

IR newsletter, 14 November 2019

Sustainability Update 2018: CO₂ emissions more than halved since 2015

- Financing with social added value further expanded:
EUR 1.1bn invested in cooperative housing construction as at 30.6.2019 (31.12.2018: EUR 940mn)
- Group-wide environmental management system implemented (ISO 14001) –
CO₂ emissions reduced by a further 6.4% in 2018
- Consistently invested in human capital – increase in training days by 33.5% vs. 2017

Integrated sustainability strategy clearly anchored in the business model

Since 2014, HYPO NOE Group has been reporting on its progress in the area of sustainability. The reporting follows the globally recognized guidelines of the Global Reporting Initiative (GRI). Building on the consolidated non-financial statement as part of the Annual Report 2017, the update provides specific information on the sustainable development of the HYPO NOE Group. The three main pillars of the Group-wide sustainability strategy include the financing of projects with social added value, the active reduction of the own ecological footprint, and a comprehensive corporate health and training management for employees.

Ethical business principles ensure sustainability in the core business

The low-risk business model of the HYPO NOE Group focuses on social infrastructure, especially in the areas of housing, health and education. Both funding and investment are subject to clear ethical guidelines and business principle, which were further tightened in 2018 regarding the topic of coal. As a mortgage bank, the focus in the area of real estate financing is in particular on cooperative housing construction being subject to strict ecological criteria and contributing significantly to affordable housing. Currently, HYPO NOE Group finances housing projects of EUR 1.1bn. Due to its commitment to climate protection, HYPO NOE Landesbank became part of the “klimaaktiv” partnership by the Austrian Federal Ministry of Sustainability and Tourism.

CO₂ emissions continuously reduced – environmental and energy strategy implemented

As part of its environmental and energy strategy, the Group’s previous energy management system in accordance with ISO 50001 was transferred to a comprehensive environmental management system according to ISO 14001, certified by Quality Austria. Group-wide, another 53 tonnes of CO₂ were saved in 2018 (-6.4% on the previous year). The decline in total CO₂ emissions is continually falling and has been more than halved since 2015. The establishment of an inter-departmental group ensures the development and implementation of measures aiming at further reducing the ecological footprint, most recently in the area of advertising materials and printed matter, but also when switching from capsule to bean coffee.

Qualification and further training as an investment in the future

The third pillar of HYPO NOE Group's sustainability strategy comprises corporate health care and further education management. In addition to specialist expertise, another focus is on personality and team development. In 2018, a total of 2,646 training days were taken up by employees, a substantial increase of 33.5% on the prior-year figure. Besides, all employees have access to a free "Employee Assistance Service", which includes anonymous coaching for professional and private issues.

Sustainability ratings: HYPO NOE Landesbank is among the best in the industry

The comprehensive sustainability program has been reflected for years in the above-average positive sustainability ratings. The "Prime" status of the leading sustainability rating agency ISS-ESG was affirmed and thus shows the extraordinary commitment in environmental and social affairs. The renowned sustainability rating agency imug raised both the sustainability and mortgage covered bond rating by one notch. The "rfu Qualified" status also confirms that the Bank's bonds meet sustainable criteria. Only the best businesses are included in rfu's bond universes. In the WWF retail banking rating carried out for the first time in Austria, HYPO NOE Landesbank landed the first place.

The [Ethical Guidelines and Business Principles](#) are available on our website.

Kind regards

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