



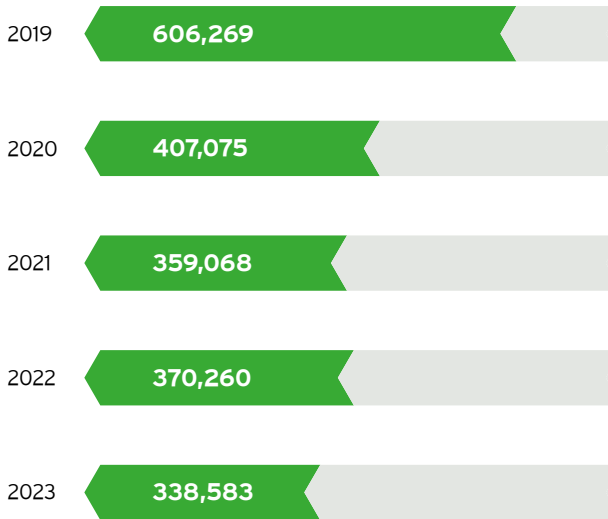
# Creating the ideal climate



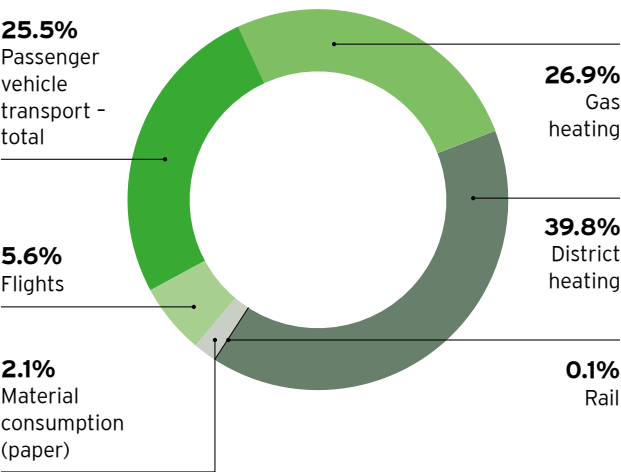
# Group financial highlights

## HYPO NOE CO<sub>2</sub> EMISSIONS

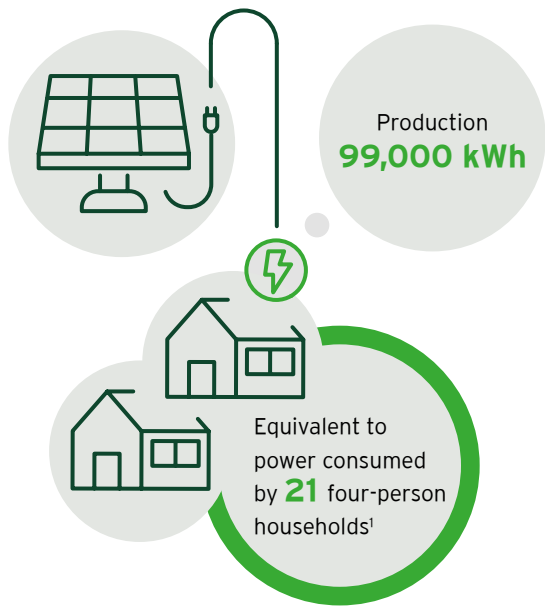
kg CO<sub>2</sub>-e



## BREAKDOWN OF CO<sub>2</sub> EMISSIONS



## HYPO NOE'S PV SYSTEM



In line with its business model, which focuses on infrastructure and housing finance, HYPO NOE makes a significant contribution to achieving the United Nations Sustainable Development Goals, in particular relating to sustainable cities and communities, infrastructure, and health and well-being. 74.8% of the Group's total financing makes a major contribution to realising the SDGs.

<sup>1</sup> Source: <https://secure.umweltbundesamt.at/co2mon/co2mon.html> (German only)

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The full annual report is available for download at:



[ir.hyponoe.at/en/](https://ir.hyponoe.at/en/)

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On a sustainable path:  
Management Board Member  
Markets and Speaker of the  
Board Wolfgang Viehauser  
(right) and Management  
Board Member Finance,  
Risk & Operations  
Udo Birkner



# Challenging, but rich in opportunities

**LONG-TERM COMMITMENT.** Management Board Member Markets and Speaker of the Board Wolfgang Viehauser and Management Board Member Finance, Risk & Operations Udo Birkner talk about the potential of the new ESG disclosure requirements when it comes to ESG data management.

The European Commission published its action plan for financing sustainable growth in March 2018. Since then, various legislative packages have been passed – chief among them, comprehensive regulations on disclosure. Is this just more red tape? Or does it present opportunities as well?

**“Our new Sustainability Bond Framework has opened the door for us to issue social bonds in future, alongside green bonds.”**

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

VIEHAUSER: We published our first-ever sustainability report a decade ago. Back then, it was still voluntary, there were no statutory regulations – although we did comply with the international Global Reporting Initiative standards. This long-standing experience of sustainability reporting helped us to implement the requirements of the Austrian Sustainability and Diversity Improvement Act in 2017. And now this know-how is enabling us to meet the new and extended regulations in the Corporate Sustainability Reporting Directive, or CSRD. At present, the biggest challenge is that some data just aren't available yet. For example, there are no publicly available figures on the energy consumption of properties, but we still have to report the carbon footprint of the buildings that we finance. For properties built more recently, we ask our customers to send us the energy performance certificate, but for older buildings we have to work with approximate figures. On top of that, there are hardly any corporate ESG data available, and the CSRD is only due to be rolled out to companies step-by-step depending on their size. So, from that point of view, yes – the new regulations pose a challenge, they call for significant resources and will be costly to implement.

» BIRKNER: The extended disclosure obligations require companies along the value chain to analyse their actual and potential impacts on people and the environment. Physical sustainability risks, such as extreme weather events, are also supposed to be taken into account in the context of the company's strategic focus. For banks like us, this means that we will need to have more comprehensive information at our disposal, which can supplement our risk assessment and management operations. As we see it, the EU action plan is a multi-stage, interconnected process that will gradually lead to greater transparency and data availability.

**What does HYPO NOE's action plan for the coming years look like?**

BIRKNER: In 2023, we recast our Fokus 25 organisational development process as Level 30. You could say that Level 30 is our action plan for 2030. The organisational development process is again designed to be participative. We want our company to evolve in consultation with our most important stakeholders: our employees. We'll be using a range of different approaches, including surveys, workshops, retreats and information events,

depending on the topic. As far as ESG is concerned, we've defined three core elements for the next few years – expanding ESG know-how throughout the organisation, building up a comprehensive, resilient ESG database, and accompanying our customers and providing them with tailored support as they work to achieve their environmental and social objectives.

VIEHAUSER: Real estate is the biggest energy consumer in Europe. It accounts for 40% of total energy consumption and 36% of CO<sub>2</sub> emissions<sup>1</sup>. For us as a mortgage lender, this opens up huge opportunities to play our part in making Europe climate-neutral. We also believe significant investment is needed in renewable energy, enhancing energy efficiency and in climate change adaptation. This is why we developed the renovation project calculator, the Grüner Leben Kredit loan and the Grüner Wohnkredit housing loan for our retail customers, as well as the Grüner Investitionskredit green investment loan for our corporate clients. Demographic change is also forcing us to confront major challenges, especially in the health and care sectors. Public sector finance is one of HYPO NOE's core competences. And our new Sustainability Bond Framework has opened the door for us to issue social bonds in future – alongside green bonds – so that projects in these areas can access refinancing on the capital market. ■

**“As we see it, the EU action plan is a multi-stage, interconnected process that will gradually lead to greater transparency.”**

Udo Birkner,  
Management Board Member Finance, Risk & Operations

# HYPO NOE ESG strategy

**SOLID FOUNDATIONS.** HYPO NOE's ESG strategy is based on three pillars: financing projects that generate added value for society, fulfilling the Group's responsibilities to its employees, and reducing its carbon footprint.

HYPO NOE launched its sustainability programme back in 2013, so sustainability has been an integral component of the company's strategy and culture for years. Strict ethics policies with comprehensive exclusion criteria ensure that the Group does not provide finance for projects that are incompatible with its sustainable focus. As a klimaaktiv Pakt 2030 partner, HYPO NOE has also set targets aimed at cutting its CO<sub>2</sub> emissions.

The Group started reporting on the progress made on its sustainability programme in 2014, in accordance with the international Global Reporting Initiative guidelines. The European Union's Green Deal has now introduced separate EU standards for companies' ESG disclosures. In future, businesses will be required to consider environmental, social and governance topics all along the value chain, with impacts, risks and opportunities reflected in their strategies.

A specially developed ESG training concept is geared towards ensuring that the necessary expertise is available in the various departments in order to implement the regulatory requirements and lay the foundations for the ongoing refinement of the ESG strategy at management level. The interdepartmental ESG Committee is responsible for coordinating and managing the ESG strategy. It plays a pivotal role in integrating sustainability-related topics and also serves as an advisory body to the Management Board. The Rating/ESG team handles the operational aspects of the ESG Committee's work. ESG officers have been appointed in the specialist departments to ensure that sustainability considerations permeate the entire organisation. ■



**Marlene Lechner, ESG expert in the Strategic Risk Management Department, on sustainability risks:**

"What we call 'transitory risks' arise as a result of the shift to a climate-neutral economy and society, for example through the introduction of carbon taxes, amendments to building regulations and changes in consumer behaviour. Physical climate risks occur due to the consequences of climate change. This mainly relates to extreme weather events, such as flooding, droughts and storms. Because of climate change, evaluating and managing physical and transitory sustainability risks are becoming increasingly important. Both of these types of risk can lead to writedowns in asset values. And this is why banks have to consider them in their risk management processes."

## HOW ESG IS EMBEDDED IN THE ORGANISATIONAL SET-UP



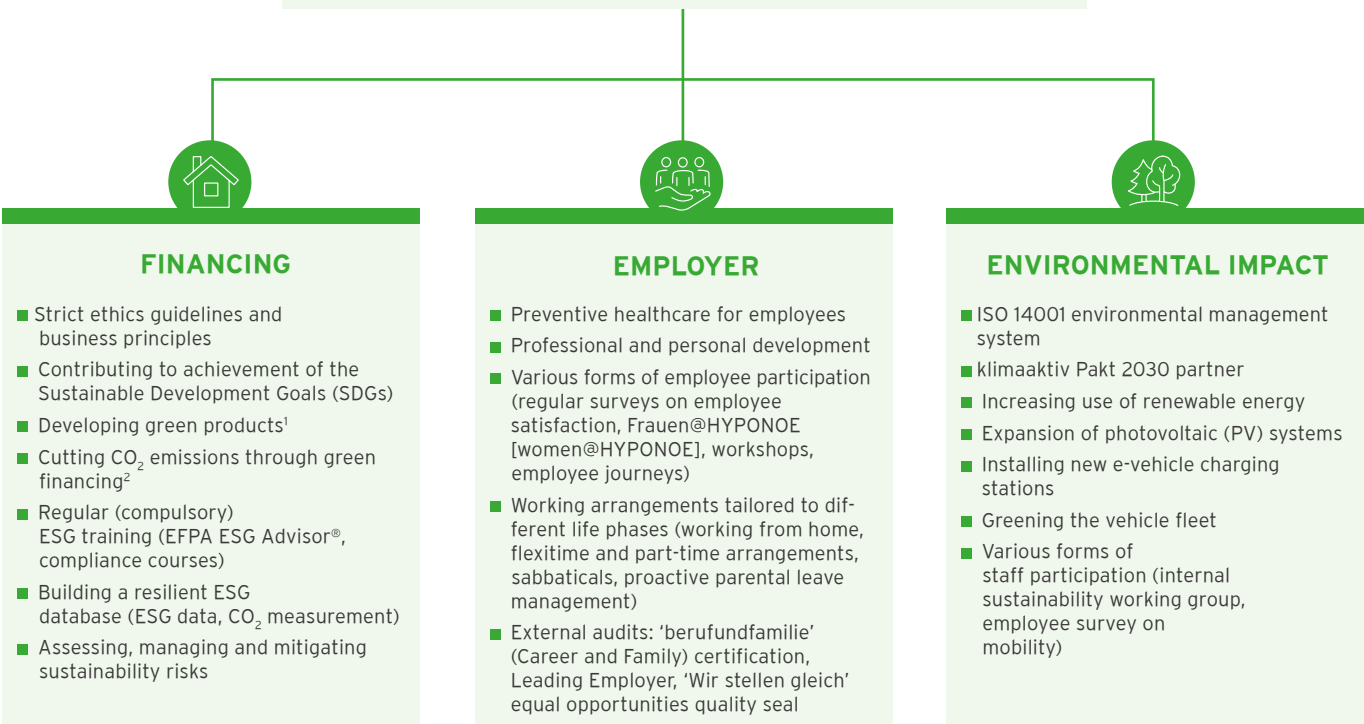
## WHAT DOES ESG STAND FOR?

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

## HYPO NOE ESG strategy

The ESG strategy is based on three pillars:

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



<sup>1</sup> <https://en.hyponee.at/sustainability#c3149>

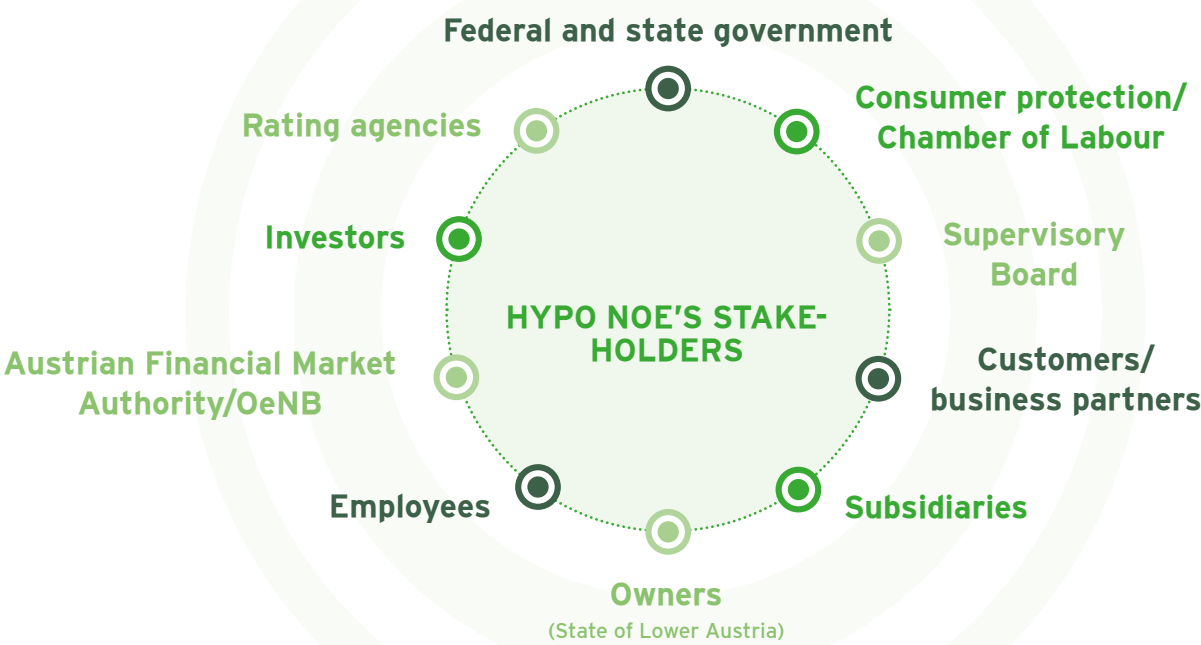
<sup>2</sup> <https://ir.hyponee.at/?eID=dumpFile&t=f&f=22147&l=en&token=fdd9c97c0f69a298742dc4a19f4a5e3fa5746d1b>



# Double materiality

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

HYPO NOE launched its sustainability programme in 2013, and began reporting on its targets and the progress it has made in terms of sustainability the following year. Since then, topics the Group considers 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-related issues on the organisation's development, performance and position. Information from employees, customers and investors feeds into this analysis. Regular customer and employee surveys and dialogue with stakeholders are also important in this regard. The chart below shows the HYPO NOE's primary stakeholders. A full list can be found in the GRI index on page 2. ■



# HYPO NOE materiality process

The effects that HYPO NOE's business model and the company itself have on society and the environment (impact/inside out), 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. ■

The opportunities, risks, management approaches and due diligence processes related to the **responsible lending** action area are shown below.

OPPORTUNITIES/IMPACT	RISKS/EXAMPLES	MANAGEMENT APPROACHES	DUE DILIGENCE
Steering finance towards activities that have a greater impact on sustainability	<b>Legal risks: examples</b> Climate-related lawsuits against governments with the aim of obliging legislators to implement climate-protection measures more effectively; climate-related legal action against companies in order to rectify environmental and climate damage caused by them or to reduce their greenhouse gas emissions	Continuous monitoring of ethics guidelines and business principles incl. inclusion and exclusion criteria	Sustainability ratings
Sustainability classification of the lending business (taxonomy)		Developing green and social products such as Grüne Linie accounts and loans, Immokred-it 60+ housing finance and Umweltzeichen-certified products	Green asset ratio
Reducing environmental impacts (e.g. soil sealing, greenhouse gas emissions, circular economy)			Risk inventory
Building affordable housing	<b>Reputational risk: examples</b> Calls for consumer boycotts due to sustainability risks or loss of trust by customers, e.g. as a result of greenwashing	Continuous improvements in ESG-related expertise	Climate stress tests
Supporting the energy transformation	<b>Business risk: examples</b> Loss of confidence on capital markets due to rating downgrades or deterioration in financial indicators as a result of poor strategic decisions	Business model: finance for subsidised homebuilding loans, housing development, energy-efficient buildings and renovations, and social infrastructure	Heat map for CO <sub>2</sub> exposures
Enhancing the stability of the financial sector			ESG industry benchmarking
Providing impetus for sustainable business practices	<b>Credit risk: examples</b> 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		SDG mapping
	<b>Sustainability risks: examples (physical and transitory)</b> 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		Internal ESG Committee
<b>MANAGEMENT APPROACH</b>			
■ 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			

# Taking a green path

**NEW ADDITIONS.** In 2023, HYPO NOE expanded its Grüne Linie product range to include the Green Life Loan. In addition, the Green Home Loan has been modified.

## Platform

Consumers have been able to access the birds of trust<sup>3</sup> platform for sustainable financial products since summer 2023. The new platform is free to use and provides an overview of all sustainable finance products (including current and savings accounts, investment funds, loans and insurance) on the Austrian market, including online-only providers. HYPO NOE started by offering sustainable current and savings accounts. Ahead of the launch, Heidrun Kopp, the platform's CEO and founder, and Sabrina Maurer, an ESG expert at HYPO NOE, shared their ideas on the Group's green product range. The aim was to ensure the greatest possible degree of transparency about the products that

HYPO NOE offers. Besides providing a quick and convenient overview of the sustainable finance products on the market, the platform also gives users the most important information about the various products. HYPO NOE's green current and savings accounts are certified in accordance with the Austrian Climate Protection Ministry's UZ 49 Ecolabel, which is also a key criterion for birds of trust.



**Heidrun Kopp**  
(CEO, birds of trust)

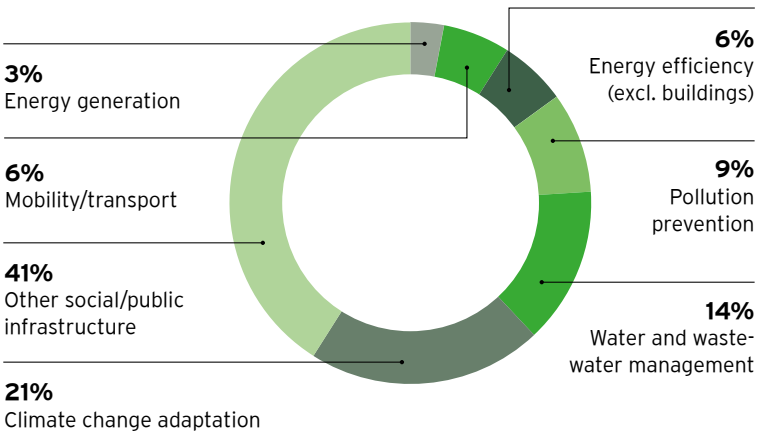
"We still have a long way to go before the financial sector becomes truly sustainable. I think we need to move forward together and capitalise on all of the opportunities available to us."

## Green Life Loan and Green Home Loan

Introduced in October 2023, the new Green Life Loan enables HYPO NOE customers to save energy, reduce their costs and protect the climate<sup>1</sup>. The energy transformation is already having an impact on living spaces, with shortages of fossil fuels behind a constant rise in people's expenses. The new Green Life Loan is designed to finance property-related investments, including support for thermal renovation projects, installation of solar thermal and PV systems, and conversion of fossil-fuel-powered heating systems. What's more, the guidelines for the Green Home Loan<sup>2</sup> have been adapted, and customers can now benefit from even more advantages (such as lower loan account charges).

## USE OF GREEN DEPOSITS (%)<sup>5</sup>

Green current and savings account balances are earmarked for financing of sustainable projects, with an emphasis on social infrastructure.



## DID YOU KNOW THAT...

a November 2023 report on the Austrian banking market published by the WWF singled out HYPO NOE as one of only a few banks that offer financial incentives specifically for upgrades aimed at boosting energy efficiency?<sup>4</sup>

<sup>1</sup> <https://en.hyponoe.at/sustainability#c3149>  
<sup>2</sup> <https://en.hyponoe.at/sustainability#c3149>  
<sup>3</sup> birds of trust - platform for sustainable financial products, <https://www.birdsoftrust.com/Home> (German only)  
Instagram: <https://www.instagram.com/birdsoftrust/>  
<sup>4</sup> <https://www.wwf.at/wwf-analyse-sanierungswillige-bei-banken-heiss-begeehrt/#:~:text=Laut%20einer%20Umfrage%20unter%20den,finanzierten%20Geb%C3%A4ude%20implementiert%20zu%20haben> (German only)  
<sup>5</sup> as at 30 June 2023: [https://www.hyponoe.at/fileadmin/OE/Vertriebsstrategie/Konten/Gruene\\_Linie/Gruene\\_Konten\\_Berichterstattung\\_per\\_30.6.2023\\_HYPO\\_NOE.pdf](https://www.hyponoe.at/fileadmin/OE/Vertriebsstrategie/Konten/Gruene_Linie/Gruene_Konten_Berichterstattung_per_30.6.2023_HYPO_NOE.pdf) (German only)

# Bringing new products to life

**INTERVIEW.** Carina Sickinger (Product Manager for Savings and Current Account and Electronic Banking) talks about the process for launching new products at HYPO NOE.

## Carina, tell us how product launches work at HYPO NOE.

The process always starts with a new idea. They come from different parts of the Group - directly from the team in the Products and Services Department, from the sales departments or straight from the Management Board. If the initial assessment confirms that it's a good idea, the Products and Services Department initiates the product launch process. In the development phase we pool the necessary expertise and draw up a draft concept. This is followed by an evaluation phase that includes a kick-off meeting, appointments, assessments and checklists. If the new product meets all of the requirements, the team member who's responsible for it makes a proposal to the Management Board, which also involves obtaining the necessary authorisations and approval. At the end of the process, the technological aspects of the

product are dealt with, documentation and marketing materials are produced, and we publicise the product launch, which involves informing staff and implementing marketing activities. The whole process normally takes between two and five months. Being part of the development process is always a big deal for me. When the new product comes onto the market, that makes me feel really proud, too.

## Which other departments are involved in product launches?

There's a core team and an extended core team for every launch. The Legal Department plays an important part. The new product has to fall within the scope of our banking licence and we need to provide all of the required authorisations and approvals. It's a very time-consuming process. Our data protection officers check that all the requirements under data protection law are met and the IT Department is responsible for the technological infrastructure. The process might also involve other departments, including Internal Audit, Compliance, Treasury, Strategic Risk Management, Reporting, the retail unit, Marketing and the Management Board. ■



**Carina Sickinger,**  
Product Manager  
at HYPO NOE

"Being part of the development process is always a big deal for me."

# Sustainable investment with NÖVK<sup>1</sup>

HYPO NOE Landesbank holds a 49% interest in financial services provider and employee benefit fund NÖ Vorsorgekasse AG (NÖVK). As of 31 December 2023, NÖVK had around EUR 756.9m in termination benefit funds under management. NÖVK has adopted a sustainability strategy which ensures that sustainability is deeply rooted in its investment activities, and indeed throughout the company. At NÖVK, sustainability also covers social considerations. It was the first financial institution in Austria to be awarded the WACA Silver certificate for its redesigned, accessible website, and in 2023 NÖVK was also singled out as an "accessibility role model" by the State of Lower Austria's

BhW (Bildung hat Wert) education promotion institute. In its annual sustainability audit carried out by the Austrian Society for Environment and Technology (OEGUT), NÖVK received Gold certification - the highest level available - for the sixth 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, it 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 climate goals into account in its investment policies. ■



**Karin Schlemaier,**  
NÖVK Management Board  
member

"I'm delighted that HYPO NOE has been represented on NÖVK's Sustainability Committee for many years now, supporting us with its expertise."



<sup>1</sup>For more information on NÖVK's sustainability-related activities, visit <https://www.noevk.at/ueber-die-noevk/nachhaltigkeit> (German only)





Financing for sustainable energy supplies for this residential project in Pöckau came in the form of a HYPO NOE green investment loan.

## Solar power for residential project

**GREEN INVESTMENT LOAN.** HYPO NOE teamed up with corporate customer Greeninfra GmbH to implement an innovative GREEMER energy project that will supply power to 49 households.

As soon as the plans were in place for nine timber residential blocks surrounding an eco-friendly natural bathing pond on the site of a former farm in Pöckau (near Villach in Carinthia), the developers quickly came to the conclusion that the energy supply needed to be sustainable, too. The contract for this part of the project was awarded to Greeninfra GmbH. Founded in 2022 by Vitaliy Kryvoruchko and Leopold Reymaier, the renewable-energy infrastructure business obtained financing from HYPO NOE. "This is one of the first projects that we are financing with the new Grüner Investitionskredit investment loan," says Kore Brozović, a HYPO NOE relationship manager for domestic companies. "The demand was already there without a doubt, and now we are

in a position to work with our customers to play our part in protecting the climate," she explains. The offer to Greeninfra GmbH - which included bridging finance for the subsidies and a long-term loan - posed a major challenge due to constantly changing energy prices, Brozović tells us.

### RENEWABLE ENERGY COMMUNITY

The GREEMER project (GREEMER stands for **GR**een **E**nergy **E**-mobility **E**-storage and **R**eal estate) supplies the 49 apartments with power from PV modules, which is used to operate heat pumps and e-vehicle charging points. Storage batteries provide added benefits for the renewable energy community, and also safeguard power supplies in the event of a blackout. ■

### GREEN INVESTMENT LOAN

Since late 2022, HYPO NOE has offered green investment loans to corporate customers for projects that demonstrably contribute to achievement of the EU's six environmental targets. By doing so, the Group is aiming to support the transition to a climate-neutral economy. The financed investments must comply with either the HYPO NOE Sustainability Bond Framework<sup>1</sup> or the technical screening criteria of the EU taxonomy for sustainable activities.

### Vitaliy Kryvoruchko and Leopold Reymaier (Greeninfra GmbH/GREEMER):

"HYPO NOE recognised the innovative concept as well as the economic potential that lies in the combination of technologies straight away, and integrated them into a robust project financing structure. We're already looking forward to implementing the next project!"

## Sustainable school campus in Vorarlberg

**FLAGSHIP PROJECT.** Financing sustainable education projects has been one of HYPO NOE's core competences for years now. The construction of a school in Hittisau (Vorarlberg) was an exceptional project in more ways than one.



**Q&A WITH...**  
**Gerhard Beer,**  
**Mayor of Hittisau**

### What was it like to work with HYPO NOE?

"Due to the significant amount of financing required - by our standards - it was important for us to expand the range of financing options and gives ourselves leeway to cast our net a bit wider. The decision to go with HYPO NOE was a very good choice: working with them was extremely pleasant and straightforward, and we never lost sight of our goal. I was very impressed by the bank's employees, they were so helpful and respectful."

"In the education sector, no two projects are ever the same, but Hittisau was a completely different type of challenge," comments Michael Jager, a long-serving HYPO NOE customer relationship manager specialising in public finance. That's because this mega-project ("my biggest so far") involved the comprehensive energy-efficient renovation of the existing secondary school and the construction of two new timber buildings featuring a massive PV system - and all this "in this middle of the Covid-19 pandemic, and not exactly right around the corner either", as Jager emphasises. And this explains the numerous phone calls and e-mails between Jager and Gerhard Beer, Hittisau's Mayor, who also had to coordinate the three local authorities involved - Hittisau, Riefensberg und

Sibratsgfall - in his role as chairman of the local schools association.

Overseen by architect Matthias Bär, the construction work lasted two and a half years and was completed in late 2023. The end result: a new campus including a primary and secondary school as well as a pre-vocational school. Costing EUR 33m, the project was financed through subsidies and reserves, as well as a long-term local authority loan from HYPO NOE. "It goes without saying that we were delighted to win the contract. After all, education projects generate significant added value for the local community, and at the same time the Hittisau campus will help to avoid many, many tonnes of CO<sub>2</sub> emissions," Jager reports. ■



### DID YOU KNOW THAT...

...the school project in Hittisau delivers added value from both a social and an environmental point of view?

Renovation of the old secondary school will help to reduce heating energy demand by 101,000 kWh or 19.4 tonnes of CO<sub>2</sub>-equivalents per year. A PV system with a capacity of 170 kilowatt-peak, which will make a major contribution to safeguarding the environment, was installed along with the highly energy-efficient new buildings.

A feelgood place to learn: the new school buildings stand out for their inviting, modern look.

<sup>1</sup> <https://ir.hypo-noe.at/?eID=dumpFile&f&f=22575&l=de&token=c8deceee090f21936613cd85bccf876c50f2f708>



# Sustainable financing framework

**TRANSPARENT REGULATIONS** When it comes to selecting and evaluating sustainable projects, investors expect transparency – and rightly so. HYPO NOE takes these expectations into account by adhering to the ICMA's green, social and sustainability bond principles and guidelines.

Rising to the challenges posed by climate change and demographic shifts calls for investments in public infrastructure, increased renewable energy generation and improved energy efficiency in a variety of areas.

The real estate sector accounts for around 40% of Europe's CO<sub>2</sub> emissions<sup>1</sup>, and this means that the energy-efficient renovation of properties will play a central role in meeting the climate targets set out in the Paris Agreement. And HYPO NOE is in a position to make a significant contribution in this regard, thanks to its focus on lending to public sector, real estate and corporate customers. The bank's green product range was designed specifically to provide customers with the most effective possible support in achieving their environmental and social objectives.

HYPO NOE finances some of these sustainable projects through the capital markets by means of sustainable bonds. The Group has issued green bonds worth a total of EUR 1.5bn to date. Capital market demand for green bonds is still growing, and this gives issuers opportunities to capitalise on the advantages of this type of funding<sup>2</sup>. However, investors expect transparency and clarity in the selection and evaluation of projects. With this

in mind, the International Capital Market Association (ICMA)<sup>3</sup> – which brings together participants from across the international capital markets – has developed guidelines for issuing green, social and sustainability bonds. These guidelines are geared precisely towards meeting international investors' demands.

They cover aspects including the use of proceeds, the evaluation process and external reviews. HYPO NOE's framework<sup>4</sup> for issuing sustainable bonds is aligned with the ICMA's green, social and sustainability bond guidelines. Compliance with the ICMA guidelines has been confirmed by a second party opinion (SPO)<sup>5</sup> from international ESG rating agency ISS ESG. The annual impact report<sup>6</sup> on the sustainable bonds issued so far and the independent external review<sup>7</sup> are published on the HYPO NOE website. ■

### SECOND PARTY OPINION (SPO)

In order to demonstrate the green, social or sustainable purposes of the projects they finance, bond issuers have what is known as a second party opinion (SPO) drawn up in accordance with the ICMA guidelines. Here, an external expert (SPO provider) evaluates whether an issuer complies with the ICMA market standards when it places sustainable bonds. The SPO provider prepares a report which is published on its website. HYPO NOE's SPO was provided by ISS ESG and is posted on both the HYPO NOE<sup>8</sup> and the ISS ESG<sup>8</sup> websites

### GUIDELINES FOR ISSUING SUSTAINABLE BONDS

The ICMA's green, social and sustainability bond guidelines and principles specify four core components of the framework for sustainable bonds:

1. Description of the use of proceeds from the issue
2. Description of the process for project evaluation and selection
3. Management of proceeds
4. Reporting on the positive impact of projects

The framework and reporting must be reviewed by an external auditor. HYPO NOE's framework<sup>4</sup> and the latest report<sup>6</sup> on the positive impact of its projects can be found on the HYPO NOE website.

### HYPO NOE GREEN AND SOCIAL PROJECT CATEGORIES

- Energy efficient buildings
- Renewable energy and enhancing energy efficiency
- Climate change adaptation projects
- Sustainable transport
- Waste and wastewater management
- Forestry and agriculture
- Affordable housing
- Health and education

# Ethics guidelines and business principles

HYPO NOE has implemented clear ethics guidelines and business principles for its operations. These are designed to ensure that the bank only enters into business relationships that are compatible with its philosophy and its focus on sustainability. The guidelines guarantee that financing is not extended to projects which breach the exclusion criteria, and that in case of doubt due to the potentially controversial nature of lending – either from a social or environmental perspective – the bank will not provide funding.

The ethics guidelines and business principles comprise inclusion and exclusion criteria, which are the basis for initiating new business throughout the Group. Through the inclusion criteria, the Group promotes activities that it believes generate the greatest possible benefit for society, while exclusion criteria help to identify sectors where the bank chooses not to operate, in the interest of social responsibility. These guidelines also form part of the Group's internal lending policies. ■

### INCLUSION CRITERIA

**Creation of living spaces**

**Environmental protection**

**Art and culture**

**Social infrastructure**

**Education**

**Low CO<sub>2</sub> emissions**

**Sustainable energy**

### EXCLUSION CRITERIA

**Nuclear energy**

**Warring states**

**Animal testing**

**Destruction of the environment**

**Violation of rights**

**Genetic engineering (GMOs)**

**Weapons and violence**

**Suspected corruption**

**Tobacco**

**Pornography and prostitution**

**Carbon**

**Mining**

<sup>1</sup> Source: [https://commission.europa.eu/news/focus-energy-efficiency-buildings-2020-02-17\\_en](https://commission.europa.eu/news/focus-energy-efficiency-buildings-2020-02-17_en)  
<sup>2</sup> Sources: <https://www.weforum.org/agenda/2023/11/what-are-green-bonds-climate-change/> and <https://www.ecb.europa.eu/pub/pdf/scpwps/ecb.wp2728~7baba8097e.en.pdf>  
<sup>3</sup> <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/>  
<sup>4</sup> <https://ir.hyponoe.at/?elD=dumpFile&t=f&f=22575&l=de&token=c8deceee090f21936613cd85bccf876c50f2f708>  
<sup>5</sup> <https://ir.hyponoe.at/?elD=dumpFile&t=f&f=22574&l=de&token=4b30ed9cf965a7143124fc64807c720ee3a85374>  
<sup>6</sup> <https://ir.hyponoe.at/?elD=dumpFile&t=f&f=22147&l=en&token=fdd9c97c0f69a298742dc4a19f4a5e3fa5746d1b>  
<sup>7</sup> <https://ir.hyponoe.at/?elD=dumpFile&t=f&f=22144&l=en&token=f5c061d45e125298bd6d059e8fcb442089d763a>  
<sup>8</sup> <https://www.iss-corporate.com/solutions/esg-solutions/second-party-opinion/>





**Rita Jakusch,**  
Head of General  
Secretariat, HR and  
Law:

“We are proud that HYPO NOE is one of the Leading Employers in Austria and, as such, ranks among the top 1% of employers in the country. Our investment in our employees reflects our convictions as a company, and our people are all the more resilient, satisfied and successful for it!”<sup>1</sup>

<sup>1</sup> <https://www.leading-employers.org/de/certified-companies/hypo-noe/>  
(German only)

# Team spirit and leading ladies

The baby breakfast was held for the third time, allowing employees on parental leave to keep a line of dialogue open with their managers.

**IN STEP WITH LIFE PHASES** HYPO NOE is stepping up to the challenges that come with demographic change through numerous initiatives. The focus is on participation, staff development and working time models that reflect individual needs. And it is something that employees appreciate.

Employee participation has a key role to play in HYPO NOE's organisational development process. In addition to information events and workshops, all employees are invited to participate in regular anonymous surveys. Every two to three years, a major employee survey is conducted with the support of external consultants. Job satisfaction, the atmosphere in the workplace, working conditions, management styles, ESG issues, and values and vision are among the topics covered. The results are analysed in the departments and segments involved and measures for improvements are drawn up as required. Subsequent surveys assess whether these measures have been implemented and have had the desired effect. Many employees take advantage of this opportunity to contribute to the organisation's ongoing development and enhance working conditions. In 2023, the response rate was an impressive 85.9%. HYPO NOE's commitment is reflected in

numerous accolades including berufundfamilie, Leading Employer and Employee Experience Champion certification.

**Flexitime and working from home**  
HYPO NOE offers its employees a high degree of flexibility, which is reflected in various aspects, including flexitime models, the option of working from home up to 50% of the time, training and career development opportunities, and the chance to move into other specialist areas within the organisation. During longer absences, such as parental leave, illness or sabbaticals, HYPO NOE enables employees to stay in constant contact and exchange ideas with their colleagues. Baby breakfasts and active parental leave management processes give employees the opportunity to exchange ideas, stay up to speed on the latest career development options and fine-tune their re-entry plans.

» **Advancement of women**  
HYPO NOE places a particular emphasis on promoting women's career development. The Frauen@HYPONOE women's network has implemented numerous initiatives since its inception three years ago, with the specific goal of increasing the proportion of women in management roles. Informal discussions and presentations help reappraise traditional role models, while surveys (either anonymous or targeted) support the development of bespoke solutions for HYPO NOE employees. The women's mentoring programme is designed to encourage female employees to take on management positions.

**On the same page**  
At HYPO NOE, team events and team retreats are used to foster a sense of togetherness, promote mutual understanding and provide variety in employees' day-to-day working lives. The shared experience bolsters team spirit and can help to overcome misunderstandings or conflicts in everyday office life. It is precisely for these reasons that HYPO NOE promotes team days and get-togethers - which are inspired the principles of “work together, laugh together, celebrate together”.

The Group has introduced a new initiative called Social Time: teams work together in charitable organisations to help people going through difficult phases in their lives. These experiences bring about a change of perspective, instil a greater sense of empathy - an important quality for good teamwork - and strengthen team spirit. ■



## HYPO NOE 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. HYPO NOE was named a Leading Employer once again in 2023, ranking the organisation among the top 1% of employers in Austria.

**berufundfamilie**  
Experienced management consultants help companies to implement family-friendly measures as part of the Austrian federal government's berufundfamilie (Career and Family) quality seal. The organisations are then audited by an external certification body. Thanks to the measures and improvements it has implemented, HYPO NOE has been re-certified until 2026.

**Diversity Charter**  
The Diversity Charter is an initiative which is designed to promote respect for all members of society, regardless of gender, age, background, sexual identity, worldview or disability. At HYPO NOE, diversity is seen as a source of enrichment, and there is no place for discrimination. For this reason, HYPO NOE is a signatory of the Diversity Charter.

**Employee Experience Champion**  
This award is presented to companies that offer their people the best possible employee experience. Assessment outcomes are based on a combination of direct feedback and the results of employee surveys. HYPO NOE achieved third place at the first time of asking in 2023.



HYPO NOE is proud to have been recognised as a Leading Employer.



# Sustainability reporting – at a glance



## THE ESG SUPPLEMENT

The HYPO NOE Group and its strategic business sectors use this ESG Supplement to present their sustainability activities and indicators, with a view to increasing transparency in stakeholder relations. HYPO NOE's goal is to ensure that its customers have a clear picture of the products and services that 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/](https://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 ESG Supplement and accompanying GRI index can be downloaded from [en.hyponoe.at/sustainability](https://en.hyponoe.at/sustainability).



## REPORTING PERIOD

The information and indicators presented in this report relate to 2023 (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](mailto:nachhaltig@hyponoe.at).



## GLOBAL REPORTING INITIATIVE STANDARDS

This report has been drawn up with reference to the GRI standards: The supplement was assessed by external auditors (see p31).

The index containing the GRI standards covered by the report is shown at [en.hyponoe.at/sustainability](https://en.hyponoe.at/sustainability).



## CONTENT

The content of this supplement was determined and prepared according to the company'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 HYPO NOE is provided in the 2023 Annual Report and the 2023 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 transposes EU Directive 2014/95/EU (NFI Directive) into 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. ■

# Celebrating and enjoying sports together

**AND ACTION!** Franz Gyöngyösi's and his Diversity list focuses on health, sport and fun.

Works Council Chairman Franz Gyöngyösi won re-election with his Diversity list in the 2023 Works Council elections – and he has set himself ambitious plans for the next five years once again. When assembling his team, Franz focused once more on diversity and expertise. The

first round of changes have already been implemented: new staff were appointed to manage the HYPO NOE Sport running club and a new yoga society was created. Both are now supervised by Works Council members. Measures designed to promote health and sport – key issues for the Works Council team – are also striking a chord with employees. In 2023, a total of 84 runners – a new record – participated in the banking sector running championships, the Lower Austrian Women's Run and the Vision Run. Preparations for the Vision Run and the celebrations afterwards took place in the HYPO NOE Pagoda, which was sponsored by the Works Council. The new yoga course was also in high demand, with all places quickly snapped up. The HYPO Ski Championships, which were organised by HYPO NOE in 2023, also saw an unprecedented number of participants – and plenty of podium finishes, too.



**Running enthusiasts: participants in the Frauenlauf women's running event**

## Trachten costume fun

For the third time, the HYPO NOE Works Council organised a marquee at the Kaiserwiesn in September, which was attended by numerous colleagues. Many of them followed the dress code and came in traditional Trachten costume to help create an authentic Oktoberfest atmosphere. After-work drinks on the HYPO NOE roof terrace in Wipplingerstrasse organised by the Works Council also went down very well with employees. Behind-the-scenes planning and organisational work for the 2024 company outing to Salzburg is in full swing.



**Lederhosen and Dirndls made the party at the Kaiserwiesn double the fun.**



**The new yoga course was well received.**

## HYPO NOE Works Council

In 2023, Diversity proved highly popular once again in the Works Council elections, which attracted a voter turnout of over 74%. The proportion of women in the newly formed Works Council team remains unchanged at 50%, while the precise make-up of the Diversity ticket's candidate list was based on a zipper system to ensure a balanced gender ratio. Women now also account for 50% of the Supervisory Board members delegated by the Works Council.



**Fifty-fifty is the measure for the Works Council team.**



# Focus on regionality

**SPONSORSHIP.** HYPO NOE's marketing focuses on environmentally friendly, high-quality products from sustainable, regional businesses.

## Social responsibility

As one of Austria's leading regional banks, HYPO NOE also lives up to its social responsibilities. By way of example, individuals in Austria who find themselves in emergency situations received support through non-profit organisation Hilfe im eigenen Land. HYPO NOE was also able to provide financial support to one loyal customer for purchasing and training an assistance dog through donations raised by a charity football tournament organised by Club NÖ. At the long-running annual IT flea market, decommissioned IT equipment is auctioned off to employees. A donation from the proceeds of the 2023 campaign was presented to charitable organisation Der Weisse Ring. As a result of the changeover to desk sharing, 500 desks and 300 IT devices were put to new use in Ukraine by the Southeast European Cooperative Initiative (SECI).



**Q&A WITH...  
Petra Skala,  
Head of Marketing  
at HYPO NOE**

**How do you select suitable partners when it comes to producing your advertising material?**  
"Locally-sourced, eco-friendly and high-quality products are very important to us - which is why these are precisely the criteria we look for when selecting our partners. Wherever possible, we support small-scale local producers from the surrounding area who check all the boxes through their regional, environmentally friendly and high-quality products. This approach also helps to secure valuable jobs in the region."



## Dürrenstein-Lassingtal Wilderness Area World Natural Heritage Site

HYPO NOE's partnership with the Dürrenstein-Lassingtal Wilderness Area - the last surviving section of primeval forest in the Alpine arc - was initiated in 2019. The Group pursues a long-term sponsorship and donation strategy in line with its social, societal and environmental responsibilities. Located in south-west Lower Austria in the district of Scheibbs, the area was named the first UNESCO World Natural Heritage Site in Austria in

2017. Access to the four-square-kilometre site is still highly restricted and only possible on a handful of dates each year. In 2021, the House of Wilderness was constructed as a specialist nature centre where visitors are taught basic ecological concepts and given a deeper appreciation of natural processes. The sections of the beech forest in the province of Styria were added to the UNESCO World Natural Heritage List two years later.

## Bee-inspired World Savings Day

This year's World Savings Day gifts were inspired by another precious resource: bees. Customers were treated to honey from HYPO NOE bees from the organic Bienenfink apiary as well as propolis lip balms. Tea lovers were indulged with an organic blend from Waldland. The industrious little HIPPO savers were treated to another instalment of Ferdinand Auhser's popular HIPPO book series. "Hippo and the Bee Summit", the fourth title in the German-language kids' series - printed by an Austrian Ecolabel-certified printing company that is also an FSC seal of approval holder - is all about bees.



# Human rights and data protection

**IN FOCUS.** 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 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

- 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 minorities.

For HYPO NOE, compliance with the applicable statutory regulations on the protection of personal data is a matter of course at all times. 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 General Data Protection Regulation (GDPR).

Staff must enter all complaints made by HYPO NOE customers into an internal feedback and complaints database. These are analysed on a regular basis, included in the ombudsman's report, which is submitted 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 2023.

### 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 define the security strategy and initiatives. The CISO also consults the Management Board on a regular basis. 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 2023.

### COMPLIANCE AND ANTI-CORRUPTION

All of the compliance functions mandated by current regulatory standards have been permanently established at HYPO NOE: 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 Management Board. Internal compliance policies are regularly reviewed and updated and apply to the entire Group, where necessary. In particular, legislative changes and new regulations 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 annual financial statements.<sup>1</sup>

HYPO NOE classifies 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. ■

<sup>1</sup> See the annual report at [ir.hyponomie.at/en/](https://ir.hyponomie.at/en/)



# For a smaller carbon footprint

**ENERGY MANAGEMENT AT HYPO NOE.** One of the three pillars of HYPO NOE's ESG strategy is the ongoing reduction of the company's carbon footprint.



**"In my view, undergoing regular external audits contributes significantly to the credibility and transparency of our ambitions when it comes to environmental protection."**

Alexander Schmauss,  
Facility Management & Security



brought a changeover to ISO 14001. Besides these energy-related elements, ISO 14001 environmental management sets out a framework for additional improvements in other areas related to the environment, such as waste management, mobility, buildings and CO<sub>2</sub> emissions, while also formalising a set of ambitious and binding targets. Goal attainment is reviewed externally as part of the regular ISO audits.

The numerous initiatives in this area underpinned HYPO NOE's successful application for klimaaktiv Pakt partner status. The partners' goal is to reduce their CO<sub>2</sub> emissions by at least 50% and improve final energy intensity (energy efficiency) by at least 30% by 2030.<sup>1</sup> In terms of implementation, the klimaaktiv programme also pursues a holistic approach through a broad bundle of operational measures. Among the proposed climate protection concepts for partner organisations are activities covering five key areas: energy saving and energy efficiency, construction and renovation, mobility, renewable energy sources, renewable raw materials and resource efficiency, and awareness-raising measures. The switch to certified Austrian green electricity (Umweltzeichen [UZ] 46) was instrumental in reaching the climate targets set out in the klimaaktiv initiative. After joining, signatories are required to participate in a structured, annual process which is aimed at optimising their initial operational climate-protection plans. Attainment of targets is assessed on an annual basis by the Federal Ministry for Climate

» Action, Environment, Energy, Mobility, Innovation and Technology. Progress is documented in an annual report. This is designed to maximise the credibility and transparency of the process, both inside and outside the Group. Monika Elbert was responsible for developing HYPO NOE's climate protection concept. The klimaaktiv partnership fosters regular dialogue between partners, including in joint workshops. ■

## Environmentally friendly mobility

At the HYPO NOE garage in St. Pölten, a number of parking spaces have been redesignated as a new green zone. This indicates that they are exclusively reserved for eco-friendly four- and two-wheeled vehicles. Space has been created for anti-theft charging stations for 14 e-bikes and seven e-scooters as well as two e-cars to make it even easier for employees and visitors to make climate-friendly mobility choices. Two e-bikes were purchased for employees to use for work-related trips and errands – slots can be booked via a special platform. This initiative is yet another example of HYPO NOE's commitment to creating a greener and cleaner environment and providing eco-friendly mobility solutions. The existing bike parking facility for non-electric bicycles was extended and also colour-coded as a blue zone.



**"I particularly appreciate the opportunity to compare notes with other environmental experts as part of the klimaaktiv partnership. It always gives rise to new and innovative ideas for improvements."**

Monika Elbert, Facility Management & Security expert for health, safety and the environment, and certified environmental manager

- 2014 ● Key environmental indicators published for the first time
- 2015 ● Certification of energy management system in accordance with ISO 50001
- 2015 ● Changeover to electricity exclusively from hydropower
- 2019 ● Switch to holistic ISO 14001-compliant environmental management system
- 2021 ● HYPO NOE joins the klimaaktiv Pakt 2030
- 2021 ● Certification of the head office as a green location in accordance with the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK) UZ 200 eco-label
- 2022 ● Introduction of desk sharing
- 2023 ● Switch to UZ 46-certified electricity
- 2023 ● New vehicle acquisitions: exclusively EV additions to the vehicle fleet

## Purchasing and producing green electricity

HYPO NOE made the changeover to UZ 46-certified green electricity in 2023. All of its electricity needs are now met from Austrian wind, solar and hydropower. The green electricity is certified with the eco-label (UZ 46<sup>2</sup>) according to strict environmental criteria; this is the highest seal of approval for clean energy production. HYPO NOE also produces green electricity via the photovoltaic system on the roof of the Group headquarters in St. Pölten. In 2023, the PV system produced 99,000 kWh of electricity.

<sup>1</sup> Benchmark: 2005  
<sup>2</sup> <https://www.umweltzeichen.at/de/zertifizierung/der-weg-zum-umweltzeichen/antragsinfo-uz-46-gruener-strom> (German only)



# 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 Greenhouse Gas Protocol developed by the Geneva-based World Resources Institute - the recognised standard for reporting GHG emissions - divides emissions into three "Scopes".<sup>1</sup>



## CO<sub>2</sub>-EQUIVALENT (CO<sub>2</sub>-e)

The various greenhouse gases have different impacts on the climate. They contribute to the greenhouse effect to varying degrees of intensity and remain in our atmosphere for different periods of time. For this reason, greenhouse gases are converted into CO<sub>2</sub>-equivalent to reflect their global warming potential (GWP). To calculate this, units of emissions of the greenhouse gas in question are multiplied by a corresponding factor.

<sup>1</sup> <https://ghgprotocol.org/>

## Environmental indicators

There are various ways of calculating CO<sub>2</sub>-equivalents. HYPO NOE uses the DEFRA conversion factors, because they provide a very precise basis for converting highly specific information. All climate gases as specified in the Kyoto Protocol are included in the calculation. The Group does not produce any biogenic CO<sub>2</sub> emissions.

## Material consumption

HYPO NOE's environmental and climate strategy is geared towards continuously reducing material consumption. Thanks to the gradual rollout of digital customer signatures in various product lines, material consumption in 2023 was again lower than in previous years.

## Renewable electricity

HYPO NOE has used renewable electricity at all of its locations since 2016 - and in 2023 the Group switched to UZ 46 Ecolabel-certified green power. This translates into zero CO<sub>2</sub> emissions and CO<sub>2</sub>-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, the main sources of Scope 1 carbon emissions are the "Heating energy (gas)" and "Passenger vehicle transport - total" categories. The substantial decrease in emissions was mainly due to the adoption of a more environmentally friendly car policy, combined with a reduction in the use of passenger vehicles and an increase in the proportion of electric vehicles, as well as the disposal of First Facility GmbH (HFF) in 2021.

Indicator - description	Unit	2019	2020	2021	2022	2023
ENVIRONMENTAL INDICATORS - carbon footprint <sup>2</sup>						
Material consumption <sup>3</sup>	kg CO <sub>2</sub> -e	17,064	16,060	8,527	9,334	6,965
Renewable electricity	kWh	2,311,508	1,879,229	2,007,492	1,569,155	1,509,808
	kg CO <sub>2</sub> -e	-	-	-	-	-
District heating <sup>4</sup>	kWh	989,625	751,766	1,011,533	893,510	750,270
	kg CO <sub>2</sub> -e	174,233	129,762	172,972	152,549	134,786
Gas heating	kWh	577,635	510,334	480,976	591,848	505,178
	kg CO <sub>2</sub> -e	106,198	93,835	88,019	108,308	90,932
Passenger vehicle transport - total	Litres	201,111	121,314	64,197	63,767	62,448
	kg CO <sub>2</sub> -e	280,456	165,822	84,417	87,616	86,520
Flights	kg CO <sub>2</sub> -e	26,983	1,269	4,963	12,194	18,908
Rail	kg CO <sub>2</sub> -e	1,335	326	141	259	473
Total CO <sub>2</sub> -e <sup>5</sup>	kg CO <sub>2</sub> -e	606,269	407,075	359,039	370,260	338,583
CO <sub>2</sub> -e/employee <sup>6</sup>	kg CO <sub>2</sub> -e	817	570	567	601	547

## Group CO<sub>2</sub> data by scope

SCOPE 1: Heating energy (gas) and passenger vehicle transport	kg CO <sub>2</sub> -e	386,654	259,657	172,435	195,924	177,452
SCOPE 2: Electricity and heating energy (district heating)	kg CO <sub>2</sub> -e	174,233	129,762	172,972	152,549	134,786
SCOPE 3: Flights, rail and paper	kg CO <sub>2</sub> -e	45,382	17,656	13,632	21,787	26,345

<sup>2</sup> The Covid-19 pandemic caused variances in both environmental and human resources indicators for 2020 and 2021  
<sup>3</sup> Paper consumption

<sup>4</sup> Due to an error in the formula used, the figure for district heating was reported incorrectly in 2022. The figures for the Group have been corrected from 540,801 kWh to 893,510 kWh and from 92,331kg CO<sub>2</sub>-e to 152,549kg CO<sub>2</sub>-e.

<sup>5</sup> The accuracy of the calculations for vehicle transport was improved in 2020.  
<sup>6</sup> Scope 1-3

## Passenger vehicle transport - total

Continued reductions thanks to greening of the car policy and an increase in the proportion of vehicles with alternative drive systems.

## Flights

Due to increased use of video conferencing, the number of flights taken has fallen compared to the years before the Covid-19 pandemic.

## Rail

More widespread adoption of video conferencing has 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)

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 indicators, this Scope relates to CO<sub>2</sub> emissions under the "Electricity and heating energy (district heating)" item.

The reduction compared to the previous year (2022) and to the years before the pandemic reflects the numerous initiatives taken under the environment and climate strategy. Further energy-saving measures (room temperature controls) were implemented in 2023.

## SCOPE 3 (indirect)

covers all other indirect GHG emissions attributable to upstream and downstream business activities. At HYPO NOE, this currently includes CO<sub>2</sub> emissions from "Material consumption", as well as travel comprising flights and rail journeys.

# Environmental footprint

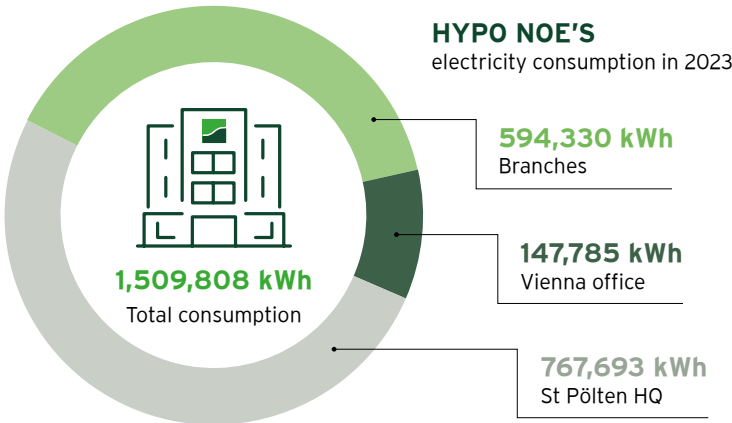
As the bank for the state of Lower Austria, HYPO NOE has a responsibility to finance investments in climate and environmental protection and to play a pioneering role in terms of the environmental impact of its operations. The Group's environmental and climate strategy is geared towards minimising its ecological footprint to the greatest possible extent.

### WHAT IS A KILOWATT-HOUR?

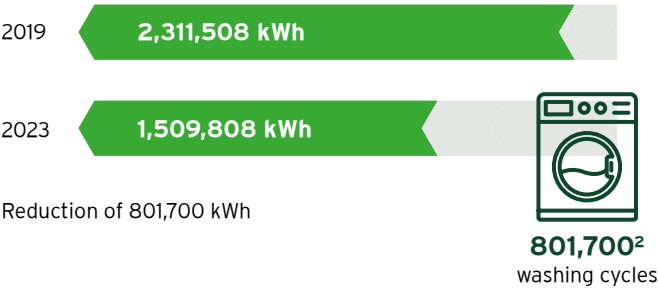
The kilowatt-hour (kWh) is the unit of energy used to measure - and invoice - electricity consumption. Power consumption is stated in watts, and one kilowatt-hour is the amount of energy used to generate an output of 1,000 watts for one hour, or to use 1,000 watts of power for one hour! Turn to page 24 for a description of CO<sub>2</sub>-equivalents (kg CO<sub>2</sub>-e).

### WHAT CAN YOU DO WITH 1 kWh OF ENERGY?

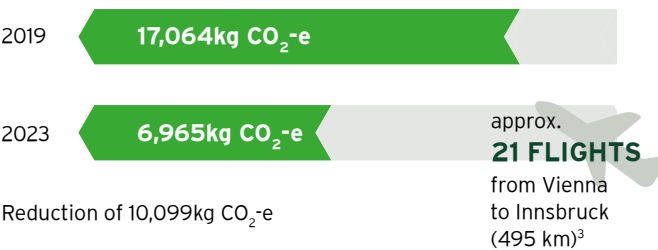
- Work on your laptop for around 50 hours
- Dry your hair with a 2,000 watt hairdryer for half an hour
- Play on your PlayStation 4 for six hours
- Run a washing machine cycle at 60°C



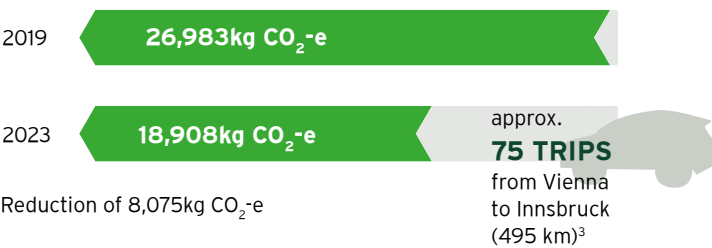
### REDUCTION IN ELECTRICITY CONSUMPTION



### REDUCTION IN KG CO<sub>2</sub>-e: MATERIAL CONSUMPTION (PAPER)



### REDUCTION IN KG CO<sub>2</sub>-e: FLIGHTS



# Systemic sustainability

Focus area	Objective	Measure	Planned implementation
SUSTAINABILITY IN HYPO NOE'S CORE BUSINESS			
Regional responsibility	Focus on sustainable growth in the home market of Lower Austria and Vienna, and in its core Austrian market.	Public sector finance: finance for public-sector health, education and infrastructure projects that add value for society	ongoing
	Remain the preferred and first point of contact for private, non-profit and commercial housing development in Lower Austria, Vienna and the core Austrian market	Housing finance: financing affordable and sustainable housing that meets strict environmental specifications	ongoing
	Promoting green projects, energy-efficient construction and renovation	Financing for retail and corporate customers: financing for green projects (Grüner Investitionskredit, Grüner Wohnkredit and Grüner Leben Kredit loans)	ongoing
Monitoring the sustainability dimension of financing projects	Contributing to achievement of the SDGs	Assessing and categorising loans in terms of their contribution towards achieving the UN SDGs as part of the application process	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 terrorism 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, EFPA ESG Advisor® training	ongoing
	Proactive customer engagement	Klimaaktiv building and renovating programme partnership	ongoing
Sustainable real estate	Optimisation of data collection	Mandatory energy performance certificate for new real estate financing and rollout of Climcycle ESG tool	ongoing
	Building up ESG expertise	Rolling out ESG training concept to management bodies and ESG officers	2024, thereafter ongoing
Stakeholders and communication	Communication with internal and external stakeholders and involving them in ESG-related matters	Offering green events at the headquarters (Austrian Ecolabel-certified location)	ongoing
		Participation in events, surveys	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 HYPO NOE's sustainability-related activities on various channels and in various formats	ongoing
		Interdepartmental working group on the topic of sustainability to report ongoing developments to the Management Board	ongoing
ESG Committee	Embedding the topic of ESG at the organisational level with a focus on regulatory requirements	Cross-departmental and interdepartmental committee, consisting of department (and division) heads, advisory committee for the Management Board and ESG coordination office	ongoing

<sup>1</sup> Source: Wien Energie, Was ist eine Kilowattstunde? » 1 kWh erklärt | Wien Energie <https://www.wienenergie.at/blog/was-ist-eine-kilowattstunde/> (German only)  
See <https://electricityplans.com/kwh-kilowatt-hour-can-power/>  
<sup>2</sup> Rough figure, as different washing machine models use differing amounts of energy  
<sup>3</sup> Source: <https://secure.umweltbundesamt.at/co2mon/co2mon.html> (German only)



RESPONSIBLE EMPLOYER			
Sustainability at HYPO NOE	Health management/ occupational health and safety	HYPO NOE sports association, supplementary health insurance allowance and private doctor insurance allowance, vaccine cost allowance, occupational health and safety committee, free anonymous consulting and coaching for all employees and their immediate families, access to MAVIE digital health platform, shiatsu/ yoga on site, preventive health check-ups at the company, bioelectrical impedance analysis (BIA), seminars on stress management	ongoing
	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
Training and development	ESG training concept	Offering ESG training courses and workshops; training as an EFPA ESG Advisor®; HYPO professional development programme (voluntary and mandatory training)	ongoing
	Promoting staff development	Professional and personality training (e.g. stress prevention) for all employees, annual performance and development dialogue between manager and employees	ongoing
Equal opportunities and diversity	Increasing the number of women in managerial positions	Maintaining a healthy balance of male and female participants on trainee programmes; participation in the “100 Prozent - Gleichstellung zählt sich aus” (100% - equality pays off) advisory project	ongoing
		Setting up the Frauen@HYPONOE women's network with the goal of increasing the number of women in managerial positions (mentoring, employee surveys with measures derived from them, networking events, proactive parental leave management, baby breakfast)	ongoing
		Membership of the Diversity Charter as a clear commitment to diversity	ongoing
	Ongoing measures following successful berufundfamilie (Career and Family) certification	Other measures relating to the following action areas: flexible working hours and location, aligning work to life phases, transparent information and communication policy, improving the management culture, proactive parental leave management, reintegration, career interruptions/study leave/sabbaticals	ongoing
Level 30	Group-wide organisational development process	Continued enhancement of Group strategy with the involvement of employees (regular employee surveys, employee experience surveys, workshops, information events)	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
		Support for environmental projects (Dürrenstein)	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 in accordance with the ISO 14001 standard	Successful recertification in 2023 (recertification audit); annual monitoring; regular training for technicians to help improve energy efficiency	ongoing
	Participation in the klimaaktiv Pakt 2030	Binding commitment to reduce 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, as well as e-vehicle charging points at the St. Pölten site	ongoing
	Mobility blueprint	Greening company-wide mobility and employee journeys; measures to encourage a switch to climate-friendly options; HYPO NOE bicycles for employees (bicycles and 2 e-bikes) and e-bike charging stations for employees	ongoing
Purchasing and procurement	Promoting sustainable and regional procurement	Switching to local and sustainable products for advertising materials	ongoing



10 YEARS OF SUSTAINABILITY REPORTING



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Publication details

in accordance with section 24 Austrian Mediengesetz (Media Act), disclosure in accordance with section 25 Austrian Media Act and information on section 5 Austrian E-Commerce-Gesetz (E-Commerce Act) available at <https://en.hyponoe.at/legal-notice>

**Publisher and proprietor:**  
HYPO NOE Landesbank für Niederösterreich und Wien AG, Hypogasse 1, 3100 St. Pölten  
**Editorial content:** Claudia Mikes, Sabrina Maurer, Silke Ruprechtsberger  
**Copy deadline:** 30 Jan. 2024  
**Design:** Egger & Lerch Corporate Publishing, Vordere Zollamtsstrasse 13, 1030 Vienna, [www.egger-lerch.at](http://www.egger-lerch.at)  
**Layout:** Veronika Grabietz  
**Translation:** Jon O'Shea/Rob Perry, Fox Coffey KG, [firma@foxcof.co.at](mailto:firma@foxcof.co.at), [www.foxcof.com](http://www.foxcof.com)  
**Printed by:** Gugler GmbH, Auf der Schön 2, 3390 Melk/Donau  
**Photos:** Ingeborg Zauchinger (cover), HYPO NOE (p.3, 19, 30), Sabrina Maurer (p.3, 22), poeckau1.com (p.3, 12), gorlaphotography.at/Gerlinde Gorla (p.4, 20), Doris Mitterer (p.6), birdsoftrust (p.10), Sulz HYPO NOE (p.11), Gerry Mayer-Rohrmoser (p.11), Chronik Pictures (p.13), Anastasia Gerasimova (p.13), Luise Reichert ([www.luisereichert.com](http://www.luisereichert.com)) (p.16), HYPO NOE (p.16), Sulz HYPO NOE (p.17), Claudia Mikes (p.19), HYPO NOE own photo (p.19), Manfred Horvath (p.20), Philipp Monihart (p.20), Josef Bollwein/[www.flashface.com](http://www.flashface.com) (p.22), private (p.22), Line Icons Pro (p.24, 29), Shutterstock/Skylines/alexndndz/justone (p.2, 7, 8, 15, 18, 26)

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**Audit:** the ESG supplement is audited by KPMG with reference to the GRI Standards. The audit certificate granted by the auditors for this ESG supplement can be found on our website.

The German version of this supplement is definitive. The English version is a translation of the German supplement. This supplement should be read in conjunction with the 2023 Annual Report.





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