together.

STAYING ACTIVE TOGETHER. Works Council Chairman Franz Gyöngyösi (Diversity) and his team focus on health promotion and sustainability.

Sport and fun

At long last: after a two-year hiatus due to the pandemic, the company was finally able to enjoy its trips to Munich and the Kaiserwiesn festival in Vienna's Prater park in 2022. March 2023 will bring the 52nd instalment of the HYPO Ski and Snowboard Championship, which will also mark its return having had to take a break for two years due to Covid. The championships are organised on an alternating basis by the individual Hypo banks. This time it is HYPO NOE's turn. The two-day ski and snowboard event will take place in Schladming. As always, the participants' entry fees, lift tickets, hotel accommodation and travel expenses will be covered. After the giant slalom, it's off to the famous Hohenhaus Tenne après ski venue for a get-together and the award ceremony.



The core HYPO NOE ski and snowboard team with organisers Sabine Nachbagauer (front left) and Lisi Kreutzer (front centre)

HYPO NOE sports sponsorship

The Works Council supports various activities including football, skiing, running, hiking and golf through the HYPO NOE Group sports association. Fitness allowances and regular fitness check-ups are also offered.

Promoting healthy living at HYPO NOE

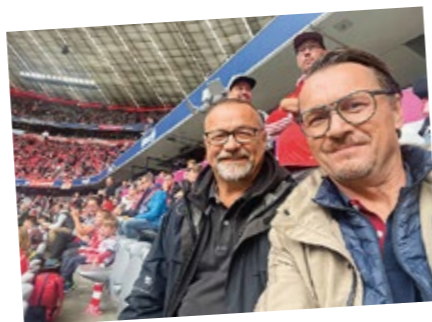


Works Council Chairman Franz Gyöngyösi (Diversity)

The Works Council offers all employees regular preventive health check-ups, yoga, shiatsu and even a vaccination allowance. Special focuses such as spinal analysis and 24-hour ECGs are also part of the package. Besides blood tests to monitor liver, gall bladder and kidney function, the comprehensive screening carried out in the HYPO NOE medical checks also extends to cholesterol levels, blood pressure and arterial stiffness.

Sustainable mobility

Printed materials and employee gifts are primarily sourced locally, and for many years now company outings have taken place exclusively by train or coach. In 2022, HYPO NOE employees travelled to Munich by rail in a private carriage. Highlights of the three-day trip included excursions to the Hofbräuhaus, the Bavaria Film Studios and BMW Welt. And a number of HYPO NOE employees found their way to the Allianz Arena football stadium.



Works Council Chairman Franz Gyöngyösi with Lower Austria Area Manager Christian Kern at the Allianz Arena during the trip to Munich.

Strong regional ties

SPONSORSHIP. HYPO NOE is also committed to high-quality, locally sourced and eco-friendly products in its marketing activities, and fosters sustainable, long-term partnerships by teaming up with smaller Lower Austrian and Viennese businesses.

"Keeping sight of this regional identity is important in marketing: for years, we have chosen high-quality, environmentally friendly and locally sourced products for our advertising materials wherever possible," explains Petra Skala, Head of Marketing at HYPO NOE. "Giving preference to local products helps to root us even more deeply in the region, while supporting smaller local producers."

HYPO NOE also prioritises the use of innovative products: examples include "stone bags", which are made from the powder of ground stones (calcium carbonate) with a small amount of organic plastic, or products such as noise-maker sticks made from biodegradable corn starch, which can be used to cheer on the athletes supported by HYPO NOE at sports competitions without harming the environment.

Liese Prokop Women's Prize

Twelve women, chosen from numerous nominations, were honoured for their outstanding achievements in the categories Business and Entrepreneurship, Science and Technology,

Art, Culture and Media, and Social Affairs and Generations at the 2022 Liese Prokop Women's Prize ceremony at the Congress Center Baden. HYPO NOE was among the evening's sponsors. "Female role models are an important way of challenging professional stereotypes and encouraging young women in particular when it comes to their choice of profession and subsequent career development," notes Rita Jakusch, Head of General Secretariat, Human Resources and Legal (pictured right at the gala).



Sustainability on World Savings Day

In 2022, we gave our customers cookie baking mixes featuring Zotter chocolate, as well as organic calendula soap and basil seed pots to mark our World Savings Week events. Young savers were treated to a new edition of our children's book by best-selling author Ferdinand Auhser from Tulln. The third instalment of our Hippo book series deals with a topic that is already important in childhood: proper waste disposal. "Hippo fights against rubbish" tells the endearing story of how Hippo and his friends set their

sights on waste that has not been disposed of properly to teach young readers about the importance of waste separation. Produced by companies in Lower Austria and Vienna, the Group's printed materials meet the highest environmental standards. Besides the book, children were given a hippo travel memory game produced by a well-known Viennese playing card manufacturer.



Spreading Christmas cheer

At the beginning of the Advent season, HYPO NOE took part in Caritas' Christkindl charity campaign for the first time. Some members of the community will not see their Christmas wishes come true, so the Christmas trees at the St. Pölten headquarters and at the branch in Vienna's Wipplingerstrasse were adorned with extra special decorations: letters to the Christkindl (Christ Child) from underprivileged children and teenagers as well as people in need and adults living with disabilities. The individual wish lists could be picked from the trees and the gifts delivered to the two locations.



The capacity of the photovoltaic system on the roof of the St. Pölten HQ has been trebled.



Alexander Schmauss, Head of Facility Management & Security

Leading by example

AMBITIOUS. Alexander Schmauss, Head of Facility Management & Security, talks about ongoing and upcoming measures designed to reduce the Group's ecological footprint.

HYPO NOE has been a klimaaktiv partner since 2021. This makes it one of the eleven Austrian companies that are taking steps to position themselves as climate protection pioneers. Why did you decide to participate in the initiative?

SCHMAUSS: We had already implemented a comprehensive climate and environmental strategy with clear and ambitious targets several years earlier. And to become a klimaaktiv partner, you need to draw up a climate protection plan that includes both quantitative and qualitative targets. Our plan plays out across four levels: reducing greenhouse gas emissions, increasing energy efficiency, expanding renewables and raising awareness among employees and customers. The building blocks that make up these four levels include things like a comprehensive mobility blueprint

to make the company's vehicle fleet greener, as well as various offsite offers for employees (see below). Space optimisation is always a topic – with desk sharing particularly high on the list, just like waste and energy management. For our company, climate protection is a core element of our sustainability strategy. Annual external ISO 14001 audits conducted as part of our participation in the klimaaktiv initiative are another way for us to add transparency and credibility to our commitment.

Which measures have been implemented so far and which are still in the planning stage??

SCHMAUSS: One major project involved expanding the capacity of the photovoltaic system on the roof of the St. Pölten HQ. With output up threefold, it is now producing more than 80,000 kWh of electricity per year. At the same time, we have

implemented energy-saving measures that have cut our consumption by 15%. Work is also continuing to make the vehicle fleet greener, the number of vehicles has been significantly reduced and we have increased the proportion of electric vehicles. Right now, 15% of the vehicles in our fleet are electric. Our ultimate goal is to transition exclusively to e-mobility solutions in the medium-to-long term. But in our view, mobility goes beyond our own fleet; we always try to take a joined-up view of the subject – at the end of the day, all of the journeys taken by our employees – whether they are at work or travelling to work – should be as climate-friendly as possible. To this end, we set up an in-house mobility team in 2022 to help develop a holistic mobility blueprint for the years to come. We set the ball rolling with an anonymous Group-wide survey. Next, we

» looked at the responses we received from our employees and developed a number of ideas based on what they shared with us. The measures we derived are now ready to implement, depending on the needs of the employees and the specific requirements in terms of mobility at work. We support every measure that leads to a climate-friendly journey or business trip, whether it means walking, going by bike, taking public transport or using carpooling solutions.

We have already set ourselves a number of ambitious goals for

2023. We will use every centimetre of space on the roof of our headquarters in St. Pölten to produce renewable energy when we expand the photovoltaic system there – the latest and final step designed to take us closer to our goal in this particular area. We are also optimising the cooling system, which we expect to lead to a further noticeable drop in energy consumption without any loss of performance. And in a third project, the rooftop terrace is being upgraded and given a comprehensive redesign that will put greening centre stage. ■

Best practice

At the Lower Austrian Eco-Management Day 2022, HYPO NOE was cited as one of the leading examples of best practice in environmental and climate protection over the past three years. This title was testimony to numerous environment-related projects, including Ecolabel 200 status for the HYPO NOE Panorama Event and Conference Centre in St. Pölten as a green location,

successful application as a partner in the Federal Minister for Climate Action, Environment, Energy, Mobility, Innovation and Technology's klimaaktiv Pakt 2030, recertification of the ISO 14001 environmental management system, and the expansion of the photovoltaic system and electric vehicle charging facility at the Hypogasse headquarters in St. Pölten.



Committed to climate protection (from left to right): Wolfgang Ecker, Rita Jakusch, Stephan Pernkopf, Jochen Danninger

klimaaktiv partner



Claudia Mikes, Head of Rating/ESG at HYPO NOE (right) with Federal Minister for Climate Action Leonore Gewessler

In 2021, eleven Austrian companies qualified to participate in the klimaaktiv Pakt 2030 initiative. The partners' ambitious goal is to reduce their CO₂ emissions by at least 50% and increase energy efficiency by at least 10% (baseline year: 2005) by 2030. HYPO NOE has already met this target and halved its greenhouse gas emissions since 2015. As a result, the company has now set itself a new target of slashing emissions again, this time by 80% from their 2015 levels.

Ecolabel 200 certified green location

Certified as a green location since 2021, HYPO NOE is authorised to offer its premises as a venue for green events. The standard calls for numerous requirements to be met, covering everything from energy efficiency, barrier-free access, accessibility by public transport, waste management (reusable containers for food and beverages) and even the origin of the products.

<https://www.hyponoee.at/greenlocation>

In a nutshell: HYPO NOE Group environmental indicators



CALCULATING GREENHOUSE GAS EMISSIONS

In order to record and account for greenhouse gas emissions, a distinction is made between direct and indirect emissions. The recognised standard for reporting greenhouse gas emissions, the Greenhouse Gas Protocol developed by the Geneva-based World Resources Institute, divides emissions into three "Scopes".¹



CO₂-EQUIVALENT (CO₂-e)

The various greenhouse gases have differing impacts on the climate. They contribute to the greenhouse effect to different degrees of intensity and remain in our atmosphere for different periods of time. For this reason, greenhouse gases are converted into CO₂-equivalent in accordance with their global warming potential (GWP). To calculate this, units of emissions of the greenhouse gas in question are multiplied by a corresponding factor.

¹ <https://en.hypnoe.at/sustainability>

Environmental indicators

There are various ways of calculating CO₂-equivalents. The HYPO NOE Group uses the DEFRA conversion factors, because they provide a very precise basis for converting highly specific information.

Material consumption

The environmental and climate strategy is geared towards achieving a continuous reduction in material consumption. In 2021 and 2022, there was a significant drop in material consumption compared to the previous two years (2019 and 2020).

Renewable electricity

Since 2016 HYPO NOE has used renewable electricity at all of its locations, which translates into zero CO₂ emissions and CO₂-equivalents.

SCOPE 1 (direct)

includes all direct greenhouse gas (GHG) emissions attributable to a company's operations in the narrowest sense - in other words, the company's direct consumption of primary energy such as natural gas, heating oil, petrol, diesel and coal.

At HYPO NOE, Scope 1 mainly includes carbon emissions in the categories "Heating energy (gas)" and "Passenger vehicle transport - total". The substantial decrease in emissions was mainly due to the adoption of a more environmentally friendly car policy, which involved a reduction in the use of passenger vehicles and an increase in the proportion of electric vehicles, and to the disposal of First Facility GmbH (HFF) in 2021.

Indicator/description	Unit	2019	2020	2021	2022
ENVIRONMENTAL INDICATORS – carbon footprint²					
Material consumption ³	kg CO ₂ -e	17.064	16.060	8.527	9.334
Renewable electricity	kWh	2.311.508	1.879.229	2.007.492	1.569.155
	kg CO ₂ -e	0	0	0	0
District heating	kWh	989.625	751.766	1.011.533	540.801
	kg CO ₂ -e	174.233	129.762	172.972	92.331
Gas heating	kWh	577.635	510.334	480.976	591.848
	kg CO ₂ -e	106.198	93.835	88.019	108.308
Passenger vehicle transport - total	Liter	201.111	121.314	64.197	63.767
	kg CO ₂ -e	280.456	165.822	84.417	87.616
Flights	kg CO ₂ -e	26.983	1.269	4.963	12.194
Rail	kg CO ₂ -e	1.335	326	141	259
Total CO₂-et⁴	kg CO₂-e	606.269	407.075	359.039	310.042
CO₂-e/employee⁵	kg CO₂-e	817	570	567	503
Group CO₂ data by scope					
SCOPE 1: Heating energy (gas) and passenger vehicle transport	kg CO ₂ -e	386.654	259.657	172.435	195.924
SCOPE 2: Electricity and heating energy (district heating)	kg CO ₂ -e	174.233	129.762	172.972	92.331
SCOPE 3: Flights, rail and paper	kg CO ₂ -e	45.382	17.656	13.632	21.787

² Due to Covid-19 there are variances in both environmental and human resources indicators for 2020 and 2021
³ Paper consumption

⁴ Accuracy of vehicle transport calculations improved in 2020.
⁵ Scope 1-3

Passenger vehicle transport - total

Continued reductions thanks to greening of the car policy and the sale of HFF.

Flights

Due to increased use of video conferencing, the number of flights taken fell significantly in 2022 compared to the years before the pandemic.

Rail

More widespread adoption of video conferencing led to a drop in rail travel compared to the pre-pandemic period.

Carbon footprint

The sum of Scope 1, 2 and 3

SCOPE 2 (indirect)

Scope 2 includes indirect GHG emissions resulting from the generation of energy procured by a company. This refers to secondary energy consumed by the company, such as electricity, district heating, steam and cooling energy.

In HYPO NOE's case, this Scope relates to CO₂ emissions under the "Electricity and heating energy (district heating)" item.

The significant reduction reflects the ongoing initiatives implemented under HYPO NOE's environmental and climate strategy.

The reduction compared to the previous year (2021) and to the years before the pandemic reflects the numerous initiatives within the framework of the environment and climate strategy. Additional energy reduction measures (room temperature controls) were implemented in 2022.

SCOPE 3 (indirect)

This Scope covers all other indirect GHG emissions attributable to upstream and downstream business activities. In HYPO NOE's indicators, this currently includes CO₂ emissions from "Material consumption", as well as travel comprising flights and rail journeys.

Systemic sustainability

Focus area	Objective	Measure	Planned implementation
SUSTAINABILITY IN HYPO NOE'S CORE BUSINESS			
Regional responsibility	Focus on sustainable growth in the Group's home market of Lower Austria and Vienna, and in its core Austrian market.	Public sector finance: Finance for public sector projects that add value for society in the fields of health, education and infrastructure	ongoing
	Remain the preferred and first point of contact for private, non-profit and commercial housing development in Lower Austria, Vienna and the core market Austria	Housing finance: Financing affordable and sustainable housing that meets strict environmental specifications	ongoing
Monitoring the sustainability dimension of financing projects	Contributing to the SDGs and the green taxonomy	Assessing and categorising loans during the application process in terms of their contribution towards achieving the UN Sustainable Development Goals as well as the European Union's six environmental targets	ongoing
Sustainable products	Improvement and expansion of the range of sustainable products in all departments/segments	Extension and development of sustainable financial product range	ongoing
Compliance and anti-corruption	Raising awareness of compliance, anti-corruption, money laundering and financing of terror among all employees	Broad-based (mandatory) and regular training on compliance and anti-corruption, money laundering and financing of terrorism	ongoing
	Elimination of risk of corruption in connection with participation in events and accepting gifts	Mandatory ongoing reporting of events and acceptance of gifts with regular auditing and quality control	ongoing
Data protection and cybersecurity	Mandatory annual training programmes and awareness-raising activities	Dedicated data protection and security officers	ongoing
Responsible sales practices	Ensuring responsible sales practices	Compiling comprehensive information on all opportunities and risks associated with sold and intermediated financial products Training as certified EFPA ESG Advisor®	ongoing
Sustainable real estate	Proactive customer engagement	klimaaktiv building and renovating programme partner; integrating sustainable systems into planning for future construction projects, e.g. photovoltaic arrays, green facades, e-vehicle charging points in underground parking facilities	ongoing
	Optimisation of data collection	Mandatory energy performance certificate for new real estate financing and verification of energy efficiency in terms of green bond suitability and conformity with Taxonomy Regulation	ongoing
Quality management	Consolidation and quality improvement	Employee training on the requirements of the Taxonomy Regulation	ongoing
		Evaluation of all programmes and processes in terms of improving quality, increasing efficiency and optimising costs (monitoring via in-house process optimisation database)	ongoing
Stakeholders and communication	Communication with internal and external stakeholders and involving them in sustainability-related matters	Offering green events at the headquarters (Austrian Ecolabel-certified location)	ongoing
		Holding of and participation in events aligned to specific themes	ongoing
Sustainability working group	Deployment of an internal working group concentrating on the 'Development of Sustainability at HYPO NOE' focus area, with an emphasis on ecological impact and communications	Information on the HYPO NOE Group's sustainability-related activities on various channels and in various formats (internal and external)	ongoing
		Interdepartmental working group on the topic of sustainability to report ongoing developments to the Management Board	ongoing
ESG Committee	Embedding of the topic of ESG at the organisational level with a focus on regulatory requirements	Cross-divisional and interdepartmental working group consisting of division heads and experts to coordinate regulatory requirements centrally and unlock synergies between departments and focuses	ongoing

RESPONSIBLE EMPLOYER			
Sustainability at the Group	Raising employee awareness of sustainability-related topics	Enhancing staff awareness of and involvement in the subject and incorporating it into internal communications, events and workshops, and facilitating involvement of all employees	ongoing
	Health management/occupational health and safety	HYPO NOE Group sports association, fitness allowance, regular fitness tests and nutritional advice, vaccine cost allowance, spine measuring, heart rate variance analysis, occupational health committee, Consentiv (anonymous consulting and coaching for all employees and their immediate families) complemented by the MAVIE health platform, group health insurance and allowance for private doctors, shiatsu/yoga on site, preventive health check-ups at the company, bioelectrical impedance analysis (BIA), stress management seminars (body signals and stress, breathing training...)	ongoing
Training and development	Supporting high potentials in leadership or expert functions	Core and Advanced leadership development programmes Learning journeys 360-degree feedback for managers incl. transfer coaching Advanced leadership modules, e.g. Agile Management, Coaching Skills for Leaders, etc.	ongoing
	Promoting ecological literacy	Offering training courses and holding workshops on sustainability and the environment for all staff; training as an EFPA ESG Advisor®	ongoing
Equal opportunities and diversity	Promoting staff development	Professional and personality training (e.g. stress prevention) for all employees Annual performance and development dialogue between manager and employees	ongoing
	Increasing the number of women in managerial positions	Maintaining a healthy balance of male and female participants on trainee programmes; participation in the "100% - equality pays off" advisory project	ongoing
FOKUS 25	Ongoing measures following successful "berufundfamilie" (Career and Family) certification	Setting up the frauen@hyponoe women's network with the goal of increasing the number of women in managerial positions (mentoring, employee surveys and derivation of measures from them, networking events, proactive parental leave management, baby breakfast)	ongoing
	Group-wide organisational development process	Membership of the Diversity Charter as a clear commitment to diversity Other measures relating to the following action areas: flexible working hours and location, aligning work to life phases, transparent information and communication policy, improvement of management culture, proactive parental leave management, reintegration, career interruptions/study leave/sabbaticals	ongoing
FOKUS 25	Digitalisation and process optimisation	Continuous development of organisational and leadership culture with the involvement of employees (regular employee surveys; introduction of employee experience management and design, ongoing discussion of strategy and culture-related issues)	ongoing
	Digitalisation and process optimisation	Promotion of digital literacy: Masterplan pilot project Process optimisation: monitoring via in-house process optimisation database	ongoing

SOCIAL INITIATIVES			
Partnerships, donations and sponsorship	Supporting the home Lower Austrian region through sponsorship of sporting events, culture and the arts, social and education programmes, and schemes to support women	Continuation and ongoing optimisation of current activities	ongoing
		Providing rapid, bureaucracy-free assistance as required (e.g. flood relief)	ongoing
		Cooperation with the emergency services, armed forces and civil defence association	ongoing
ENVIRONMENTAL AND CLIMATE PROTECTION			
Environmental management	Systematic recording and assessment of environmental performance	Systematic annual recording of environmental indicators	ongoing
	Optimisation of waste management and measures to reduce waste	Toner cartridges (from HQ and some branches) are recycled for charitable use	ongoing
	Increasing the share of renewable energy	Extending the photovoltaic system on the roof of the company's St. Pölten HQ	ongoing
	Increasing energy efficiency and reducing consumption	Bundle of measures to increase energy efficiency and savings, e.g. by switching to LEDs or reducing heating/cooling requirements	ongoing
	Recertification under the ISO 14001 standard	Successful recertification in 2022 (recertification audit); annual monitoring Regular training for technicians to help improve energy efficiency	ongoing
	Participation in the Klimaaktiv Pakt 2030 initiative	Binding commitment to reducing greenhouse gas emissions by 50% by 2030 (benchmark year: 2005). Target reduction: 80%	ongoing
	Publication and reduction of corporate carbon footprint	Detailed processing and analysis of underlying data and options to reduce environmental impact	ongoing
	Focus on e-mobility	Ongoing streamlining of vehicle fleet with accompanying changeover to electric mobility, e-vehicle charging points at the St. Pölten site	ongoing
	Mobility blueprint	Greening company-wide mobility and employee journeys; measures to raise awareness and motivation to switch to climate-friendly options; HYPO NOE bicycles for employees Giving preference to telephone conferences over in-person meetings	ongoing
Purchasing and procurement	Promoting sustainable and regional procurement	Switching to local and sustainable products for advertising materials	ongoing



Focus on data protection and human rights

As a responsible corporate citizen, the HYPO NOE Group sees upholding human rights as a core element of its philosophy.

Taking the possibility that its business activities might harm human rights as its point of departure, the HYPO NOE Group scrutinises all of its business dealings for compliance with applicable laws, regulations and external and internal guidelines, as well as its internal ethics guidelines and business principles. No breaches of such laws, regulations or guidelines were identified during the reporting period.

The Group does not conduct any business or projects that involve forced labour (including bonded labour) or child labour. Nor does it take part in any activities that contravene

- the European Convention on Human Rights;
- the statutory labour-related and social obligations of the country concerned (ILO);
- the applicable regulations put in place by international organisations, or the relevant UN conventions;
- or the rights of the local population or minorities.

Compliance with applicable data protection legislation (the EU General Data Protection Regulation [GDPR]) is the overriding priority for HYPO NOE. No official sanctions were imposed on the Group in this respect during the reporting period. All employees must complete a mandatory annual training course on the GDPR. The Group has established an internal feedback and complaints database, into which staff must enter all customer complaints. These are analysed on a regular basis, included in the ombudsman's report which is

presented to the Supervisory Board and evaluated for relevance to compliance issues. This approach helps to minimise the risk of compromising customer privacy as far as possible. There were no significant complaints or breaches related to the handling of customer data in 2022.

CYBERSECURITY

HYPO NOE is aware of the significant responsibilities it has regarding information security in relation to its systems, processes, employees and data, especially that of its customers. Current threats and risks are addressed in all development and operational processes through comprehensive state-of-the-art security measures, and are implemented and checked either by the bank itself or by its service providers. A Chief Information Security Officer (CISO) has been appointed to set the security strategy and initiatives. The CISO also consults regularly with the Management Board. All employees must complete information security training, and annual refresher courses are mandatory. Employees in IT and software development functions undergo an extended training programme with focuses on specific topics. Additionally, employees are kept up-to-date on current threats and given training on information security under various campaigns such as the "Friendly Phishing Campaign – how to recognise phishing mails". There were no breaches of security measures in 2022.

COMPLIANCE AND ANTI-CORRUPTION

All of the compliance functions mandated by current regulatory standards have been permanently established in the HYPO NOE Group: General and Securities Compliance, Prevention of Money Laundering and Combating the Financing of Terrorism, and Regulatory Compliance. The compliance functions work independently and without instruction, and report directly to the entire Management Board.

Internal compliance policies are regularly reviewed and updated, and apply to the entire Group where necessary. In particular, new regulations and legislative changes are immediately incorporated into the existing guidance and communicated to staff. The current compliance-related regulations are presented in the NFI section of the HYPO NOE Group operational and financial review.¹

The HYPO NOE Group recognises the negative impacts of corruption and bribery on business activities as a material risk, and has implemented corresponding anti-corruption measures to guard against these in its operations. Measures to ensure that all staff act with integrity are reinforced by internal regulations, which provide a clear overview of the legal requirements. All employees of companies in which the Group holds an interest of over 50% are considered officials and are subject to the corresponding strict statutory anti-corruption regulations. ■

¹ See annual report at [ir.hyponoe.at/en/](https://www.hyponoe.at/en/)



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STRONG REGIONAL ROOTS. The Dürrenstein wilderness reserve in the district of Scheibbs in south-west Lower Austria is the last surviving section of primaeval forest in the Alpine Arc. HYPO NOE has been supporting this unique UNESCO World Heritage Site since 2019.

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