

# Responsibilities for society and the environment

**A**wareness of the need to act responsibly is deeply rooted in the LLB Group. As partner of the Principality of Liechtenstein as well as of society and the economy, we are committed to leaving future generations with stable social conditions and an environment that is as intact as possible.

## Sustainability mandate

The LLB Group's business policy, which is focused on continuity, forms the basis for sustainable action. Sustainability to us means balancing economic viability with social and environmental responsibility. The Annual Report 2017 contains an integrated "Stakeholders report" for the third time, the first time being in 2015 and the second in 2016. It was prepared in accordance with the Global Reporting Initiative (GRI) Standards – "Core Option". By doing this, we are highlighting our proactive focus on sustainability.

## Implementation of the CSR Directive

Since 2017, capital market-oriented corporations as well as large credit institutions and insurance companies that have more than 500 employees have been required to disclose information about their Corporate Social Responsibility (CSR) performance in their annual report. In September 2016, EEA country Liechtenstein amended its Persons and Companies Act (PGR) and implemented Directive 2014/95/EU (the CSR Directive on disclosure of non-financial and diversity information). For the first time ever, Liechtenstein has regulations on reporting about certain sustainability topics such as environmental, employee and social matters, as well as respect for human rights, anti-corruption and bribery matters.

LLB met EEA requirements a year before the law came into force in Liechtenstein. At the end of 2014, it compiled a set of around 25 sustainability topics. In 2015, in accordance with version 4.0 of the GRI, we established, reviewed and evaluated a list of material aspects and indicators and focused on strategic priorities, as shown in the materiality matrix on the right. We reviewed and supplemented the material aspects in 2016 and 2017.

## Value-oriented

The values of "integrity", "respectfulness", "excellence" and "pioneering" (see chapter "Strategy and organisation", page 25) underpin the LLB Group's actions. We are client-oriented and, as such, are investing in the further development of the physical and electronic contact points (see chapters "Retail & Corporate Banking", page 34; "Corporate Center", page 45). Here we are paying particular attention to meeting our clients' security needs and our data protection standards for the use of the various distribution channels at all times. Our internal code of conduct provides a guiding framework for the value-based and responsible actions of all employees (see chapter "Strategy and Organisation", page 26).

## Contribution to the sustainable development of Liechtenstein

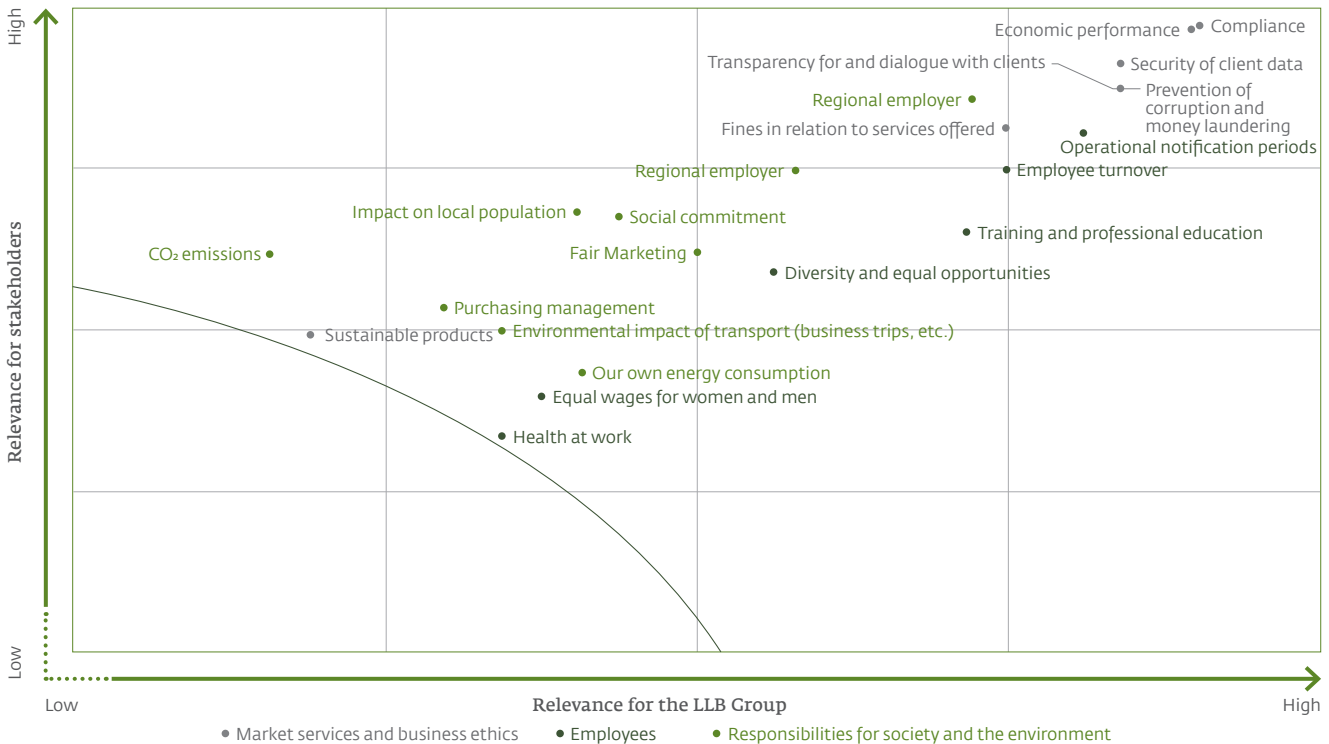
The LLB Group is involved in different cultural, environmental and social areas (see chapter "Brand and sponsoring", page 53) and thus in the sustainable development of a prosperous Liechtenstein. This forms the basis for the fulfilment of our performance mandate. We indirectly promote Liechtenstein as a workplace and contribute to the prosperity of the people (see chapter "Retail & Corporate Banking", page 33).

## In dialogue with stakeholder groups

For the LLB Group, sustainability as a corporate responsibility means meeting the expectations of the different internal and external stakeholder groups. The Group Corporate Communications & General Secretary Business Area works together with the line and support units of the core team on an ongoing basis to further develop the key sustainability topics.

While the members of this core team represent the views of the LLB Group, they are in regular dialogue – personally, by electronic media or telephone, or at information meetings, working sessions, roadshows or conferences – with the different stakeholders who we influence and who, in turn, influence the course of our business.

Materiality matrix for sustainability aspects



The stakeholder groups are in particular:

- **Clients:** Their needs are uppermost at every point of contact. Our client advisers systematically record client needs plus private and corporate client satisfaction. The LLB Group fosters partnership-based dialogue with its institutional clients via its “LLB Xpert Views” online platform and in round-table discussions (see chapters “Retail & Corporate Banking”, “Private Banking” and “Institutional Clients”).
- **Principality of Liechtenstein:** The Principality of Liechtenstein is our majority shareholder. The Chairman of the Board of Directors of the LLB Group and the Group CEO submit a bi-annual report on the course of business to the Head of the Government of Liechtenstein. Once a year, the Board of Directors and the Group Executive Board exchange views with the entire Government. It, in turn, reports to the Audit Commission of the Landtag (Parliament) on the implementation of the investment strategy of Liechtensteinische Landesbank AG (see chapter “Corporate governance”, page 78).
- **Shareholders:** In addition to the annual General Meeting of Shareholders, we exchange views with our shareholders at investor presentations and in regular meetings with the Liechtenstein

Government as the representative of the majority shareholder, the Principality of Liechtenstein (see chapter “Corporate governance”, page 101).

- **The public:** We are in continuous dialogue with the public through our employees. We also foster an intensive exchange with media representatives (see chapter “The LLB share”, page 51).
- **Partners and non-governmental organisations (NGOs):** Through our membership of associations and organisations, we maintain a dialogue with partners and NGOs (see chapters “Regulatory framework and developments”, page 62, “Institutional Clients”, pages 41–42, and “Responsibilities for society and the environment”, pages 68–69).
- **Employees:** We obtain our employees’ opinions by engaging in dialogue during the annual objective-setting process as well as in the employee survey, which is conducted every two years (see chapter “Employees”, pages 56–57).

**Key sustainability topics**

Sustainable business management and long-term responsibility are core values to us. The key factors in selecting and prioritising topics

This page includes, inter alia, the following GRI standard indicators (2016 version): 102–47. A complete list of all indicators shown in the report can be found in the GRI Content Index on page 75.

for the materiality matrix were: the external impact; the impact on the stakeholder groups; the relevance to the existence of the banking group; and public perception. For the key sustainability topics, we defined the relevant GRI aspects and indicators. The LLB Group closely monitors the topics included in the materiality matrix (see chart on page 67) and addresses them individually. The topics positioned in the top right of the matrix are of particular significance. In 2017, we further developed the process of identifying and managing sustainability topics.

## Performance mandate

The Principality of Liechtenstein is the majority shareholder in LLB with 57.5 percent of the share capital. This ownership situation is unique in Liechtenstein. Sustainable business management is part of the performance mandate and the principles governing the corporate strategy of Liechtensteinische Landesbank. At the same time, social commitment has always been a significant part of our corporate identity. Our activities are in line with our statutory mandate: according to Art. 3 of the Law on the Liechtensteinische Landesbank (LLBG) of 21 October 1992 and under the investment strategy of the Government of the Principality of Liechtenstein of 22 November 2011, LLB is mandated with the social responsibility of promoting Liechtenstein's economic development while at the same time still taking ethical and ecological factors into account.

## Financial stability

Liechtenstein is among eleven countries worldwide with an AAA rating. On 29 January 2018, Standard & Poor's (S&P) reconfirmed its best rating for the country's creditworthiness. Liechtenstein has no national debt, instead it has large reserves thanks to strict budgetary discipline. A functioning banking sector and stable financial centre with strong international connections contribute substantially to the financial results of the state.

The financial services sector, accounting for around 24 percent of GDP, is the most important sector in the Liechtenstein economy after industry. The banks are particularly distinguished by their financial stability. Having a sufficiently high-quality equity base at its disposal is part of the LLB Group's identity. Today it already meets the core capital ratio required under Basel III regulations from 2019 onwards (see chapter "Finance and risk management", page 29).

## Economic contribution

The LLB Group bases its business policy on market principles and strives to generate a reasonable profit. The Principality of Liechtenstein and its population participate in profits through regular distributions. The economic contribution – dividends, direct taxes and the compensation payment for the state guarantee – of the LLB Group amounted to CHF 46.4 million in 2017 (2016: CHF 38.4 million). LLB

receives no financial support for its banks or Group companies in Liechtenstein, Switzerland and Austria from any government.

LLB is the only bank in Liechtenstein which carries a state guarantee for savings account deposits and medium-term notes (cash bonds). This is regulated in the Law on the Liechtensteinische Landesbank of 21 October 1992. According to Art. 5, the Principality of Liechtenstein is liable for savings account deposits at the Landesbank and for medium-term notes (cash bonds) of the Landesbank, insofar as the bank's own resources are not sufficient. For this additional security, from which our clients benefit, LLB makes a yearly compensation payment to the Principality. In 2017, this amounted to CHF 1.1 million (2016: CHF 1.2 million).

## Sustainable products and services

With a range of products and services, the LLB Group takes social responsibility for the future generations in its home markets of Liechtenstein and Switzerland. This applies to both private individuals and small and medium-sized enterprises (SMEs).

### Risk-conscious growth in the mortgage lending business

The development of the real estate and mortgage market plays a key role in the economy. In Liechtenstein, LLB has a leadership position in the mortgage lending business with a market share of around 50 percent. Bank Linth is an important partner for the people and economy of eastern Switzerland. To achieve sustained, profitable growth, the LLB Group focuses in Liechtenstein and Switzerland on the quality of the mortgage portfolio and risk-conscious growth carefully tuned to suit the region and the type of property. In 2017, mortgages accounted for 87.4 percent (2016: 86.5%) of loans granted by the LLB Group, corresponding to CHF 10.6 billion (2016: CHF 10.0 billion).

### Private financial planning

LLB is the only bank in Liechtenstein to offer comprehensive private financial planning. Changing asset structures, the growing diversity and complexity of financial instruments, the globalisation of financial markets and changes in retirement planning are new aspects that we have to take account of. The need for professional and holistic private financial planning is growing. In 2017, LLB further refined its "LLB Compass" service offering, which offers solutions for all stages of life and business. Bank Linth launched its comprehensive advisory service in Switzerland in spring 2017.

LLB offers three separate advisory packages for corporate clients. In the case of owners of small and medium-sized enterprises (SMEs), private and business assets are often closely interlinked. Our 360-degree financial planning covers all the important topics such as assets, financing, retirement planning, real estate, taxes and estates.

### LLB Liechtenstein Pension Fund Foundation

At LLB, client orientation means nurturing stable, long-term relationships at the same time as being innovative and proactive. With the LLB Liechtenstein Pension Fund Foundation, we have been offering our clients a service that is extraordinary for a bank since 2005. With a market share of around 40 percent, the LLB Liechtenstein Pension Fund Foundation is an essential pillar of the pension fund market in Liechtenstein.

It is also an important element in LLB's integrated advisory and financial planning services for SMEs. Occupational retirement provision, financed by a capital funding system, is becoming increasingly important in an ageing society. The LLB Liechtenstein Pension Fund Foundation is represented on the Executive Board of the Liechtenstein Pension Scheme Association (LPKV) and has a decisive role in expanding the Liechtenstein pension fund market. To address the financing of pensions, a reform package for the Old-Age and Survivors' Insurance (OASI) and occupational pension provision came into force in Liechtenstein on 1 January 2017.

The LLB Liechtenstein Pension Fund Foundation has established itself as a competence centre. As the youngest pension fund in the Principality, it ranks as the number two among the independent collective foundations. At the end of 2017, it had significantly increased pension fund capital under management to CHF 732 million (2016: CHF 620 million). It provided services to 423 (2016: 420) companies with 5'360 (2016: 4'970) active insured persons and had a liquidity ratio of 107 percent (2016: 104.4%). The foundation has a very good structural ratio: for each pensioner there are 19 active insured contributors (2016: 21 active insured contributors).

### Sustainable investment

According to Liechtenstein's Environmental, Social and Governance (ESG) Market Report of November 2016, LLB with its funds is the market leader in the Principality. The funds are managed by LLB Asset Management AG, the LLB Group's investment competence centre. We concentrate on the shares of companies that are audited on their ESG criteria and have a good sustainability rating. ESG criteria are increasingly having an impact on the risk and return profile of a company and hence on the investment portfolio of an investor.

### Sustainable asset management

Our product range also includes "Sustainable asset management", developed by the Asset Management Business Area of the LLB Group. When constructing a portfolio, certain sectors such as tobacco, alcohol, nuclear energy and armaments are excluded. Companies which do not comply with specific social or environmental standards as well as countries which are subject to sanctions are also excluded. To ensure we invest in a socially responsible way, we focus on investment-grade bonds, inflation-linked bonds, convertible bonds, developed market equities and real estate investment trusts (REITs).

Basically, the LLB Group's investment policy excludes ethically unsuitable products or behaviour. Hence we exclude high-yield bonds, emerging market bonds and equities, commodities and alternative investments such as hedge funds. Liechtensteinische Landesbank has no financial products itself which contain soft commodity investments. In the case of products from other providers, it is guided by the Dow Jones UBS Commodity Index, which consists of one third energy, one third non-ferrous and precious metals and one third soft commodities such as corn, soya, cocoa or rice. In the case of the LLB strategy funds, the proportion of investments in commodities amounts to 2 percent, whereby merely 0.66 percent consists of futures on soft commodities as a complement.

## Risk management

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Integrity, performance and trustworthiness form the basis of responsible and transparent corporate governance. Effective risk management, that means permanent and systematic monitoring to minimise risk, also plays a decisive role (see chapter "Finance and risk management", page 28). By specifying a future-oriented risk strategy, the Board of Directors establishes the guidelines for dealing with risks. In addition, it continues to develop corporate governance on an ongoing basis (see chapter "Corporate governance", page 78).

The applicable laws, directives, guidelines and market standards as well as supervisory and internal regulations form an essential base. Group Legal & Compliance advises the business areas, identifies and analyses compliance risks, and ensures that all staff comply with the rules of conduct (see chapter "Regulatory framework and developments", page 64).

## The non-profit Future Foundation

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### Sustainability in everyday life

The "Zukunftsstiftung der Liechtensteinischen Landesbank AG" (the Future Foundation of Liechtensteinische Landesbank AG), which was founded in 2011 as part of our 150th anniversary celebrations, supports commitment to social and ecological sustainability in everyday life. We support organisations and non-profit projects that improve living and working conditions and promote self-responsibility. Besides this, we promote projects dedicated to environmental protection. We focus on innovations in the areas of knowledge transfer as well as the integration and implementation of social entrepreneurship.

Trust, responsibility and reliability are important to the LLB Group. The company is closely connected to the people and the economy of Liechtenstein and the adjacent regions. In addition to project-specific contributions amounting to CHF 32'000, the Future Foundation contributed to society by donating a total of CHF 79'500 to social organisations in 2017. The Future Foundation is a member of the network of

the "Vereinigung liechtensteinischer gemeinnütziger Stiftungen" (Association of Liechtenstein Non-Profit Foundations), which aims to promote the idea of entrepreneurial philanthropy.

### Projects in 2017

The Future Foundation's commitment in the areas of community service and the environment has a lasting, sustainable impact. Through its annual donations to a set circle of social institutions in Liechtenstein, the Future Foundation helps to maintain healthy social structures in the country. Providing additional funding to individual projects helps innovative ideas in the area of social and ecological development in the LLB Group's market regions to be realised in practice.

Over the past six years, the Future Foundation has made over 120 donations and contributions to around 40 projects, in all totalling over CHF 900'000.

Since the projects receiving funding contributions are mostly small, focused and located in the market regions of LLB and Bank Linth (Liechtenstein and eastern Switzerland) as well as LLB Österreich, from the point of view of the beneficiary organisations the funding is often critical to their realisation. In 2017, the Future Foundation supported the following projects:

- **Verein Neuraum (new space association) – FreeVeloPoint:** The association has old bicycles renovated in a social workshop and provides them free of charge to the public. There are now around eighty bicycles available for use and fourteen docking stations across Liechtenstein's municipalities.
- **pepperMINT:** The MINT Initiative Liechtenstein is a social foundation that offers children and young people the chance to experience and learn mathematics, computer science, natural science and technology in a fun way.
- **Initiative Praktische Hilfe (practical help initiative):** Refugees and asylum seekers receive support when it comes to learning a language, applying for a job or filling out a form. And through networking with institutions and companies, the initiative helps refugees to integrate into the work process faster.
- **Sibiu 2018 –** Providing support to a Romany village in Romania: In October, thirty apprentices from Liechtenstein are to refurbish an old carpenter's workshop under the supervision of expert craftsmen. The objective of the project is to contribute to improving the living conditions in the municipalities of Transylvania by preserving the cultural heritage.
- **Association NetzWerk – "Freiwilliges Soziales Jahr Liechtenstein" (voluntary year of community service):** This project, which has been supported by the Future Foundation since 2016, offers young people the opportunity to complete a professionally organised voluntary social service year at a social institution. Six people successfully completed a social service year in 2017.
- **"Stiftung Zukunft Liechtenstein" foundation:** LLB has been promoting this think tank, which addresses economic and socio-

political topics relevant to the sustainable development of Liechtenstein and the securing of its future, for the past four years.

- **Alte Metzg Schaan:** In 2017, LLB again supported the Christmas campaign to distribute food aid to people in need.

### Drink tap water – donate drinking water

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LLB joined "Drink & Donate" – a drinking water project. Since February 2017, hydration stations that use fresh tap water have been provided at its headquarters in Vaduz. Laboratory tests attest to its excellent quality. LBB donates CHF 60 per employee per year to "Drink & Donate", a Zurich-based non-profit organisation. We donated a total of CHF 39'000 in 2017.

By consuming tap water instead of transporting branded bottled water thousands of kilometres, we want to reduce our CO<sub>2</sub> footprint, produce less waste, save energy and protect our environment. In this way, the 660 LLB employees in Vaduz and our clients make a sustainable contribution to supporting people in developing countries who do not have access to clean drinking water.

### Mobility management

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The LLB Group is committed to actively managing the environmental impact of the business and commuter traffic caused by its employees.

#### Promoting the use of public transport

We encourage our staff to use public transport and, if possible, not to drive to work, but to form car pools or switch to more environmentally friendly alternatives. According to a report by the Liechtenstein Government on its Energy Strategy 2020, road traffic in Liechtenstein grew at an average annual rate of 5 percent between 2009 and 2015. Densely built-up areas mean that carriageways and parking spaces cannot be expanded in many cases.

In 2013, LLB's Mobility Commission added new elements to its comprehensive mobility management, which was introduced in 2010. It considerably increased not only the costs for parking spaces but also the rewards to those employees who switch from using private motorised transport to more environmentally friendly means of transport. The fee system for employee parking spaces comprises four rates. LLB makes graduated payments to employees who forego a parking space.

It subsidises 50 percent of the cost of an annual travel pass with LIECHTENSTEINmobil (LIEmobil), the Liechtenstein bus company, as an incentive to use public transport. Employees commuting to their workplace from outside the area served by LIEmobil buses receive an allowance for using regional public transport. There are a total of six vehicles and two trailers available for work-related trips, errands and building maintenance.

### Cycling to work

More than half of the distances travelled by car in Liechtenstein are shorter than five kilometres, as are the distances between the individual LLB buildings in Vaduz. Our employees have had the possibility to use company bicycles since 1996; we now have 45 such bicycles.

LLB employees have been taking part in the competition run by the Verkehrs-Club Liechtenstein (VCL) "Radfahren für Ihre Gesundheit" (Cycling for your health) and the one by the LIHK "Mit dem Rad zur Arbeit" (Cycling to work) for years. We make a contribution of CHF 50 towards the cost of buying a bicycle helmet. Since 2016, this rule has also applied to ski and motorcycle helmets and runs under the motto "Kluge Köpfe schützen sich" (Clever heads protect themselves).

We want to make it as easy as possible for our staff to make the switch to using bicycles for transportation. This is the reason why we have installed showers and changing facilities right next to the bicycle room and offer towel services.

### State-of-the-art video technology

Since ecology and the economy are inseparably linked, our aim of promoting energy efficiency also applies to the number of kilometres travelled on business trips. We were able to further reduce this amount as a result of having installed over 25 video-conferencing systems group-wide since 2015. The LLB Group uses the latest state-of-the-art, high-end video technology with the best picture and sound quality so that decision-making processes and optimum knowledge transfer can be accelerated at executive and project team meetings. At the same time, this means travel cost savings and, hence, an improvement in the CO<sub>2</sub> footprint, as shown in the table on "Energy consumption and greenhouse gas emissions".

Due to increasing demand, we installed more video-conferencing systems in 2017 and will develop the technology further in 2018.

## Sustainable procurement

### Purchasing management

The growing complexity of supply chains makes purchasing management, in conjunction with sustainable business management, an important discipline. The LLB Group is committed to ensuring that human rights and ecological standards are observed in the supply chain.

That is why we drew up a group-wide directive in 2013 that sets minimum standards our suppliers are obliged to accept. These include compliance with laws, minimisation of the environmental impact, staff health protection as well as the avoidance of both child labour and forced labour. Fairness, transparency, data protection, human rights as well as ecological and ethical behaviour are essential criteria for our purchasing management. Offers are systematically analysed and checked for compliance with the standards.

We increasingly raise our employees' awareness to consider sustainability when choosing office supplies, office equipment and suppliers. Our purchasing management is continuously being developed. This will support our mission to integrate the factor of sustainability, analyse savings potential and reduce costs.

Well over 50 percent of our suppliers are based in Liechtenstein or eastern Switzerland. Our local buyers (category managers) check that new suppliers are observing human rights and ecological standards. When procuring IT products, the category manager for the purchasing class "IT & market data (IT)" checks the resource consumption for operating and disposing of the equipment.

## Energy efficiency and climate protection

For the LLB Group and its stakeholder groups, sustainability means ensuring long-term corporate success, accepting responsibility and using resources in a conscious way. Fossil energy sources, which are essential to modern industrial society, are finite. For both ecological and economic reasons, scarce resources must be used responsibly. This guiding principle applies equally to LLB in Liechtenstein, Bank Linth and LLB Österreich.

The recording of energy consumption and greenhouse gas emissions is being continuously optimised. For the first time, we also collected data for our business location in Vienna for 2017 and retrospectively for 2016. This necessitated a revised presentation of the environmental indicators.

The LLB Group wants to contribute to climate protection by increasing energy efficiency and save costs at the same time. This is the reason why we are continuously optimising the recording of energy consumption and greenhouse gas emissions. The organisational units Security Management and Facility Management identify potential energy savings and evaluate the effect of efficiency measures. An example of this is the "Green Datacenter".

### "Green IT" data processing centre

Infrastructure and energy costs for data processing centres are a key factor in facility and IT management. Potential energy savings are high. The branch office of Liechtensteinische Landesbank in Eschen (FL) has set standards in this area for the Rhine Valley region since December 2012. The LLB data processing centre, which was built according to the American Uptime Institute's Tier III Certification of Design, is an extremely secure data centre. This means that highly sensitive business data are perfectly protected.

Our data processing centre, however, not only has one of the highest security standards of the region, it also reflects a clear commitment to "Green IT". All building elements – from construction, to insulation and the architectural design of the building – were carefully matched to each other in order to increase energy efficiency. Since the

This page includes, inter alia, the following GRI standard indicator (2016 version): 102-48.  
A complete list of all GRI indicators shown in the report can be found in the GRI Content Index on page 75.



middle of 2013, we have reduced power consumption substantially and consequently lowered our CO<sub>2</sub> emissions.

The power consumption of the cooling devices plays an essential part in terms of power usage effectiveness (PUE). We aim to achieve a PUE value of below 1.5, which would be half the original energy usage. By 2013, we had already achieved a PUE value of 1.54. In 2017, we achieved a PUE of 1.48 (2016: 1.40).

### Energy-efficient branch offices

Sustainable construction is based on the interaction between ecology and technology and is becoming the standard. The building that houses the Eschen branch office complies with the Minergie standard. The energy-efficient design of the branch office in the data processing centre enabled the energy consumption of our buildings in Liechtenstein to be reduced substantially.

Our main buildings are responsible for the bulk of energy consumption. Since two of our business premises in Vaduz (headquarters and Haus Wuhr Ost) are equipped with photovoltaic systems, we generate a small part of our electric power in an environmentally friendly manner. In 2017, the PV systems produced 8'930 kilowatt-hours (2016: 10'170 kWh). The amount of electricity produced was lower compared to 2016 due to the sale of Haus Engel in Vaduz, which also produced solar energy, in June 2017.

### Energetic renovation of buildings

We are increasing the energy efficiency of our branch offices by means of various measures. Bank Linth, for instance, has set itself the goal of refurbishing all nineteen branch offices according to its "bank of the future" concept by the year 2020 (see chapter "Retail & Corporate Banking", page 34; "Employees", page 57).

Whereas the Bank Linth branch offices in Pfäffikon (SZ), Kaltbrunn (SG) and Schmerikon (SG) were built in accordance with the Minergie standard, the headquarters of Bank Linth in Uznach (SG) were completely renovated in 2017. This will bring about a massive improvement in energy efficiency and a reduction in power consumption. Furthermore, an agreement has been made with the power plant in Uznach whereby half of the energy drawn must come from renewable energy.

In addition, the air-conditioning system of the Bank Linth building in Rapperswil was updated in 2017. Detailed assessments showed that when the building was constructed in 1969, materials containing asbestos had been used. In the summer of 2017, the building was completely renovated, inside and out, and the hazardous waste was disposed of properly. There was no risk to health.

In order to identify further potential for optimisation, we measure the thermal insulation values of our buildings. In 2017, we set about replacing the glass in the windows, the rubber seals and the blinds in Haus Äule. The work should be completed by early 2018.

### Promotion of sustainable construction

Due to uncertainty about costs for conventional energy sources, energy and ecological considerations are becoming increasingly important for new buildings and building refurbishments. Furthermore, environmental regulatory pressure is mounting and the people living in Liechtenstein and eastern Switzerland are also becoming more ecologically aware. The LLB Group actively supports sustainable construction and provides eco mortgages and renovation mortgages that promote the efficient and sparing use of resources. Clients benefit from a preferential rate of interest for investment in new buildings that comply with the Minergie, passive house or other comparable standards for alternative energy.

### Electric charging points

We want to promote electromobility by installing electric charging points. We plan to install nine electric charging points at six locations in Liechtenstein during the first quarter of 2018. The charging points will be primarily for use by our employees who drive to work in an electric car, but will also be available to our clients.

### Reduction in operational CO<sub>2</sub> emissions

Our commitment to climate protection is bearing fruit. We have made progress thanks to sustainable mobility and the energy efficiency of our IT infrastructure and buildings. The LLB Group's investment in the promotion of the use of public transport contributed, out of all LLB employees, to 248 coming to work in Vaduz by bus, bike or on foot in 2017 (2016: 246). Efficiency measures at our data processing centre have enabled us to reduce our CO<sub>2</sub> emissions since 2013. Group-wide CO<sub>2</sub> emissions fell from 904 tonnes in 2015 to 885 tonnes in 2016. The figure for 2017 was 951 tonnes, whereby our business location in Vienna was also included in the data collection for the first time.

### Climate foundations

We are convinced that actions driven by sustainability and responsibility increase the value of the LLB Group and have an impact that extends beyond our own company. We promote small and medium-sized enterprises (SMEs) that contribute to climate protection. LLB is a partner of the independent non-profit LIFE Climate Foundation Liechtenstein (since 2009) and the Swiss Climate Foundation (since 2012). The Swiss Climate Foundation has awarded CHF 575'015 to 40 SMEs in Liechtenstein from the start of the cooperation through to January 2018.

That is why LLB belongs to a group of 27 partner firms that pool their resources to promote SMEs in Switzerland and Liechtenstein. The companies do this in an uncomplicated and efficient manner and, through their activities, help to protect the climate. LLB refunds of CO<sub>2</sub> contributions from Liechtenstein made to the Climate Foundation are used to support new products and technological developments that contribute to climate protection as well as energy-saving projects.

## Energy consumption and greenhouse gas emissions <sup>1,2</sup>

	2017	2016
<b>Energy consumption (in MWh)</b>	<b>6'760</b>	<b>6'374</b>
Electricity	5'080	4'956
District heating	356	349
Total heating fuels	1'156	875
Heating oil	233	233
Natural gas <sup>3</sup>	923	642
Total motor fuels	167	193
Diesel (vehicles and emergency power generator testing)	131	151
Petrol (vehicles)	36	42
<b>CO<sub>2</sub> emissions (in tCO<sub>2</sub>e)<sup>4</sup></b>	<b>951</b>	<b>885</b>
Scope 1 total <sup>5</sup>	300	249
Heating fuels	252	194
Motor fuels	44	51
Volatile gases (refrigerants)	4	4
Scope 2 total <sup>6</sup>	651	636
Electricity <sup>7</sup>	572	558
District heating	79	78

<sup>1)</sup> Business locations in Liechtenstein, Vienna and Bank Linth. Our business location in Vienna was included in the data collection for the first time, whereby the data for 2017 was estimated on the basis of consumption in the previous year. As a result of the inclusion of our business location in Vienna, the key figures for 2016 were also recalculated retrospectively.

<sup>2)</sup> The recording of data on heat consumption is partly incomplete and is being optimised.

<sup>3)</sup> The natural gas consumption of two new rental properties in Liechtenstein was estimated on the basis of consumption in the previous year. Natural gas consumption was substantially lower in 2016 due to the refurbishment of Bank Linth's headquarters; following its completion, consumption was significantly higher in 2017.

<sup>4)</sup> Greenhouse gas emissions calculated using Greenhouse Gas Protocol Guidelines.

<sup>5)</sup> Greenhouse gas emissions from own heating boilers, motor fuels and air-conditioning systems.

<sup>6)</sup> Greenhouse gas emissions produced from production of purchased electricity and district heating.

<sup>7)</sup> Reported using location-based approach following Greenhouse Gas Protocol Scope 2 Guidance, used as an approximation for the market-based approach.