

HYPO NOE publishes first Green Bond Impact Reporting and Sustainability Journal 2020

Green Bond Impact Reporting

- HYPO NOE green buildings are among the top 15% of the most carbon-efficient buildings in Austria
- Financing for 465,000m² of usable space resulted in a reduction in CO₂ emissions of 9,000 tonnes

Sustainability Journal 2020

- New lending with social value added in 2020 at around EUR 770 million (2019: EUR 660 million)
- Group-wide CO₂ emissions 32.9% below previous year (-74.5% since 2015)

First impact reporting highlights sustainable focus

In June 2020, HYPO NOE issued its first green bond, a EUR 500 million senior preferred benchmark bond. This was the first green bond in Austria to be certified with the national eco-label for sustainable investment products (UZ 49). The first impact reporting for this green bond is based on the reporting date of 31 March 2021. The assets allocated to the Green Bond amount to EUR 520 million, of which 80% are housing and 20% social infrastructure financing in the areas of health, education and culture. The categories in the Green Asset Pool thus focus on HYPO NOE's core competencies, so that the Bank is pursuing a continuous expansion of its portfolio in this area.

Despite Covid-19 related distortions on the capital markets, our green bond achieved an exceptionally positive secondary market performance. This is certainly due to the investors' sustainable and long-term investment strategy, but also to HYPO NOE's successful development in 2020.

Thomas Fendrich

Head of Division Treasury & ALM

All of the properties in the Green Bond Asset Pool are located in Austria and belong to the top 15% of the most energy-efficient buildings in Austria.¹ The Green Bond Asset Pool is mainly composed of loans with long-term maturities of over 20 years. The average residual maturity is around 29 years. So far, HYPO NOE has supplied financing for around 465,000m² of usable space from the Green Bond Asset Pool. The resulting reduction in CO₂ emissions totals more than 9,000 tonnes.

¹ At least energy efficiency (EPC) class B; only properties built after 1 January 2016;

The selected projects were evaluated by the sustainability officers, based on the energy performance certificates in the core banking system, to ensure that they met the criteria set out in the Green Bond Framework. The final decision on the allocation of loans to the Green Bond Asset Pool was taken unanimously by the Green Bond Committee. In addition, suitability for inclusion in the Green Bond Asset Pool of the financing was confirmed externally - by an auditor as well as within the scope of the eco-label conformity assessment (UZ 49). The Second Party Opinion (SPO) on the green bond was prepared by ISS ESG.

Transparency and clarity were paramount when it came to defining our Green Bond Framework. The framework was designed in accordance with the International Capital Market Association's (ICMA) Green Bond Principles, meaning that the allocation of funds is precisely defined.

Claudia Mikes
Head of Sustainability

Sustainability Journal documents progress in the field of ESG

HYPO NOE published its eighth sustainability journal, which reports annually on developments in the implementation of its sustainability strategy. Significant progress was again made last year. In 2020, a total of around EUR 770 million in new financing with social value added was granted, an increase of almost 110 million year-on-year. This shows that sustainability is clearly anchored in the core business, and that HYPO NOE's business model, with its focus on affordable housing and social infrastructure, makes a significant contribution to the United Nations' (UN) Sustainable Development Goals (SDG). The range of sustainable products was expanded in 2020 to include green current and savings accounts. These products, whose deposits are earmarked for purposes that support the achievement of SDGs 7, 9, 11 and 13, are also certified as sustainable financial products with the Austrian eco-label (UZ 49).

Beyond the core business, the Group's own ecological footprint was again significantly reduced. In a year-on-year comparison, a decrease of 32.9% was recorded - both due to Covid-19-related one-off effects but also due to structural reductions in CO₂ emissions. Since 2015, the reduction of CO₂ emissions through extensive measures, such as the greening of the car policy, amounts to a high 74.5%. In the area of diversity, a women's network was launched in 2020 with frauen@hyponoe, which aims to achieve a balanced ratio of men and women in management. The aim is to use mentoring, networking, communication and information to motivate women to take on more management and expert roles at HYPO NOE.

For further information, please visit en.hyponoe.at.

HYPO NOE Landesbank für Niederösterreich und Wien AG

HYPO NOE Landesbank is the largest and oldest-established Austrian state mortgage bank¹, and has been a reliable commercial bank, stable state bank and specialist mortgage lender for over 130 years. Using its strong position in Lower Austria and Vienna as a springboard, the Bank operates primarily in Austria and Germany, as well as in selected markets elsewhere in the European Union.

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¹ In terms of total assets (2019 consolidated financial statements) and foundation dates