

SUS TAIN ABILITY REPORT 2023

OVERVIEW



98.9 %

WAS THE PARTICIPATION RATE IN THE MANDATORY COMPLIANCE TRAINING COURSES IN THE REPORTING YEAR.



10.2

"LOW RISK" RATING FROM SUSTAINALYTICS¹⁾

20 %

REDUCTION OF SCOPE 1 + 2 EMISSIONS (LOCATION-BASED)



54 %

OF THE VEHICLE FLEET ARE E-CARS.²⁾

26,857

JOINT CUSTOMERS ARE SERVED BY VOLKSBANK WIEN AG AND ITS PARTNER ERGO.²⁾

35.2 %

FEMALE EXECUTIVES AT VOLKSBANK WIEN AG²⁾



**FROM + 2
TO + 10**

INCREASE OF THE NPS SCORE IN 2023³⁾

1,483 EMPLOYEES

WORK FOR VOLKSBANK WIEN AG.⁴⁾



24

ELECTED WORKS COUNCIL MEMBERS REPRESENT THE INTERESTS OF EMPLOYEES WITHIN THE VOLKSBANK WIEN AG GROUP.

**FUNDRAISING
CAMPAIGN**

VOLKSBANK WIEN AG DONATES TO THE SCHOTTENHOF SOCIETY.

1) see chapter "Sustainability management"

2) as at 31.12.2023

3) see chapter "Employees"

4) employees as at 31.12.2023

+314%

INCREASE IN SELF-SERVICES (ONLINE PRODUCT TRANSACTIONS) IN HAUSBANKING.



+1,032%

INCREASE IN ROBOTICS PROCESSES BY RPA TEAM.



13TH DISTINCTION

FOR THE QUALITY OF SERVICE AND CONSULTANCY OF 'DER FAIRE CREDIT' BY TÜV AUSTRIA.¹⁾

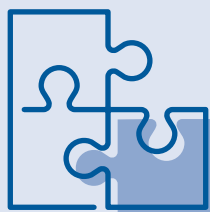
98.2%

OF FINANCING TRANSACTIONS WITHIN THE REGION



TCFD

(TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES) INTEGRATED IN REPORTING²⁾



37%

IS THE SHARE OF SUSTAINABLE FUNDS IN THE TOTAL FUND PORTFOLIO IN 2023.



EURO 128.7 BILLION

ARE MANAGED BY UNION INVESTMENT IN PRODUCTS UNDER ARTICLE 8 OR ARTICLE 9 OF THE EU SFDR.³⁾



INTEGRATION

OF ESG IN RISK AND CREDIT PROCESSES



1) see page 97

2) see chapter "Sustainability management"

3) as at 31.12.2023, source: Union Investment

4) participation in Committee 251 "Corporate Social Responsibility" at Austrian Standards

SUSTAINABILITY REPORT 2023

*It concerns
all of us,
so let's tackle it
together.¹⁾*



10.2

“LOW RISK” RATING
FROM SUSTAINALYTICS²⁾

SUSTAINABILITY REPORT 2023

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EXCERPT FROM THE KEY INDICATORS

2023

Digression / product partners	Unit	Separate¹⁾	Group¹⁾	Page
VBW volume in Union Investment funds	Euro thousand	1,371,764	1,371,764	30
Share of sustainable funds in Union Investment volume (portfolio)	%	35.20	35.20	30
Volume of 'der faire Credit' TeamBank VBW customers	Euro thousand	230,371	230,371	34
Joint customers TeamBank VBW	Number	15,479	15,479	34
New ERGO insurance contracts VBW customers	Number	4,637	4,637	36
New business volume ERGO insurance contracts of VBW customers	Euro thousand	6,314	6,314	36
Taxonomy				
Green asset ratio [GAR] stock – KPI1 ²⁾	%	0.32	0.32	42
Green asset ratio [GAR] stock – KPI2 ³⁾	%	0.32	0.32	42
Energy and climate				
Total Scope 1 + 2 emissions (market-based)	kg CO ₂ e	570,068	617,600	55
Total Scope 1 + 2 emissions (location-based)	kg CO ₂ e	1,021,117	1,098,870	55
Specific electricity consumption headquarters ⁴⁾	kWh per m ²	49	49	56
Specific heat consumption total	kWh per m ²	88	88	57
Printing and copying paper	kg per FTE	13.4	13.4	58
Sustainable products and services				
Subsidised projects	Number	63	63	68
Volume of subsidised projects	Euro million	154.8	154.8	68
Share of sustainable funds in total fund portfolio	%	37	37	69

1) The key indicators of the parent company (Separate) are shown separately from the key indicators of the Group (Group) (cf. page 8).

2) based on the Turnover KPI of the counterparty

3) based on the CapEx KPI of the counterparty, except for lending activities where for general lending the Turnover KPI is used

4) The calculation of consumption values per m² is based on the total Group area of 11,038 m² or, for VOLKSBANK WIEN AG (Separate), on a pro rata basis of 8,045 m².

The vehicle fleet is not included in the specific electricity consumption.

EXCERPT FROM THE KEY INDICATORS

2023

Employees²⁾	Unit	Separate¹⁾	Group¹⁾	Page
Headcount	Number	1,051	1,483	75
Employees by full-time equivalents	FTE	922	1,265	75
Employees in positions with managerial responsibility (F) ²⁾	%	29.1	35.2	79
Employees in positions with managerial responsibility (M) ³⁾	%	70.9	64.8	79
Works council members	Number	14	24	87
Regionality				
Share of regional financing in all financing transactions	%	-	98.2	90
Share of regional financing in all savings deposits and other deposits	%	-	89.1	90
Compliance				
Confirmed cases of corruption	Number	0	0	106
Total financial penalties of all kinds	Euro	0	0	106
Data security				
Proportion of employees who have been trained in information security	%	100	100	116

1) The key indicators of the parent company (Separate) are shown separately from the key indicators of the Group (Group) (cf. page 8).

2) as at 31.12.2023

3) F = female, M = male

GENERAL INFORMATION

FOREWORD



Dear readers,

for all of us the year 2023 was characterised by many challenges: in political terms by the war in Ukraine, and in economic terms by the massive changes in inflation, interest rates and commodity prices, ongoing since 2022. In 2023, climate change brought Austria the warmest year since the beginning of measurement 256 years ago – around 1.3 degrees Celsius above pre-industrial levels. Globally, the average temperature was even 1.4 degrees higher. Weather extremes such as storms, hail, flooding caused by heavy rainfall and massive drought have caused enormous damage¹⁾. This also increases the significance of the costs and risks that may arise from failing to take measures to protect the climate and to adapt to climate change.

Since 2022, the Sustainability Committee, a decision-making body of the entire Managing Board, has been dealing with all aspects of sustainability. This committee discusses sustainable risks, opportunities and trends, passes resolutions on sustainability issues and manages all ESG²⁾ topics. The bank is managed on the basis of quantitative sustainability targets, which are monitored by the Sustainability Committee and will be disclosed in more detail in the sustainability statement starting next year. Sustainability ambassadors were appointed for each division of VOLKSBANK WIEN AG, who serve as multipliers and contribute ideas to the bank. The ambassadors are responsible for ESG topics in their respective divisions and support their colleagues in case of questions. Topics from the Sustainability Committee are regularly submitted to the Supervisory Board.

We are particularly proud that our sustainability efforts are reflected in another improvement of our external sustainability rating. The Sustainalytics ESG Risk Rating Score of VOLKSBANK WIEN AG improved significantly in 2023, to 10.2 (2022: 17.4).

The year 2023 was characterised by the definition of sustainable key performance indicators for managing the bank and the integration of sustainability aspects in variable remuneration. In addition, VOLKSBANK WIEN AG has joined the TCFD (Task Force on Climate-related Financial Disclosures) initiative, it has developed a decarbonisation strategy for the Association's Scope 3.15 emissions and a strategy for reducing Scope 1 and Scope 2 emissions in operations. The ESG data project commissioned in 2022 was continued with the aim of obtaining, processing and disclosing ESG data in a structured process. A particular focus continued to be on integrating ESG topics in risk management and credit processes as well as supporting the sustainable transformation of our customers by providing products, high-quality advisory services and information. The customer brochure "How the circular economy works for SMEs and cooperatives", published jointly with the Austrian Federation of Cooperatives, the corporate platform for sustainable business "respACT" and the Institute of Waste Management and Circularity is particularly noteworthy. Steps towards environmental protection within the company were maintained and training on sustainability was continued at all hierarchy levels.

1) 2023 warmest year in Austrian measurement history – BMK INFOTHEK, <https://infothek.bmk.gv.at/2023-waermstes-jahr-der-messgeschichte>

2) ESG refers to the consideration of criteria from the environmental (Environmental = E), social (Social = S) and responsible corporate governance (Governance = G) spheres.

GENERAL INFORMATION

FOREWORD

VOLKSBANK WIEN AG is also well on the way to implementing applicable regulatory requirements. The implementation of the Taxonomy Regulation, preparations for the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) as well as other regulatory requirements were also driven forward this year.

VOLKSBANK WIEN AG is a purely Austrian bank and only operates within its catchment area and on the Austrian market respectively. There are no foreign shareholders. Our business strategy is based on a combination of regional customer service know-how, on the one hand, and on the services of the central organisation, on the other hand. This means that decisions relevant to customers are taken quickly and directly on the spot where the customers are, while administrative activities are mostly handled in central units. This cooperative division of labour enables the primary banks to outsource tasks that are not directly related to customer business. Based on this, cost reductions can be achieved that our customers benefit from.

And it is precisely in these turbulent times that VOLKSBANK WIEN AG deliberately chooses to remain a regional bank. In this way, the bank supports the long-term economic success of its customers in the region. The core elements of the activities of VOLKSBANK WIEN AG are trust, customer focus and regionality, making it a sustainable “relationship bank” in the truest sense of the word – from the region for the region.

In all divisions, customers may rely on comprehensively trained account managers. This is emphasised by defining the traditional consultancy-based customer relationship to be the main focus of the business strategy and by holding on to the requirement of quick, customer-oriented decisions directly on the spot where the customers are. VOLKSBANK WIEN AG remains committed to the retail branch as an important channel of distribution. It is a central point of contact with our customers and a comprehensive competence centre within regional catchment areas.

Our corporate culture is characterised by our cooperative identity and the sustainability values we go by. Our focus is on customers, partners and employees. We respect human rights and disapprove of any form of discrimination. The fight against corruption is of high priority at VOLKSBANK

WIEN AG. These basic principles are set down in the “Code of Conduct” and complied with by all our employees. In 2023, a Policy Statement of the Managing Board of VOLKSBANK WIEN AG on the Protection of Human Rights was adopted, setting down the company’s commitment to the 10 Principles of the UN Global Compact and emphasizing sustainability in all divisions. One of our main concerns is the conscientious management of available resources and the protection of the environment. Owing to its business model, VOLKSBANK WIEN AG is able to reduce risks for its owners, employees and the bank itself. Any risks are systematically taken account of within the risk management process.

We take care of the core services of a retail bank ourselves: loans, deposits and payment transactions. Other products and services are offered by competent partners. Therefore, cooperation agreements have been concluded with reliable product partners. Our product partners, who constitute our central product supply chain, equally pursue sustainable business policies – which is of essential importance to us. Through considerable streamlining and standardisation of the product range, transparency is increased for our customers due to a neat array of products. The range of sustainable products is being continuously expanded. In the digital world of finance, VOLKSBANK WIEN AG has evolved into a service provider offering precisely the kind of services that customers actually need – at a high level of quality, based on convenient handling and stable performance.

The aim of VOLKSBANK WIEN AG is to be perceived as “the sustainable relationship bank of business enterprises and private customers with an entrepreneurial mindset within the region”. The relationship bank is there for its customers whenever it is needed and with a long-term perspective. It knows its customers and is familiar with their needs – this is the foundation that trust is built on!

Gerald Fleischmann
Chairman of the Managing Board of VOLKSBANK WIEN AG

GENERAL INFORMATION ABOUT THE REPORT

Sustain- ability Report 2023

In accordance with the GRI Universal Standards, the report provided by VOLKSBANK WIEN AG covers the period from 1 January 2023 to 31 December 2023. The GRI standards (Global Reporting Initiative) constitute the de facto benchmark in sustainability reporting, the application of which ensures continuous and standardised reporting for VOLKSBANK WIEN AG. The GRI Content Index is contained in the Annex. The Sustainability Report 2023 also represents the annual progress report in accordance with the UN Global Compact. For the first time in 2023, TCFD (Task Force on Climate-related Financial Disclosures) elements are included. In future, VOLKSBANK WIEN AG will align its sustainability statement with ESRS (European Sustainability Reporting Standards).

In 2023, there have been no substantial changes in reporting. No changes occurred in the reporting year in terms of company size, structure or ownership that might entail any significant economic, ecological or social changes.

Moreover, no relevant changes have occurred regarding the location of suppliers, the structure of the supply chain or the company's relationships. The scope of organisations covered in the report is the same as in financial reporting. As with financial reporting, the reporting period covers the period from 1 January 2023 until 31 December 2023. The last report was published on 29 March 2023, the reporting cycle of VOLKSBANK WIEN AG is once a year.

At group level, VOLKSBANK WIEN AG is obliged to prepare a consolidated non-financial statement / non-financial report under section 267a Austrian Business Code (UGB). Moreover, as a parent company VOLKSBANK WIEN AG is equally obliged to prepare a consolidated non-financial statement under section 243b Austrian Business Code. The present report summarises the required information about concepts, results and risks relating to environmental, social and employee matters, the respect of human rights as well as the fight against corruption and bribery. In an overview table in the chapter on sustainability management, the main topics and chapters in the report are classified according to the topics set out in the Austrian Sustainability and Diversity Improvement Act (NaDiVeG)¹⁾. The information provided applies to both the group and the parent company in equal measure. The performance indicators are shown separately in the table of key indicators (Separate and Group). VOLKSBANK WIEN AG, as parent company, has a headcount of 922 FTE (2022: 880); the Group has 1,265 FTE (2022: 1,237); for exact details regarding the fully consolidated companies please refer to the Annex.

GENERAL INFORMATION ABOUT THE REPORT

In operational terms, the following material topics and the associated key indicators are dealt with only in the banking operation of the parent company VOLKSBANK WIEN AG; therefore the key indicators of the parent company (Separate) correspond to the key indicators of the Group (Group): Subsidised Real Estate Financing, Product Partners, Digitalisation.

As for the material topic of Energy and Climate, an allocation key is applied based on full-time equivalents (FTE), since no clear breakdown on the basis of ACTUAL values is possible. The Ethics and Compliance topic is dealt with at group level only. The key indicators for topics regarding Employees are reported based on actual figures for the parent company (Separate) and the Group (Group), to the extent possible and reasonable. As for the topic of Data Protection and Data Security, actual figures have been determined for Separate and Group. The key indicators for the key topic of regionality are reported at group level only.

In accordance with the Taxonomy Regulation (Regulation (EU) 2020/852), simplification provisions have applied to VOLKSBANK WIEN AG so far. For the 2023 financial year, credit institutions are subject to a full disclosure obligation for the first time.

The inside-out risks¹⁾ of the individual key topics can be found in the respective chapters and are summarised in a table in the Annex to the Sustainability Report. As part of the dual materiality analysis in accordance with the CSRD and ESRS, outside-in risks and opportunities were also analysed and assessed in 2023. These will be presented in the next report in accordance with ESRS.

The e-mail address nachhaltigkeit@volksbankwien.at is available for questions regarding the Sustainability Report of VOLKSBANK WIEN AG.

The publication date of the Sustainability Report 2023 is 28 March 2024.

VOLKSBANK WIEN AG is committed to diversity and the equality of all genders. For reasons of readability, male, female and diverse word forms are not used simultaneously. All words designating persons refer to all genders in equal measure.

The designations Separate and Group are abbreviated in the following tables in the report (Separate = S, Group = G).

1) Inside-out risks are sustainability risks caused by the institution's actions, in its own business operations and during its business activities on non-financial matters.



IMPORTANT SUCCESSES AND RESULTS

In 2023, important successes and results were achieved at VOLKSBANK WIEN AG:

- » More regional offices implement the Volksbank Owners' Club, the new programme for cooperative members: Vienna Region, Obersdorf-Wolkersdorf-Deutsch-Wagram, Weinviertel, South of Lower Austria
- » Launch of the initiative to develop a new ownership strategy to implement the cooperative dividend cycle
- » Kick-off of "GenoConnect", a new cooperative workshop for young employees of the Volksbanks
- » "Zukunftstag der Volksbank-Genossenschaften" (future day of the Volksbank cooperatives) as a new platform of exchange between operatives
- » Publication of the third edition of the sustainability brochure for SMEs and cooperatives together with the ÖGV¹⁾: focus on circular economy



GOALS

In 2023, VOLKSBANK WIEN AG's goals with respect to cooperatives were:

- » Continuation of the roll-out of the Volksbank Owners' Club for cooperative members
- » Distribution of regional debit cards to the members of the Owners' Club
- » Establishment and expansion of the regional dividend cycle
- » Continuation of student cooperatives together with the ÖGV
- » Expansion of cooperative activities (events, brochures, etc.)

GENERAL INFORMATION

COOPERATIVE

The Volksbanks were founded as cooperatives over 170 years ago. At that time, small businesses, craftsmen and farmers, in particular, had hardly any access to banks and thus to capital that was essential for their survival. The solution was to help people help themselves by voluntarily joining forces and supporting each other. True to the motto “Many little forces unite to make one big force”, under which the first cooperative banks were founded.

Cooperatives are sustainable because they think and operate with a long-term perspective, with a mission to benefit their members without being driven by short-term shareholder value. They are built on proximity and personal contact and usually very deeply rooted in the region and among the people who live there. Hence, they strengthen regional economic cycles – for example, when Volksbank finances local SMEs. Regionality and sustainable action are therefore firmly anchored in Volksbank’s DNA.

VOLKSBANK WIEN AG is part of the Association of Volksbanks, an association of credit institutions organised as a cooperative according to Schulze-Delitzsch, pursuant to section 30a Austrian Banking Act (BWG). The Association consists of VOLKSBANK WIEN AG as central organisation, as well as the regional Volksbanks, and Österreichische Ärzte- und Apothekerbank, jointly forming a liability and liquidity association.

With 54 branches¹⁾ in the Vienna, Burgenland, Weinviertel, Waldviertel and Industrieviertel regions, as well as with the cross-regional SPARDA-BANK brand, VOLKSBANK WIEN AG is the biggest among Austrian Volksbanks. The focus of the regional bank is on sustainable partnerships with customers and the continuous improvement of customer service – VOLKSBANK WIEN AG is the sustainable relationship bank of customers from the region.

Cooperative principles

VOLKSBANK WIEN AG operates in line with cooperative principles and has been built up successfully and sustainably over many generations of members. The Association of Volksbanks’ understanding of sustainability is based on the cooperative core values of self-responsibility, self-help, and self-governance. Sustainable development is considered the equivalent of the present-day implementation of cooperative principles. The values trace back to Hermann Schulze-Delitzsch, co-founder of the cooperative system.

Part of the vision is a sustainability-oriented corporate strategy that is based on freedom and responsibility, as well as on the values of trust and reliability.

For more than 170 years, the cooperative development mission in the region and the special aspect that customers of the Volksbanks are also owners of the bank have been distinguishing features of the credit cooperatives. Within the Association, this participation option is partly guaranteed indirectly via the holding cooperatives (“Beteiligungsgenossenschaften”). The purpose of the cooperatives still is to promote their members, supporting the reasonable dimensions and the diversity of regional economic structures (as opposed to monopolies). The cooperative connects a wide variety of stakeholders in the region. In addition to its role as sponsor and financier, the regional bank is a hub, an enabler and a networker. According to the terminology of the EU Commission and the OECD, “social economy” also includes cooperatives. The ÖGV is therefore explicitly mentioned in the EU Commission’s Country Report as a driver of the social economy.²⁾

Sustainability from the cooperative’s perspective:

- » Ecological sustainability manifests itself, for instance, in energy cooperatives that contribute to the achievement of climate targets, and a regional independence from the commercial energy suppliers and uncontrollable electricity price increases.
- » Social sustainability means the preservation of communal identity and also overcoming poverty (e.g. cooperatives supporting regional building projects, ‘assistance cooperatives’).
- » Economic sustainability means guaranteeing the livelihood of people in the region, providing for the sustainable existence of businesses, and enabling companies to have long-term business relationships.

1) as at December 2023

2) <https://beta.op.europa.eu/en/publication-detail/-/publication/b6f7a49d-67cd-11e9-9f05-01aa75ed71a1/language-en/format-PDF/> quote, page 54/55

GENERAL INFORMATION

COOPERATIVE

Cooperative system of VOLKSBANK WIEN AG

There are nine holding cooperatives (Beteiligungsgenossenschaften) that have contributed their banking operations to VOLKSBANK WIEN AG. Like all banks in the Association of Volksbanks, VOLKSBANK WIEN AG has a cooperative ownership structure. The cooperatives realise their mission together with VOLKSBANK WIEN AG. They hold general meetings, promoting a sense of community within the region concerned, and supporting the success and independence of VOLKSBANK WIEN AG. One of the measures to strengthen the cooperatives is to win even more customers as members by actively selling shares in cooperatives. At present, the holding cooperatives of VOLKSBANK WIEN AG have a total of 171,000 members.

Establishing and financing energy cooperatives

The 'Erneuerbaren-Ausbau-Gesetz' (act on the expansion of renewable energies) regulates the establishment of energy communities. Municipalities, SMEs and citizens can establish cooperatives that produce, consume, store and market electricity and heat from renewable energy sources on a regional basis, thus actively shaping the energy transition.

Together with PowerSolution Energieberatung GmbH and the ÖGV, VOLKSBANK WIEN AG joined the Austrian Green Investment Pioneers Programme of the Federal Ministry for Climate Action with "Enabling Facility" PowerSolution Errichtung und Betrieb GmbH. This is meant to underscore the efforts of the Association of Volksbanks to accelerate the construction of "green" energy generation facilities, and the establishment of energy cooperatives,

and to contribute to a faster increase in the readiness to finance such facilities. The cooperation was officially acknowledged by Federal Minister Leonore Gewessler at the Climate Conference 2022.

In cooperation with the ÖGV and energy consulting companies, municipalities, in particular, are approached and advised on the topic of energy cooperatives, from legal formation, installation of PV systems, optimal use of electricity, through to subsidies, contracts with grid operators, as well as permits. The goal of Volksbank is to promote regionality and provide support for the energy cooperative, from account management to financing. In 2023, seven such energy cooperatives were founded in the ÖGV. The first events to highlight the benefits of membership for municipalities, companies and private individuals took place in 2022, followed by the Grätzelfest in Liesing in the autumn of 2023.

Volksbank Owners' Club for cooperative members

The Volksbank Owners' Club is a benefit programme for cooperative members within the Association of Volksbanks. The objectives of the Owners' Club are to activate current members and operatives, to increase member satisfaction, and to attract new members and new customers. Moreover, the aim is to enhance the emotional attachment of customers to Volksbank and to create a network for promoting business in the region.

Owners' Clubs already exist at VOLKSBANK WIEN AG for the holding cooperatives VB Weinviertel Verwaltung eG, VB Niederösterreich Süd eG, VB Wien Beteiligung eG, as well as VB Beteiligung Obersdorf-Wolkersdorf-Deutsch-Wagram eG. Various communication measures and events were implemented in the Owners' Clubs – such as cabaret evenings or joint Christmas tree cutting.

A homepage was implemented for the Owners' Clubs: www.volksbankwien.at/hausbank/eigentuemerclub

*We are committed
to a corporate culture
of sustainability.*

BEST PRACTICE

“GenoConnect”: Creative presentation of the cooperative concept



The aim of “GenoConnect”, a two-day workshop at the ÖGV that took place for the first time in September 2023, was to familiarise both young and experienced employees of the Volksbanks with the idea of the cooperative and to get them excited about it. Among other things, the historical roots of the cooperative, various legal aspects, but also values and practical examples of how these values can be filled with life were discussed during the workshop. Great emphasis was placed on interaction and networking: at the end, the participants jointly drafted visions for the future of the cooperative bank 2.0.

Cooperative education in schools

With the support of cooperative federations – including ÖGV – the first student cooperatives were launched in 2021. The idea behind this: The young generation should get to know the successful model of cooperative business in a practical way. Along the way, important skills such as self-initiative, creativity and team spirit are conveyed as well. There are currently talks about expanding the model, and its inclusion in the curriculum for upper secondary level is also under discussion.

Guide to the circular economy

The Volksbanks and the ÖGV published a new edition of their joint guide to sustainability in 2023. The third part of this guide for SMEs and cooperatives is all about circularity. Readers learn about simple steps they can take

themselves. Additionally, the guide contains valuable tips and links, also shedding some light on the new reporting obligation (CSRD) and what SMEs need to bear in mind. Download: www.volksbankwien.at/nachhaltigkeitsbroschuere

OUTLOOK

The current goal is to embed the cooperative activities in an ownership strategy applicable throughout the Association, in particular to make the cooperative dividend cycle more effective in the regions. This included three regional workshops in October and November 2023. Finalisation of the strategy and the start of implementation are planned for 2024. With the establishment of the Volksbank-Genossenschaften service center and the GENOS member database at the ÖGV, important preparatory work has already been done.

Moreover, the expansion of the “Owners’ Club” for cooperative members is driven forward in the business territory of VOLKSBANK WIEN AG. Within the Association of Volksbanks, the club has already been successfully implemented at a number of Volksbanks. The “Owners’ Dialogue” event, in which the Managing Board of the bank informs the operatives of the associated cooperatives about objectives, strategies and planned measures, is going to be continued. Also, a fourth edition of the brochure for SMEs and cooperatives is planned together with the ÖGV.

GENERAL INFORMATION
SUSTAINABILITY MANAGEMENT

Sustain- ability Report Team



Environmental Information

Energy and climate
Sabine Fellner, Michael Hirschler
Oliver Fiala, Julia Weis

Sustainable products and services
Nicole Adrian, Andreas Miskou, Martin Rosar

Social Information

Employees
Alexander Riess

Employee representation
Christian Rudorfer

Volksbank Akademie
Alexander Riess

Regionality
Monika Tögel

Customer service quality
Monika Tögel

Social commitment
Barbara Bleier-Serentschy

Governance Information

Code of Conduct and compliance
Karl Angermann

Risk management
Doris Neumayr

Data security
Thomas Danninger

Digitisation
Bettina Fattinger

GENERAL INFORMATION

SUSTAINABILITY MANAGEMENT

VOLKSBANK WIEN AG's understanding of sustainability is based on a sustainable development model, which can only be achieved through simultaneous and equal implementation of environmental, corporate and social goals. The three aspects are interdependent and are integrated in the strategy of Volksbank.

In 2019, trust, regionality and customer focus were defined as core values for VOLKSBANK WIEN AG, involving the Managing Board members within the Association. We also determined that Volksbank is the "relationship bank of the future for customers in the region".

In 2020, these values were expanded to include the following mission: Volksbank

- » operates sustainably at a regional level on the basis of cooperative principles.
- » assumes responsibility for the long-term well-being of customers and employees.
- » acts in an eco-minded and climate-conscious manner.

Since 2023, the Association of Volksbanks has been working on updating the existing values in order to adapt them to the changed framework conditions.

The bank's sustainability principles are as follows:

VOLKSBANK WIEN AG

- » has committed itself to the Paris Agreement on climate protection.
- » aligns its business strategy with the SDGs¹⁾ of the United Nations, thus contributing to their achievement.
- » through the membership in the UN Global Compact, emphasises the importance of the issue of sustainability in business activities and supports the ten principles of the UN Global Compact for the development of a sustainable global economy for the benefit of all people, communities and markets.
- » by adhering to these principles, has committed itself to responsible corporate governance and has embedded sustainability as an integral part of its corporate culture.
- » includes TCFD²⁾ elements in its reporting.
- » aims to manage ESG risks appropriately and to enhance the positive impact of its business activities on the environment and the people.
- » by offering sustainable products and services, enables responsible consultancy and cooperation with customers.

The material topics forming the basis for Volksbank's sustainability management were worked out together with stakeholders. The topics were selected considering the ecological and social impact of the sustainability topics identified, as well as their relevance to stakeholders. The identification and impact assessment of sustainability topics take place on an ongoing basis in workshops with employees and the managing board members of the Volksbanks. Moreover, for the first time in 2021, a stakeholder survey was conducted, not only for VOLKSBANK WIEN AG but for the entire Association of Volksbanks, followed by a materiality analysis (see headline "Materiality analysis").

1) SDGs = Sustainable Development Goals

2) Task Force on Climate-Related Financial Disclosures

GENERAL INFORMATION

SUSTAINABILITY MANAGEMENT

Sustainability governance

General governance of the Association

In line with the governance principles of the Association of Volksbanks, the Managing Board of VOLKSBANK WIEN AG, in its function as central organisation (CO), bears overall responsibility for the Association with regard to the definition of the strategic corporate objectives, the governance framework and the corporate culture. Together with the CO Managing Board, the Supervisory Board of the CO evaluates the strategic objectives, the risk strategy and the internal principles of proper management and monitors their implementation within the Association. This ensures the effective and prudent management of the credit institution. The governance of the Association applies equally to all issues relating to sustainable opportunities and risks and their management for the following dimensions: environment, social matters and corporate strategy.

Sustainability governance of VOLKSBANK WIEN AG as the central organisation of the Association of Volksbanks

At European level, sustainability has already been regulated with binding effect by numerous regulations. The various regulations and guidelines emphasize the increasing regulatory importance of sustainability. The expectation of the supervisory authority is to integrate the topic of sustainability into all areas of the bank. This requirement, which according to section 30a of the Austrian Banking Act¹⁾ is the responsibility of VOLKSBANK WIEN AG as the central organisation of the Association, results in the management requirements for the entire Association of Volksbanks as defined by VOLKSBANK WIEN AG.

According to the governance of the Association, the entire Managing Board of VOLKSBANK WIEN AG has ultimate responsibility, within the scope of its function, for implementing sustainability aspects in internal governance structures, in the risk management framework and in relevant guidelines, which are subject to regular reviews.

The Supervisory Board is committed to sustainability in all areas of the company and, as part of its monitoring of the entire Managing Board, it checks whether the latter takes comprehensive account of the principles of sustainability in managing the company (see list of Supervisory Board members in the Annex). The consideration of sustainability aspects is anchored in the rules of procedure of the Managing Board and the Supervisory Board. Based on all eight Supervisory Board meetings in 2023, the attendance rate is around 97 %. Members of the Supervisory Board and the Managing Board regularly attend Fit & Proper trainings on sustainability to make sure they have sufficient technical knowledge and skills for the management of sustainability aspects. The training courses cover the current regulatory requirements on sustainability and their implementation within the Association of Volksbanks.

The entire Managing Board has appointed a Sustainability Officer for the Association of Volksbanks. She is the contact person for sustainability in the Association of Volksbanks and coordinates cross-divisional implementation as well as regulatory requirements. In consultation with the Managing Board, she also defines the level of ambition, the sustainability strategy and sustainability targets and is responsible for target management by the Managing Board. She is also responsible for the content of sustainability reports.

GENERAL INFORMATION

SUSTAINABILITY MANAGEMENT

Each chapter of the Sustainability Report is prepared under the coordinating supervision and with the approval of one person with primary responsibility (see Sustainability Report Team) within the organisation's departments. The resolution to approve the Sustainability Report is adopted by all members of the Managing Board at a Managing Board meeting, following which the report is approved and released by the Supervisory Board. The preparation of the report is accompanied by an external consulting firm and audited by an auditor.

VOLKSBANK WIEN AG has implemented extensive steps to integrate sustainability aspects into its core business and to further expand its sustainability management. For this purpose, the "Sustainability Project" was launched in 2020. Following the successful integration of sustainability into all areas of the bank and its core business, this was completed on schedule in mid-2022. In order to accomplish the strategic goals and to ensure the requirements for ESG data, an ESG data project was set up with Risk Control acting as project manager – to continue and expand the topics addressed by the Sustainability Project. This was continued in 2023 and continuously adapted to future regulatory requirements. There are also initiatives regarding ESG databases for SMEs¹⁾ that cover all of Austria (OeKB > ESG Data Hub).

All divisions of VOLKSBANK WIEN AG (as central organisation) itself are involved in implementing measures regarding sustainability goals and have each appointed sustainability ambassadors to accompany internal communication on the topic of sustainability and to support the process of achieving their sustainability goals with forward-looking ideas.

This report contains all measures and goals implemented in 2023 as well as an outlook on further plans with regard to the material topics of VOLKSBANK WIEN AG.

Sustainability Committee (NAKO)

A decision-making committee of the entire Managing Board on sustainability was established early in 2022: the Sustainability Committee (NAKO). According to the governance of the Association, this committee corresponds to the other committees within the Association, such as the Risk Committee, Asset Liability Committee, Credit Committee and Cost Committee.

The NAKO is the central steering committee for sustainable opportunities and risks (ESG risks) in the Association of Volksbanks. Management and control are the responsibility of the CO Managing Board. The NAKO manages the sustainable goals of the Association of Volksbanks (see heading Sustainability goals), adopts resolutions on sustainable opportunities and risks, reports on ESG aspects and explains new trends and innovations. Rules of procedure have been defined. Topics from the NAKO are reported to the Supervisory Board on a quarterly basis at each Supervisory Board meeting. Selected division managers serve as members of the Sustainability Committee; all divisions of the Bank report to the Sustainability Committee on an ad hoc basis.

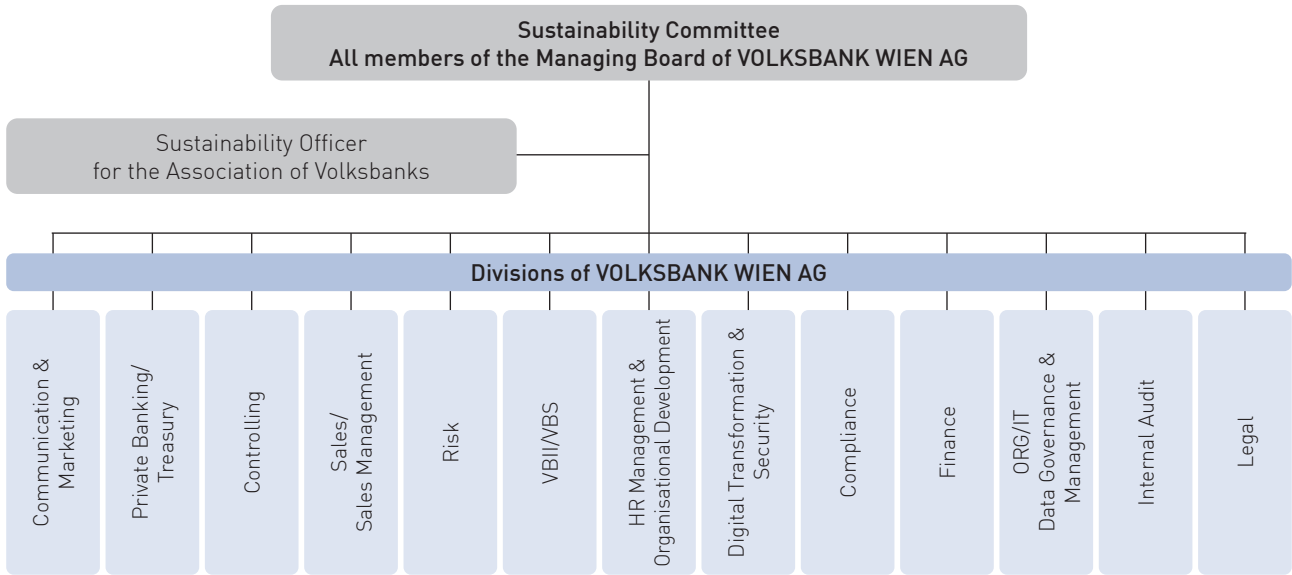
GENERAL INFORMATION

SUSTAINABILITY MANAGEMENT

Members of the Sustainability Committee¹⁾

- All members of the Managing Board of VOLKSBANK WIEN AG
- Sustainability Officer
- DM Communication & Marketing
- DM Private Banking/Treasury
- DM Controlling
- DM Product/Sales Management
- DM Risk Control
- DM Credit Risk Management, Restructuring & Workout
- DM HR Management & Organisational Development
- DM Facility Management
- DM Compliance
- DM Finance

The management of and information on ESG aspects of the Association of Volksbanks takes place in the NAKO. Presentation of the composition of the NAKO:



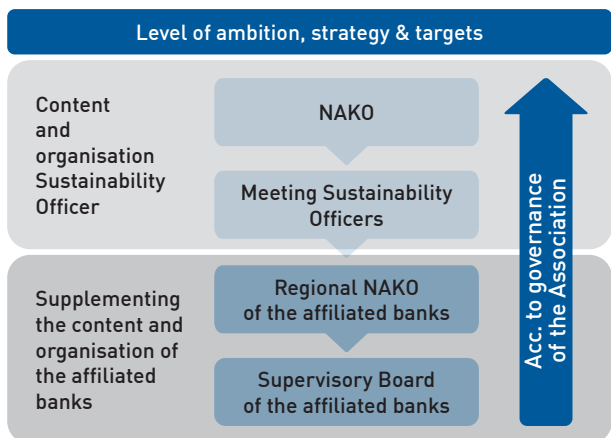
Sustainability governance of the banks of the Association of Volksbanks

The banks of the Association are equally managed based on the sustainability goals and the Key Performance Indicators (KPIs) from the NAKO. Sustainability Officers (SO) have been appointed at the affiliated banks, who serve as

multipliers and contribute ideas from the banks. They are responsible for ESG topics in the primary banks and support the managing boards of the primary banks in their efforts to manage the banks based on the sustainability goals.

GENERAL INFORMATION SUSTAINABILITY MANAGEMENT

The implementation of the sustainability strategy in the Association of Volksbanks and the management of risks and opportunities is taken care of by the Sustainability Committee in the Association.



WIEN AG. The strategic sustainability goals have an impact in the three ESG dimensions of environment, social affairs and corporate governance. KPIs were agreed in order to be able to measure these goals. This is another step to integrate sustainability into the organisation.

The indicators for measuring sustainability goals represent the current status, which is being continuously developed and updated. The KPIs will be adapted to the requirements of the CSRD and ESRS in future.

The 10 ESG sustainability goals of VOLKSBANK WIEN AG including KPIs and status of implementation:

Sustainability goals

Since 2022, apart from the existing qualitative objectives, sustainability goals have also been quantified and included in the planning of the individual divisions of VOLKSBANK

Sustainability goals 2023	KPI	Implementation status
"Low risk" rating from Sustainalytics	Rating of maximum 20 and classification of the bank as "low risk"	achieved
Taking into account ESG criteria in the credit process	Reduction of emissions intensity in g CO ₂ /EUR of the total portfolio	being prepared
E Proportion of ESG products in the product portfolio	Share of sustainable financing in new customer business, share of sustainable securities in total securities sales	being prepared
Decarbonisation of operations	Greenhouse gas neutrality of operations (Scope 1 + 2) of the Association of Volksbanks by 2030	in progress
Customer and employee satisfaction	Customer Net Promotor Score and Employee Net Promotor Score	being prepared
S Proportion of women in management positions	Increase the proportion of female managers by 10 % every two years	in progress
The cooperative dividend cycle promotes the region		being prepared
Transparency on Taxonomy Reg. ¹⁾ , decarbonisation and governance as well as introduction of premium system for ESG KPIs	Green Asset Ratio	achieved
G Establishment of Sustainability Committee within the Association of Volksbanks		achieved
Integration of ESG in "Three Lines of Defence" ²⁾	Number of board members who take part in Fit & Proper sustainability training courses	being prepared

1) Regulation

2) The Three-Lines-of-Defence model is a model for systematically approaching risks that may occur in companies and organisations.

GENERAL INFORMATION

SUSTAINABILITY MANAGEMENT

Sustainability strategy

In 2021 for the first time, a sustainability strategy was created for VOLKSBANK WIEN AG, and sustainability was included in all chapters of the business strategy. This strategy defines the fundamental orientation of the Association. VOLKSBANK WIEN AG as the central organisation is responsible for defining the strategic guidelines and managing the Association, while operative implementation is the responsibility of the affiliated banks.

Opportunity and risk analyses were carried out to develop the sustainability strategy, and the findings were incorporated into the strategy. These analyses included, for example, a materiality analysis, a SWOT¹⁾ analysis, impacts of transition risks, and physical risks regarding the business model in the form of outside-in²⁾ and inside-out risks. The sustainability strategy, which also includes the decarbonisation strategy, is evaluated annually and approved by the Managing Board.

Decarbonisation strategy

In 2023, a decarbonisation strategy for the company's operations was worked out, and the decarbonisation pathway Scope 1 + 2 was calculated using the SBTi methodology.

In 2023, VOLKSBANK WIEN AG also used ESG software to calculate the "financed greenhouse gas emissions" (GHG emissions), so-called indirect and downstream emissions associated with the lending and investment activities of the Association of Volksbanks. The decarbonisation

strategy was drawn up for the Association of Volksbanks as a whole because the calculation of the financed emissions was also made for the entire Association and not at individual institution level yet. The Association has based its determination of financed greenhouse gas emissions on the PCAF Standard (Partnership for Carbon Accounting Financials). Among other things, this is an important step in identifying those sectors and economic activities that have a greater negative impact on the Association's financed emissions due to higher GHG emission intensities. Moreover, the selection process for an IT tool, started in 2022, was completed, which allows the determination of financed emissions to be integrated in the loan application process. The aim of the Association is to decarbonise the portfolio, which is to be achieved in the long term by formulating various sub-targets (see the "Climate and energy" section of the Association of Volksbanks' Sustainability Report).

Climate risk and TCFD

In 2023, the 2022 Sustainability Report was compared with TCFD requirements, and a gap analysis was prepared with the aim of continuously developing the reporting on climate risks and measures of the Association of Volksbanks (see chapter "Risk management").

TCFD Index

Reporting in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) focuses on risks and opportunities arising from the consequences of climate change. Companies should describe these risks and opportunities and how to deal with them in more detail, thereby helping to strengthen the resilience of companies and financial market stability as a whole. VOLKSBANK WIEN AG recognises the importance of TCFD and has begun to integrate TCFD in its reporting.

GENERAL INFORMATION SUSTAINABILITY MANAGEMENT

TCFD core elements	Required information	Sustainability Report 2023	Additional information
Governance Disclosure of the company's governance with regard to climate-related risks and opportunities	Responsibility of the Managing Board for climate-related risks and opportunities	General information Sustainability management	The NAKO is the central steering committee for sustainable opportunities and risks (ESG risks) in the Association of Volksbanks. Management and control are the responsibility of the CO Managing Board.
	The role of management in assessing and managing climate-related risks and opportunities	General information Sustainability management	The NAKO manages the sustainable goals of the Association of Volksbanks (see heading Sustainability goals), adopts resolutions on sustainable opportunities and risks, reports on ESG aspects and explains new trends and innovations.
Strategy Disclosure of current and potential future impacts of climate-related risks and opportunities on the company's business, strategic and financial planning, where this information is material	Description of climate-related opportunities and risks	Governance information Risk management	See explanations in ESG score and lending process and Physical climate risks in financing
	Impact of climate-related risks on the company's business activities as well as strategic and financial planning	Governance information Risk management	See comments on developments in risk management, in particular the inclusion of ESG risks in the risk strategy of the Association. More information on the effects can also be found in Stress testing and ICAAP and Physical climate risks in financing
	Resilience of the organisation's strategy	Governance information Risk management	See explanations in Stress testing and ICAAP and Physical climate risks in financing (use of scenario analyses and science-based climate data for physical climate risks)
Risk management Disclosure on how the company identifies, assesses and manages climate-related risks	The company's processes for identifying and assessing climate-related risks	Governance information Risk management	See explanations in ESG score and lending process and Physical climate risks in financing
	Company processes for managing climate-related risks	Governance information Risk management	See explanations in ESG score and lending process and Physical climate risks in financing
	Integration of processes for identifying, assessing and managing climate-related risks into the company's general risk management system	Governance information Risk management	See comments on developments in risk management, in particular the inclusion of ESG risks in the risk strategy of the Association. More information on integration can also be found in Stress testing and ICAAP and Physical climate risks in financing
Indicators and targets Disclosure of the indicators and targets used to assess and manage relevant climate-related risks and opportunities, where this information is material	Indicators used by the company to assess climate-related risks and opportunities	Governance information Risk management Taxonomy disclosures Environmental information Energy and climate	Indicators that can provide information on climate-related risks and opportunities include, in particular, the financed emissions, the EU Taxonomy indicators and the ESG scores used.
	Disclosure of Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions	Environmental Information Energy and climate	-
	Targets according to which the company manages climate-related opportunities and risks	Environmental Information Energy and climate Governance information Risk management	Decarbonisation targets can also lead to a reduction in (transitory) climate risks. In Risk Management, overarching goals include the further development of methods and models as well as improving the quantification of climate risks. Specific targets include further integration into the risk frameworks and the internal capital adequacy process (in particular the integration of physical and chronic climate risks into the real estate-related risk strategy).

Taxonomy Regulation

Implementing the Taxonomy Regulation, VOLKSBANK WIEN AG has reported financing and investment in taxonomy-eligible economic activities as a proportion of total assets from 2022. As of this year, the extent to which VOLKSBANK WIEN AG finances or invests in taxonomy-compliant economic activities must be disclosed. This is the first time

that the share of these exposures in total assets, the so-called Green Asset Ratio (GAR), including applicable reporting forms, is presented in the Sustainability Report (see disclosure on Taxonomy).

The strategic orientation of the bank's portfolio in relation to Taxonomy will be developed in the future.

GENERAL INFORMATION

SUSTAINABILITY MANAGEMENT

Materiality analysis

The Sustainability Report 2023 is based on the results of the materiality analysis from 2021. Sustainability issues were evaluated from an inside-out perspective and from a stakeholder perspective. By means of an online tool, stakeholders were asked about the sustainability topics they consider important in relation to VOLKSBANK WIEN AG. The selection of stakeholders for the survey was done on the basis of their interest in and influence on the company.

The stakeholders were asked to evaluate the importance of the sustainability topics as well as the commitment of VOLKSBANK WIEN AG to said topics. To improve comprehensibility, each topic was described in greater detail in

the questionnaire. The survey was also conducted for the entire Association of Volksbanks. Throughout the Association, more than 9,000 stakeholders from the groups of private customers, corporate customers, employees, owners, shareholders, members, Supervisory Board members, product partners, NGOs, the Austrian Federation of Cooperatives (ÖGV), the media, politicians, suppliers and capital market participants took part in the survey, of which almost 3,000 can be attributed to VOLKSBANK WIEN AG. This provided important input from stakeholders in determining the main topics of the report.

VOLKSBANK WIEN AG identified 12 material topics in the areas of customers and products, employees, the environment, society and compliance. In addition to the 12 topics identified, the issue of ethics and compliance is also fully reflected in the report as a material topic. The Managing Board has approved all material topics.

An overview of the material topics resulting from the materiality analysis and their allocation to the matters under the Austrian Sustainability and Diversity Improvement Act (NaDiVeG) and to the GRI aspects is shown in the following table.

Material topics	Chapter in the report	Matters pursuant to NaDiVeG	GRI aspects
Regionality	Regionality	Environmental matters, social matters	GRI 201, 203
Sustainable investment	Sustainable products and services	Environmental matters, social matters	GRI 305
Sustainable financing	Sustainable products and services	Environmental matters, social matters	GRI 201, 305
Customer satisfaction	Customer service quality	Social matters	GRI 417
Digitisation	Digitisation	Social matters	no GRI allocation
Employee health and safety	Employees	Employee and social matters	GRI 403
Training and education	Employees	Employee and social matters	GRI 404
Employee satisfaction	Employees	Employee and social matters	GRI 401
Diversity and equal opportunities	Employees	Employee and social matters	GRI 405, 406
Energy and climate	Energy and climate	Environmental matters	GRI 302, 305
Data protection and security	Data security, Code of Conduct and compliance	Social matters	GRI 418
Human rights	Code of Conduct and compliance	Respect for human rights	no GRI allocation
Professional ethics and compliance	Code of Conduct and compliance	Fight against corruption and bribery	GRI 205

GENERAL INFORMATION

SUSTAINABILITY MANAGEMENT

To prepare for the CSRD (Corporate Sustainability Reporting Directive) and ESRS (European Sustainability Reporting Standards), the materiality analysis was revised completely in 2023. Together with external sustainability experts, all sustainability aspects were assessed in terms of their potential and actual environmental and social impact in accordance with the ESRS. In addition to the inside-out perspective, an assessment of the risks and opportunities (outside-in perspective) and thus a financial analysis was carried out as well. Together with the assessment of sustainability aspects from the stakeholders' perspective, the dual materiality analysis forms the basis for future reporting in accordance with the CSRD, which will be implemented from the 2024 financial year. The Managing Board released the results of the double materiality analysis at the end of 2023.

Stakeholder information

The following stakeholder groups were classified as the most important interest groups for VOLKSBANK WIEN AG within the scope of the materiality analysis and stakeholder survey: private customers, corporate customers, employees, owners, shareholders, members, Supervisory Board members, product partners, NGOs, the Austrian Federation of Cooperatives, the media, politics, suppliers, and capital market participants.

Public relations

In order to inform the stakeholders of VOLKSBANK WIEN AG about news from the bank, VOLKSBANK WIEN AG conducts PR activities on a regular basis, in the form of interviews with the Chairman of the Managing Board or press officer, advertorials or press releases.

“Newsroom”

Press releases are issued at regular intervals containing all relevant corporate news, personnel information or interesting topics from sales, which are published on the website of VOLKSBANK WIEN AG.

A dedicated “Newsroom” has been set up for journalists and all other interested stakeholders, where information about the Managing Board of VOLKSBANK WIEN AG, press releases, event dates, annual reports and sustainability reports, market news and information about sponsorships are announced.

www.volksbankwien.at/presse

Owners' Dialogue

VOLKSBANK WIEN AG approached the officers of the associated cooperatives with a new event format already in 2017. Within the scope of the Owners' Dialogue, the bank's Managing Board provides information about goals, strategies and planned measures. But also ideas and suggestions from the shareholders' representatives are welcome. The Owners' Dialogue was held as face-to-face events in April, September and December 2023.

Investor relations

The VOLKSBANK WIEN AG Group has set up a web page for investors, where, in addition to all information subject to publication, a wide range of other information is provided – such as investor presentations, prospectuses, the Code of Conduct, the Policy Statement of the Managing Board of VOLKSBANK WIEN AG on the Protection of Human Rights, the financial calendar or information on ratings, and the ownership structure of VOLKSBANK WIEN AG. In addition, the Investor Relations web page also describes the topic of sustainability in detail.

www.volksbankwien.at/investor-relations

GENERAL INFORMATION

SUSTAINABILITY MANAGEMENT

Sustainability communication platform for employees

The intranet of the Association of Volksbanks provides all employees with a communication platform containing a wide range of information on the subject of sustainability, for employees to obtain an overview of the goals, the planned procedure for achieving them as well as the contributions they are required and/or able to make.

UN Global Compact

The United Nations Global Compact (UNGC) is a global convention between the United Nations and business entities aiming to advance globalisation with a view to sustainability. The UNGC was initiated by UN Secretary-General Kofi Annan in 1999. This voluntary commitment comprises ten basic principles in the spheres of labour standards, human rights, environmental protection and the fight against corruption that are meant to encourage business entities to act sustainably.

VOLKSBANK WIEN AG participates in the UNGC based on the "Signatory" status. The present sustainability report of VOLKSBANK WIEN AG equally represents the annual progress report in line with UNGC requirements.

In 2023, a Policy Statement of the Managing Board of VOLKSBANK WIEN AG on the Protection of Human Rights was adopted, setting down the company's commitment to the 10 UNGC Principles regarding human rights, labour standards, the environment and the fight against corruption, and emphasizing sustainability in all divisions.

Sustainable Development Goals

In 2015, the member states of the United Nations adopted 17 goals for sustainable development: the Sustainable Development Goals (or SDGs in brief). These goals address the topic of sustainability at an economic, social and ecological level. On 1 January 2016, the SDGs entered into force for a term of 15 years. The political sphere, civil society and the economy are all meant to cooperate with a view to implementing the SDGs, and accordingly they are of relevance to VOLKSBANK WIEN AG as well.

Based on the materiality analysis carried out in 2021, VOLKSBANK WIEN AG has allocated the material topics to specific SDGs.

The SDGs most relevant to VOLKSBANK WIEN AG are:



GENERAL INFORMATION

SUSTAINABILITY MANAGEMENT

Description of the SDGs relevant to VOLKSBANK WIEN AG:



Good health and well-being

Promoting a healthy life for all people of all ages and their well-being.

VOLKSBANK WIEN AG offers comprehensive measures in the sphere of work-life balance. Flexible working time models and a positive attitude to part-time employment are part of this. Free health checks by the company physician, vaccinations, the Volksbank-Aktiv courses, and sports groups are only some of the preventive measures to promote employees' health that are being offered. An occupational psychologist as well as the "Keep Balance" coaching programme in cooperation with Hilfswerk Österreich provide support to employees.



Quality education

To guarantee inclusive quality education, equal for all, and enhance options of lifelong learning for all.

At Volksbank Akademie, with the training formats offered by that institution, e.g. courses and professional training events, that constitute an essential part of HR development, VOLKSBANK WIEN AG demonstrates its commitment to quality education. Programmes to promote female high potentials, as well as mentoring contribute to inclusive, equal education for all.



Gender equality

Achieve gender equality and empower self-determination of all women and girls.

The promotion of female high potentials includes lectures by experts, a talent training course and the so-called Wo-Mentoring programme, in which all of the bank's divisional managers and Managing Board members are available as mentors. Options regarding more flexible working hours and an improved compatibility of family and career contribute to achieving this goal. Diversity is one of the sustainability goals in the Association and is measured using a KPI. Moreover, in the works council, the position of women's affairs officer was established.



Decent work and economic growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

As a bank for small and medium-sized enterprises with knowledge about the customers in the region, VOLKSBANK WIEN AG offers quick, need-based loans, thus contributing to local, sustainable economic growth. Almost all financing is provided to regional customers. Additionally, the employer branding initiative positions VOLKSBANK WIEN AG as an attractive, strong and authentic employer brand. Almost 100 % unlimited employment contracts, flexible organisation of the workplace through remote work, and constructive communication with the works council are only some of the pillars of promoting favourable working conditions.

GENERAL INFORMATION

SUSTAINABILITY MANAGEMENT



Industry, Innovation and Infrastructure

To build up a resilient infrastructure, encourage sustainable industrialisation with a broad impact, and to support innovations.

The preparation of a digital agenda operating as signpost for further developments of digital products and services consolidates the company's positioning as fast follower – also involving fintechs and start-ups in innovative developments. A clear trend towards involving customers in organising customer processes serves as a basis for sustainable and resilient innovations.



Sustainable cities and communities

To organise cities and communities with a view to inclusion, safety, resilience and sustainability.

With financing concepts based on builder-owner models, VOLKSBANK WIEN AG makes an essential contribution to sustainable development in the sphere of creating and improving living space and making the same more ecological. Through subsidised housing financing, a great amount of regional planning and socio-political steering potentials can be realised. For more than 170 years, the Volksbanks have been the local providers of financial services in their regions, making an essential contribution to creating value and prosperity there.



Climate action

Take urgent action to combat climate change and its impacts.

VOLKSBANK WIEN AG is taking a variety of measures to reduce its contribution to climate change as far as possible. For example, in banking operations, in buildings and in the sphere of mobility, attention is paid to reducing direct and indirect CO₂ emissions. Examples include the implementation of energy efficiency measures, the conscientious use of resources, or regular monitoring of the carbon footprint. VOLKSBANK WIEN AG has also set itself the goal of continuously reducing indirect CO₂ emissions from its core business (such as from financing and investments).

Rating for VOLKSBANK WIEN AG

The success of the Volksbanks' sustainability efforts is also reflected in the improved sustainability rating of VOLKSBANK WIEN AG. The Sustainalytics ESG Risk Rating Score has improved from 17.4 to 10.2 against the previous year. In the "Regional Banks" category, VOLKSBANK WIEN AG is now in tenth place – out of a total of 426. Hence, VOLKSBANK WIEN AG has achieved its goal and intends to maintain this status and be classified as "Low Risk".

Investment strategy of the banking book

The core element of the investment strategy is the implementation of ESG measures in the form of an active as well as passive strategy.

In the course of the annual implementation, a minimum share for the investment in sustainable bonds is determined. This investment, defined as an active implementation strategy, recorded around euro 358 million in ESG bonds by the end of 2023.

GENERAL INFORMATION

SUSTAINABILITY MANAGEMENT



ESG

INVESTMENTS

2018–2023

Any investments beyond this scope must meet a minimum standard of defined exclusion criteria (passive strategy). This helps to avoid investments detrimental to ESG issues. By taking these measures, “greenwashing” is avoided.

To keep up the successful course, a minimum share of approx. euro 160 million in ESG bonds is planned for 2024 as part of the proposed new investments. The aim is to increase ESG investments to 20 % of the banking book (securities) in the coming years.

In addition to compliance with exclusion criteria, minimising the carbon footprint is also an important goal in the banking book. Thanks to its conservative and sustainable investment strategy to date, VOLKSBANK WIEN AG is in a very good starting position. Hardly any CO₂-intensive industries are included in the portfolio (euro 58 million).

The Association’s decarbonisation strategy for financed emissions includes the banking book (see Sustainability Report for the Association of Volksbanks, chapter “Energy and climate”).

Green Bond

VOLKSBANK WIEN AG, as the central organisation for the Association of Volksbanks, has worked out a sustainability bond framework in accordance with the ICMA Standards. The framework creates a basis for being able to finance or refinance environmentally and/or socially sustainable financing via the capital market as well. The funds raised in this way are earmarked for specific purposes, contribute to the SDGs and are subsequently available exclusively for financing projects that make a positive contribution to the reduction of greenhouse gases, serve to improve social infrastructure such as healthcare, or create affordable housing. The targeted use of funds creates positive steering effects in terms of increasing the sustainable loan volume. The first green bond was issued in March 2023. The framework and the associated second party opinion are available on the [Investor Relations page](#)¹⁾ of VOLKSBANK WIEN AG.

1) www.volksbankwien.at/investor-relations/investor-relations/sustainability-bond-framework

GENERAL INFORMATION

DIGRESSION: PRODUCT PARTNERS

COOPERATION WITH PRODUCT PARTNERS

Close cooperation with upstream and downstream players along the value chain makes it possible to identify not only direct but also indirect effects, opportunities and risks and to take sustainability aspects into account in the business strategy accordingly.

As a central part of the value chain, product partners are among the most important economic players within the supply chain of the Association of Volksbanks.

The Association of Volksbanks has decided to increase its strategic cooperation with Genossenschaftliche FinanzGruppe Volksbanken Raiffeisenbanken (Geno FinanzGruppe) in Germany. At product level, TeamBank has been cooperating with Geno FinanzGruppe successfully in the consumer financing sphere for several years already; in

2015, the cooperation was further reinforced through the sale of Volksbank Invest KAG to Union Investment Service Bank AG.

Cooperation with the product partners ERGO, TeamBank and Union Investment was successful again in 2023. In the sphere of investment funds, the eighth year of co-operation with Union Investment was very satisfying. The demand for excellent products of the German investment company has increased.

Distinguished as Service Champion once again, ERGO Versicherung AG has been the insurance partner of Volksbank since 1985.

These successful cooperations with long-term product partners have enabled the Association of Volksbanks to achieve yet another milestone towards becoming a strong and efficient regional bank.



GENERAL INFORMATION

**DIGRESSION:
PRODUCT PARTNERS**

UNION INVESTMENT

Since 2016, Union Investment has been a reliable product partner of VOLKSBANK WIEN AG. The investment company with over 60 years of experience in the field of financial investments has received several distinctions. Union Investment funds offer numerous opportunities – for the purpose of investing existing wealth, for asset structure optimisation or continuous asset accumulation.

Union Investment is also one of the pioneers of sustainable investment and is considered one of the leading German asset managers in this segment due to its numerous awards and the amount of assets under management. The partner of VOLKSBANK WIEN AG takes a clear stand: taking sustainability criteria into account reduces risks and creates added value. As at 31 December 2023, the Union Investment Group managed euro 128.7 billion of investor funds in products under Article 8 or Article 9 of the EU SFDR (previous year: euro 122.4 billion), of which euro 90.6 billion¹⁾ are attributable to products that meet the group's own minimum requirements for sustainable products.

In September 2023, Union Investment officially joined the investor initiative Nature Action 100+. Similar to the Climate Action 100+ initiative, Nature Action 100+ is committed to ensuring that companies pursue more ambitious goals and take measures to halt the loss of nature and biodiversity. In line with the Union Investment climate strategy, the implementation of engagement and stewardship activities with companies to reduce their negative impact on biodiversity is of primary importance. In 2022/2023, Union Investment assessed the main impacts on biodiversity and dependencies using the ENCORE tool. In addition, Union Investment will continue to actively monitor developments relating to biodiversity and implement further projects to minimize the impact on biodiversity.

¹⁾ Union Investment differentiates between products that are classified under Articles 8 and 9 of the EU Disclosure Regulation (EU SFDR) and products that meet the minimum ESG requirements it has set itself. These are based on minimum requirements such as certain investment strategies or criteria or exclusions that Union Investment believes sustainable products must at least meet. These minimum standards are in line with regulatory requirements (e.g. the consideration of Principal Adverse Impact indicators (PAI) according to Art. 7 of the EU SFDR) and sustainability preferences.

GENERAL INFORMATION

DIGRESSION: PRODUCT PARTNERS

In line with the legal setting, customers have always expected transparency and stability in the field of financial investments from VOLKSBANK WIEN AG – and they have never been disappointed. The focus of VOLKSBANK WIEN AG is on the customers and their needs, and therefore it is extremely important to develop the ideal investment solution for our customers.

It is important to VOLKSBANK WIEN AG to offer investors the highest degree of stability in asset structuring, in combination with future-proof earnings opportunities adjusted to personal risk appetite and individual needs. The increase in regulatory requirements with a view to investor protection is accounted for: the product standards for securities were precisely determined, thus clearly defining which customers are targeted by which investment product. Investor protection increases, as the customers' investment goals, experience and knowledge are checked even more comprehensively and reconciled with the product features defined.

Even the very high standards in account manager training are subject to continuous improvement processes that VOLKSBANK WIEN AG has committed to together with its partner Union Investment. In practice, ongoing training updates regarding product and capital market know-how and efficient quality control ensure high-quality consultancy for the customer's benefit at Volksbank retail branches. The transparent presentation of all costs, a more stringent regulation of the markets, and the obligation to maintain the best possible price ensure another, even more essential, pillar of statutory or regulatory requirements that was implemented at VOLKSBANK WIEN AG, namely to increase the safety, transparency and efficiency of European financial markets.

VOLKSBANK WIEN AG further increased the selection of sustainable funds within the meaning of the Disclosure Regulation (Article 8) in 2023 and added, for example, the "UniNachhaltig Aktien Wasser" and the "UniNachhaltig Aktien Dividende" funds to the list of funds recommended for sale in Austria. The fund assets of both funds are predominantly invested worldwide in shares of companies whose issuers take ethical, social and ecological criteria into account. VOLKSBANK WIEN AG aims to further increase sales of sustainable funds in the coming years.

		2023	2022	2021
	Unit	S/G	S/G	S/G
VOLKSBANK WIEN AG Union funds ¹⁾				
VBW volume in Union Investment funds	Euro	1,371,763,670	1,241,058,702	1,247,380,836
Share of sustainable funds in Union Investment volume	%	35.20	40.03	36.58
Deposits with Union Investment fund units	Number	26,059	25,985	23,781
Deposits with units of sustainable Union Investment funds	Number	15,318	15,427	14,115

1) Starting in 2021, VOLKSBANK WIEN AG has put its focus on the presentation of portfolios that are defined as core business and actively managed at VOLKSBANK WIEN AG. The background to this is that the Association of Volksbanks wants to proactively advance the issue of sustainability in these portfolios, and this is the only way to measure the success of efforts to improve sustainability indicators such as the CO₂ footprint.

GENERAL INFORMATION

DIGRESSION: PRODUCT PARTNERS

A CO₂ footprint was determined for the Union funds portfolio of VOLKSBANK WIEN AG. A distinction is made between securities funds and real estate funds. For securities funds, the CO₂ intensity is presented in tons per euro million turnover per year and for real estate funds in CO₂ emissions in kilograms per square metre over a period of one year.

CO ₂ footprint ²⁾	Unit	2023 S/G	2022 S/G	2021 S/G
CO ₂ intensity – investment funds ³⁾	t CO ₂ /euro million	114.30	166.62	160.16
Union Investment securities funds for which CO ₂ intensity is determined	Euro	1,038,739,375.13	902,497,122	677,440,747
CO ₂ intensity – real estate funds ⁴⁾	kg CO ₂ /m ²	28.54	29.26	35.07
Union Investment real estate funds, for which CO ₂ emissions are determined	Euro	284,502,647.16	337,698,354	283,545,487

Sustainability criteria in the investment process

Sustainability criteria have been taken into account in the investment process of Union Investment for many years already. They comprise ecological and social considerations as well as certain aspects of corporate governance. In the compilation of sustainable funds, the fund management follows a predefined procedure:

1. Exclusion criteria

In an initial step, companies and countries that violate Union Investment's exclusion criteria (UniESG sustainability filter) are excluded. The UniESG sustainability filter is based on the UN Global Compact and excludes serious violations as well as problematic violations by companies and countries. These include, for example, human rights violations, environmental degradation and corruption.

2. Sustainability assessment

Investments that are still eligible are assessed using the UniESGScore. This in-house sustainability indicator from Union Investment comprises several aspects and dimensions: management quality, business model and controversial issues. The assessment is carried out in the areas of environment (E), social issues (S), leadership qualities of companies and countries (G), controversial issues (C) and turnover in sustainable business areas (UN SDGs).

3. Best-in-class

The companies that belong to the top 50 % of the respective industry group based on the sustainability analysis, i.e. the best in their class, are immediately investable and are included in the investment portfolio.

2) In 2021, a CO₂ footprint was established for the first time.

3) CO₂ intensity measures the emissions of greenhouse gases caused in relation to the activities of an issuer. Direct and energy-related indirect emissions of an issuer are taken into account. The various greenhouse gases are converted into CO₂ equivalents (CO₂e) according to global warming potential. For companies, the emissions caused are set in relation to the company's sales; for countries, the calculation is made in relation to the country's gross domestic product, resulting in a ratio of CO₂ and other greenhouse gases and the associated value added by the issuer. Moreover, the calculation of the CO₂ intensity is independent of the corresponding fund volume and allows comparability across different funds and indices.

4) CO₂ emissions are measured and reported in kilograms per square metre over a period of one year for the properties in the real estate funds. This provides for comparability with other real estate funds.

GENERAL INFORMATION

DIGRESSION: PRODUCT PARTNERS

4. Transformation candidates

A selection is made from the remaining companies in the bottom 50 % per industry group, which are then assessed with the UniESG transformation rating. Only companies that pursue a credible and ambitious transformation strategy with regard to sustainability can receive a positive rating and are included in the investment portfolio. The relevant criteria for awarding the UniESG transformation rating include: the corporate strategy, the planned investments and the leadership quality for achieving the sustainability goals.

5. Economic efficiency of the investment

Based on the remaining sustainable investment portfolio, the fund management checks whether the investment meets sustainable and economic requirements and whether a positive benefit can be expected for the fund.

6. Commitment

Union Investment supports the entire process by actively designing and influencing the process. Union Investment sees itself as an active and responsible investor and plays an active role through comprehensive company dialogues, exercising shareholder rights and speaking at annual general meetings.

BEST PRACTICE

Commitment in the investors' interest

Being an active shareholder

As a fund management company, Union Investment has an interest in the success of the companies in which it invests on behalf of its customers. To ensure this, Union Investment believes it has a responsibility to critically scrutinise the actions, strategies and future prospects of joint stock companies. Not because Union Investment does not trust the companies, but because investors have every right to expect their money to be invested in companies that are forward-looking, future-oriented and sustainable. This self-image is based on three pillars of being an active shareholder.

- » Appearances at annual general meetings, where, for example, the disclosure of greenhouse gas emissions or the avoidance of child labour is actively demanded
- » Voting at annual general meetings: Last year, Union Investment voted on behalf of its investors at around 1,726 annual general meetings.
- » Constructive dialogue with companies: Union Investment conducts more than 4,000 investor meetings each year to raise companies' awareness of the importance of sustainable business practices. To date, Union Investment has conducted around 400 company dialogues on specific sustainability issues.

GENERAL INFORMATION

DIGRESSION: PRODUCT PARTNERS

TEAMBANK AG

As a competence centre for modern liquidity management, TeamBank AG has been a close and reliable partner of VOLKSBANK WIEN AG ever since 2008. With the 'der faire Credit' product family, it offers secure financing with clear and straightforward contract terms. The financial leeway will also be used to expand the product range for long-term liquidity support for customers.

Sustainability has been a natural part of TeamBank's cooperative DNA for many years. Based on this foundation, the sustainability profile is continuously being refined together with the cooperative banks. This is because customers are increasingly demanding responsible behaviour from credit institutions. According to the TeamBank Liquidity Barometer study, a representative online survey of 1,478 Austrians, companies in particular should take responsibility for sustainability (86 %), closely followed by politicians (81 %). TeamBank applies a strong sustainability focus to all of its business activities. Therefore, the sustainability aspect must always be considered in all products and services. This has been evident since the introduction of the fairness positioning in 2011, which TeamBank is continuously developing.

For TeamBank, sustainable business does not only mean climate protection, but also social responsibility – with a focus on sustainable customer relationships. In line with its advisory approach, TeamBank therefore only provides its customers with as much liquidity as they can actually handle. The Finance Compass provides support here. It shows customers exactly what amount they will be able to repay without any problems, based on their own household bills. In granting loans, TeamBank follows the fundamental belief that it should be up to the customers to decide what they want to use their available liquidity for. Therefore, no purposes of use are queried when loans are granted. For Volksbank, this means that it is not possible to provide evidence of the share of sustainable financing together with TeamBank.

GENERAL INFORMATION

DIGRESSION: PRODUCT PARTNERS

As part of the Genossenschaftliche FinanzGruppe Volksbanken Raiffeisenbanken in Germany, TeamBank is committed to the binding sustainability parameters of the DZ BANK Group, such as the Diversity Charter, a group-wide Code of Conduct, the UN Global Compact principles within the scope of the ISS ESG rating or the joint climate strategy.

In the 2023 reporting year, VOLKSBANK WIEN AG had 15,479 'der faire Credit' customers.

	Unit	2023		2022		2021	
		S	G	S	G	S	G
"der faire Credit" held at VOLKSBANK WIEN AG	Euro thousand	230,371	230,371	232,098	232,098	224,619	224,619
Joint customers with VOLKSBANK WIEN AG	Number	15,479	15,479	15,170	15,170	15,406	15,406

Sustainability as part of the cooperative DNA and corporate values

TeamBank's business model is defined above all by the value of "fairness" and its daily actions as "honest merchants". On this basis and as part of the Genossenschaftliche FinanzGruppe, TeamBank is in a good starting position to anchor sustainability in a credible manner – both culturally and strategically. In the reporting year, TeamBank has more firmly embedded sustainability in its business strategy, implementing this aspect in the positioning of the corporate brand.

TeamBank has committed itself to the code of the German banking association "Kredit mit Verantwortung" (Credit with Responsibility) and points out to its customers on the website as well as in its consultancy, in sales and in the

contract that loans can be flexibly adjusted in the event of payment difficulties. This can be done, for example, by extending the term to reduce the instalments or by deferring payment. The relevant points for responsible lending in terms of over-indebtedness protection are specified in the lending guidelines. Customers are usually provided with an overview of the budget statement on which the lending decision is based (Finance Compass) as well as the advisory documentation including explanations of the product. TeamBank also refers to a detailed description of which services or features customers can add to their "der faire Credit" product according to their individual needs in order to protect themselves in advance against any bottlenecks or payment difficulties that may arise.

GENERAL INFORMATION

DIGRESSION: PRODUCT PARTNERS

The product range was designed from the occasion-related instalment loan (der faire Credit) to the flexible credit line (financial leeway). Customers receive a credit line appropriate to their creditworthiness, which they can access in full or in instalments at any time by SEPA real-time transfer by telephone, on the customer portal, via the 'der faire Credit' app and also in person with local account managers. In combination with instalment breaks and changes to the instalment plan, TeamBank thus delivers a product that is consistently geared towards its customers. High flexibility combined with proven safety mechanisms.

Information provided to customers

TeamBank checks that all wording is simple and understandable from the customer's perspective to offer the best possible transparency to customers. To measure the brand and customer experience, TeamBank has established a new audit format in the reporting year, where customer experience and brand image are linked up. Among competitors, the marketing activities for the product brands are distinguished above all by the renunciation of advertising with conditions, which automatically excludes so-called bait-and-switch offers. Moreover, in 2023, special attention was again paid to the accessibility and user orientation of websites.

Sustainability has many facets and innovation potential at TeamBank

One successful example of how digital innovations and environmental protection can be combined is the digital contracting solution available in the Volksbank retail branches. Not only can this smart and customer-focused application save a great many pages of paper, but the cooperative banks also gain valuable time for them to invest in their customers instead. In the reporting year, this saved 271,810 pages of paper¹⁾ and 1,316 kg of CO₂e²⁾ at VOLKSBANK WIEN AG.

In addition, TeamBank has been entitled to bear the label of the European Union – "Eco-Management and Audit Scheme" (EMAS for short) – in relation to environmental management, and to call itself a member of the Bavarian Environmental Pact.

Financial education

Advising joint customers in a spirit of fairness during the entire customer journey is counted towards the sustainability criterion in the core business of TeamBank. This also includes actively preventing excessive indebtedness. According to experts, teaching financial literacy at an early age can protect against over-indebtedness. That is why TeamBank supports the "Deutschland im Plus" foundation, which was set up in 2007. This non-profit foundation is dedicated to the prevention of excessive indebtedness in Germany and Austria. The focus of the "Deutschland im Plus" foundation is on prevention options offered to young people in schools. The aim is to sensitise young people to conscious and responsible consumption. In total, the foundation has already reached over 100,000 young people.

For more information, please go to www.finanzielle-bildung-foerdern.at

1) when using virgin fibre paper

2) Source: www.papiernetz.de/informationen/nachhaltigkeitsrechner

GENERAL INFORMATION

DIGRESSION: PRODUCT PARTNERS

ERGO VERSICHERUNG AG

ERGO Versicherung AG is part of the Munich Re Group. Volksbanks and ERGO have been working together successfully for many years in the sale of insurance products on the Austrian market.

ERGO brings commercial and industrial insurance solutions for corporate customers as well as insurance solutions for private customers to this cooperation. The product range includes insurance solutions from comprehensive life, health, legal costs and accident insurance solutions to property insurance such as motor and household/homeowner's insurance.

Through its commitment to sustainability, ERGO Versicherung AG fits in very well with the supply chain of VOLKSBANK WIEN AG.

In the 2023 reporting year, we were pleased to see a further significant increase in the rate of digital signatures and the associated paperless processing of insurance applications. In 2022, the ratio at VOLKSBANK WIEN AG was 62 %, in the 2023 financial year it was already around 84 %.

	Unit			2023		2022		2021	
		S	G	Applications via Portal S/G	thereof DigiSign S/G	S	G	S	G
Number of ERGO insurance policies taken out by customers of VOLKSBANK WIEN AG	Number (contract density)	39,180	39,180			39,824	39,824	41,010	41,010
VOLKSBANK WIEN AG and ERGO customers	Number (contract density)	26,857	26,857			27,448	27,448	28,288	28,288
New insurance policies taken out by customers of VOLKSBANK WIEN AG ¹⁾	Number (production unit)	4,637	4,637	4,090	3,433	3,655	3,655	3,144	3,144
New business volume of ERGO insurance contracts taken out by customers of VOLKSBANK WIEN AG	Euro (production premium)	6,313,690	6,313,690	5,294,191	4,035,520	7,886,946	7,886,946	8,126,367	8,126,367

1) Of the 4,637 insurance contracts, 4,090 were brought in via the ERGO sales portal, 3,433 of which were signed digitally. This corresponds to a DigiSign rate of some 84 %.

GENERAL INFORMATION

DIGRESSION: PRODUCT PARTNERS

ERGO – MORE SUSTAINABLE!

Responsibility and commitment in the areas of climate and environmental protection, health and risk awareness are key concerns for ERGO in Austria, the entire ERGO Group and Munich Re. Together, the insurance group has set itself the goal of switching CO₂ emissions in its own business operations across the group to net zero emissions by 2030, with its “Ambition 2025” strategy. ERGO aims to reduce the CO₂ emissions attributable to ERGO’s insurance business to net zero by 2050. The insurance group is committed to contributing to the achievement of the Sustainable Development Goals (SDGs). In this context, voluntary commitments such as the Ten Principles of the UN Global Compact, the Principles for Responsible Investment, and the Principles for Sustainable Insurance as well as the Net Zero Asset Owner Alliance form the basis of the company’s activities.

The insurance group has identified the following fields of action that are of particular importance to it as a company and its employees, to its customers and to society:

1. Corporate governance: responsible corporate management, digital transformation, data protection, human rights
2. Sustainability in business: customer focus and satisfaction, sustainable products, sustainable investments
3. Environmental and climate protection: reduce emissions in the company, increase environmental awareness
4. Employees: career development, work-life balance, diversity and equal opportunities, health and occupational safety
5. Commitment: global challenges, support for social projects, local employee commitment

ERGO disposes of the skill set, resources and risk know-how to develop new approaches to solutions and to use business opportunities. Closely cooperating with accredited partners, it creates added value by contributing not only financial means, but above all expert knowledge.

ERGO sustainability strategy

ERGO incorporates environmental and social aspects as well as responsible corporate governance (ESG: Environment, Social, Governance) into its core business. As an employer, ERGO attaches great importance to diversity and equal opportunities as well as the responsible and respectful treatment of employees. ERGO operates an active environmental management system at its locations and is CO₂ neutral throughout the Group. With a view to assuming social responsibility, ERGO supports a large number of initiatives and projects that are close to its core business and strengthen social cohesion. The development of sustainable investment products and the evaluation of ERGO products with regard to sustainable approaches are also part of the sustainability strategy.

ERGO offers a wide range of insurance and pension solutions. Customers can determine the level of sustainability of their products themselves through their choice of funds. As part of the homeowner’s insurance, they can also insure a photovoltaic system, thus securing their high investment for environmentally compatible energy generation. In motor vehicle insurance, the “Elektro Plus” comprehensive insurance module provides comprehensive insurance cover specifically for cars with electric or plug-in hybrid drives.

BEST PRACTICE

In 2021, ERGO started a reforestation project in the Waldviertel region. Over the past two years, the ERGO Forest has grown steadily owing to new customers and newly concluded insurance policies and pension provisions. ERGO planted around 12,300 trees until the autumn of 2023. Customers have contributed 3,000 trees.



TAXONOMY DISCLOSURES

APPENDIX XI - QUALITATIVE TAXONOMY DISCLOSURE

1. Background information to support the quantitative indicators, including the scope of assets and activities covered for the KPI, information on data sources, and limitations;

The KPIs to be reported in accordance with the EU Taxonomy were determined as follows in the current reporting period:

Customers subject to NFRD reporting

The Association of Volksbanks consists of VOLKSBANK WIEN AG and another seven regional Volksbanks, as well as Österreichische Ärzte- und Apothekerbank. The core element is the Austria-wide network of retail branches. The Volksbanks see themselves as regional banks whose target group is primarily private customers and small and medium-sized enterprises. Consequently, VOLKSBANK WIEN AG has only a few customers subject to NFRD, as these must have at least 500 employees and be of public interest.

Customers subject to NFRD reporting were identified on the basis of the information available in the Volksbank's data repository combined with an additional manual case-by-case check. This was effected on the level of the individual company.

No exposure with a specific purpose was identified for the customers identified as subject to NFRD reporting. The review of taxonomy capability and conformity is therefore based exclusively on the published sales and CAPEX-based taxonomy KPIs of the customers. The reporting data used to determine the KPIs was also based on individual company level.

Information on financial entities subject to NFRD reporting

Due to the simplified disclosure requirements for financial companies subject to NFRD reporting in the 2022 reporting year, no information is available for financial institutions on the distribution of taxonomy-eligible exposures by environmental objective. The assumption was therefore made that the turnover and CAPEX-based taxonomy KPIs (based on total assets) of the financial institutions should be allocated to the environmental objective "climate protection".

If no information is available on the proportion of taxonomy-eligible assets on a CAPEX basis, the sales-based KPI was used to determine the CAPEX-based KPI. Information on the taxonomy conformity of taxonomy-eligible assets is not available for financial institutions for the current reporting period.

Information on non-financial corporations subject to NFRD reporting

For non-financial corporations subject to NFRD reporting, there is no breakdown by environmental objective in the disclosures on taxonomy-eligible but non-taxonomy-compliant revenue or CAPEX for the 2022 reporting year. The breakdown by environmental objective was therefore based on the information reported on the defined economic activities.

Private customers

The taxonomy-relevant exposure in the Private Customers segment is identified on the basis of the defined purpose. In view of the limited economic activities, the taxonomy-relevant exposure was equated with the taxonomy-eligible exposure.

In the case of mortgage-backed real estate financing, taxonomy conformity was determined on the basis of the technical assessment criteria defined for activity 7.7. in the environmental objective "Climate protection" in accordance with Del-Reg 2021/2139. The technical evaluation criteria include the defined contribution criteria and the "Do No Significant Harm" (DNSH) criteria. If the technical evaluation criteria are met, the financing is classified as taxonomy-compliant, as the review of the Minimum Social Safeguard criteria does not apply to private customers.

The assessment of the contribution criteria was based on the available energy certificate data. As there is currently no Austria-wide energy certificate database, the availability of energy certificate data posed a challenge for classification.

TAXONOMY DISCLOSURES

APPENDIX XI - QUALITATIVE TAXONOMY DISCLOSURE

As part of the assessment of the DNSH criteria, an analysis of climate risks was carried out in accordance with Annex A of Del-Reg 2021/2139. In this context, use was made of the risk assessment applied within the scope of ESG disclosures under Art. 449a CRR. Acute and chronic physical risks were determined based on external data sources. For the portfolio, physical risks were evaluated by means of a scenario analysis, taking into account various data sources and forward-looking climate scenarios.

Restructuring loans

Due to the sometimes very extensive DNSH criteria, no taxonomy-compliant exposure could be identified in the Private Customers segment at the current time based on the available data.

Motor vehicle loans

Based on the information available in Volksbank's data repository, no taxonomy-eligible exposure could be identified for vehicle loans in the Private Customers segment for the current reporting period.

Local administrative bodies

Based on the information available in Volksbank's data repository, no taxonomy-eligible exposure could be identified for regional administrative bodies for the current reporting period.

2. Explanations of the nature and objectives of taxonomy-compliant economic activities and their development over time, starting with the second year of implementation, distinguishing between business-related, methodological and data-related aspects

In accordance with the Taxonomy Regulation, simplification provisions have so far applied to VOLKSBANK WIEN AG. Hence, implementing the Taxonomy Regulation, VOLKSBANK WIEN AG has reported the financing of and investment in taxonomy-eligible economic activities as a proportion of total assets from 2022.

For the 2023 financial year, credit institutions are subject to a full disclosure obligation for the first time. As of the 2023 financial year, therefore, VOLKSBANK WIEN AG discloses the extent to which it finances or invests in taxonomy-compliant economic activities. This is the first time that the share of these exposures in total assets, the so-called Green Asset Ratio (GAR), including applicable reporting forms, is presented in the Sustainability Report.

3. Description of compliance with Regulation (EU) No. 2020/852 in terms of the business strategy of the financial company, its product design processes, and in terms of cooperation with customers and counterparties;

The identification and labelling of sustainable financing is an integral part of implementing the sustainability strategy applicable across the Association and the transaction-based ESG disclosure and reporting requirements, and forms the basis for issuing dedicated sustainable capital market issues (including green bonds).

TAXONOMY DISCLOSURES

APPENDIX XI - QUALITATIVE TAXONOMY DISCLOSURE

A concept including partial implementation of the Taxonomy Regulation, the so-called sustainability check, was worked out for the purpose of labelling sustainable financing. This was rolled out in the Association of Volksbanks in 2023 and is to be developed on an ongoing basis. The aim is to identify and characterise newly originated investment financing in terms of sustainability as part of the loan application process. Integration into the loan application process is intended to ensure that the necessary documents are obtained, evaluated and prepared for further processing within the bank. Currently, 2 of the 6 environmental goals have been implemented in regulatory terms ("climate protection" and "adaptation to climate change"). The application of the remaining four environmental targets enters into force on 01.01.2024.

From the perspective of a financial institution, the classification of investment financing must be based on the customer's financing object when assessing taxonomy eligibility. If the financed activity corresponds to one of the economic activities defined in the taxonomy, the financing is classified as taxonomy-eligible. Technical test criteria were defined for each activity. These in turn consist of:

- » Criteria for the fulfillment of the defined environmental objective ("Substantial Contribution Criteria")
- » Criteria for checking whether the remaining five environmental objectives are not violated ("Do No Significant Harm Criteria")
- » Additionally, compliance with minimum social standards must be ensured ("Minimum Social Safeguard Criteria")

If all criteria are met, the business or activity can be classified as taxonomy-compliant.

4. For credit institutions that are not required to disclose quantitative information on trading exposures: qualitative information on the alignment of trading exposures with Regulation (EU) No. 2020/852, including overall composition, observed trends, targets and guidance;

As VOLKSBANK WIEN AG has a large trading book, this quantitative information on trading exposures must be disclosed, and accordingly the qualitative information on the overall composition, observed trends, targets and guidelines is not required.

5. Additional or supplementary information to support the financial entity's strategies and the importance of financing taxonomy-compliant economic activities in its overall activities.

No additional or supplementary information to support the financial entity's strategies and on the importance of financing taxonomy-compliant economic activities in its overall activities needs to be provided.

TAXONOMY DISCLOSURES

0. SUMMARY OF KPIS TO BE DISCLOSED BY CREDIT INSTITUTIONS UNDER ARTICLE 8 TAXONOMY REGULATION

		Total environmentally sustainable assets	KPI ¹⁾	KPI ²⁾	% coverage (over total assets) ³⁾	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	34.749.976,38	0,32%	0,32%	16,83%	56,0857%	27,0870%

		Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	4.236.230,34	0,598%	0,598%	13,93%	85,9648%	0,1051%
	Trading book ⁴⁾	-	-	-	-	-	-
	Financial guarantees	0	0,00%	0,00%	-	-	-
	Assets under management	0	0,00%	0,00%	-	-	-
	Fees and commissions income ⁵⁾	-	-	-	-	-	-

1) based on the Turnover KPI of the counterparty
 2) based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used
 3) % of assets covered by the KPI over banks' total assets
 4) For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR
 5) Fees and commissions income from services other than lending and AuM
 Institutions shall disclose forwardlooking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.
 Note 1: Across the reporting templates: cells shaded in black should not be reported.
 Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs' inclusion in these KPI will only apply subject to a positive result of an impact assessment.

TAXONOMY DISCLOSURES

2. GAR SECTOR INFORMATION

GAR - Sector information Turnover

Breakdown by sector - NACE 4 digits level (code and label)	a		b		c		d		e		f		g		h		i		j		k		l		m		n		o		p		q		r		s		t		u		v		w		x		y		z		aa		ab	
	Climate Change Mitigation (CCM)																								Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)											
	Non-Financial corporates (Subject to NFRD)												SMEs and other NFC not subject to NFRD				Non-Financial corporates (Subject to NFRD)				SMEs and other NFC not subject to NFRD				Non-Financial corporates (Subject to NFRD)				SMEs and other NFC not subject to NFRD				Non-Financial corporates (Subject to NFRD)				SMEs and other NFC not subject to NFRD																			
	[Gross] carrying amount												[Gross] carrying amount				[Gross] carrying amount				[Gross] carrying amount				[Gross] carrying amount				[Gross] carrying amount				[Gross] carrying amount				[Gross] carrying amount																			
Mn EUR		Of which environmentally sustainable (CCM)		Mn EUR		Of which environmentally sustainable (CCM)		Mn EUR		Of which environmentally sustainable (CCA)		Mn EUR		Of which environmentally sustainable (WTR)		Mn EUR		Of which environmentally sustainable (WTR)		Mn EUR		Of which environmentally sustainable (CE)		Mn EUR		Of which environmentally sustainable (CE)		Mn EUR		Of which environmentally sustainable (PPC)		Mn EUR		Of which environmentally sustainable (PPC)		Mn EUR		Of which environmentally sustainable (BIO)		Mn EUR		Of which environmentally sustainable (BIO)		Mn EUR		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)										
1 D 35.14	2,05	1,77						0,00	0,00					0,00	0,00					0,00	0,00					0,00	0,00					0,00	0,00					2,05	1,77																	
2 H 49.1	5,77	3,34						0,00	0,00					0,00	0,00					0,00	0,00					0,00	0,00					0,00	0,00					5,77	3,34																	
3 J 61.1	0,18	0,00						0,07	0,00					0,00	0,00					0,00	0,00					0,00	0,00					0,00	0,00					0,25	0,00																	
4 M 70.1	0,30	0,21						0,00	0,00					0,00	0,00					0,00	0,00					0,00	0,00					0,00	0,00					0,30	0,21																	

GAR - Sector information CapEx

Breakdown by sector - NACE 4 digits level (code and label)	a		b		c		d		e		f		g		h		i		j		k		l		m		n		o		p		q		r		s		t		u		v		w		x		y		z		aa		ab	
	Climate Change Mitigation (CCM)																								Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)											
	Non-Financial corporates (Subject to NFRD)												SMEs and other NFC not subject to NFRD				Non-Financial corporates (Subject to NFRD)				SMEs and other NFC not subject to NFRD				Non-Financial corporates (Subject to NFRD)				SMEs and other NFC not subject to NFRD				Non-Financial corporates (Subject to NFRD)				SMEs and other NFC not subject to NFRD																			
	[Gross] carrying amount												[Gross] carrying amount				[Gross] carrying amount				[Gross] carrying amount				[Gross] carrying amount				[Gross] carrying amount				[Gross] carrying amount				[Gross] carrying amount																			
Mn EUR		Of which environmentally sustainable (CCM)		Mn EUR		Of which environmentally sustainable (CCM)		Mn EUR		Of which environmentally sustainable (CCA)		Mn EUR		Of which environmentally sustainable (WTR)		Mn EUR		Of which environmentally sustainable (WTR)		Mn EUR		Of which environmentally sustainable (CE)		Mn EUR		Of which environmentally sustainable (CE)		Mn EUR		Of which environmentally sustainable (PPC)		Mn EUR		Of which environmentally sustainable (PPC)		Mn EUR		Of which environmentally sustainable (BIO)		Mn EUR		Of which environmentally sustainable (BIO)		Mn EUR		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)										
1 D 35.14	3,87	3,76						0,00	0,00					0,00	0,00					0,00	0,00					0,00	0,00					0,00	0,00					3,87	3,76																	
2 H 49.1	7,06	1,58						0,00	0,00					0,00	0,00					0,00	0,00					0,00	0,00					0,00	0,00					7,06	1,58																	
3 J 61.1	0,33	0,01						0,01	0,00					0,00	0,00					0,00	0,00					0,00	0,00					0,00	0,00					0,34	0,01																	
4 M 70.1	0,66	0,31						0,00	0,00					0,00	0,00					0,00	0,00					0,00	0,00					0,00	0,00					0,66	0,31																	

Credit institutions shall disclose in this template information on exposures in the banking book towards those sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty. The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.

TAXONOMY DISCLOSURES

4. GAR KPI FLOW

GAR KPIs flow CapEx

%	Disclosure reference date T																												
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				Proportion of total new assets covered
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling			
GAR - Covered assets in both numerator and denominator																													
1 Loans and advances, debt securities and equity instruments not HT eligible for GAR calculation	96.33%	4.29%	4.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2 Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3 Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6 Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7 Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8 of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11 Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12 of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15 Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16 of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19 Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
20 Non-financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23 Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24 Households	100.00%	4.45%	4.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25 of which loans collateralised by residential immovable property	100.00%	4.87%	4.87%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26 of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27 of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28 Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29 Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30 Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31 Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32 Total GAR assets	13.43%	0.60%	0.60%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Institution shall disclose in this template the GAR KPIs on flow of loans calculated (new loans on a net basis) based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template
Credit institutions shall duplicate this template for revenue based and CapEx based disclosures

TAXONOMY DISCLOSURES

5. KPI OFF-BALANCE SHEET EXPOSURES

FinGar, AuM KPIs Turnover Stock

% (compared to total eligible off-balance sheet assets)		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	
		Disclosure reference date T																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)									
		Of which Use of Proceeds			Of which transitional	Of which enabling	Of which Use of Proceeds			Of which enabling	Of which Use of Proceeds			Of which enabling	Of which Use of Proceeds			Of which enabling	Of which Use of Proceeds			Of which enabling	Of which Use of Proceeds			Of which transitional	Of which enabling					
1	Financial guarantees (FinGuar KPI)	24,57%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
2	Assets under management (AuM KPI)	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%

FinGar AuM KPIs Turnover flow

% (compared to total eligible off-balance sheet assets)		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	
		Disclosure reference date T																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)									
		Of which Use of Proceeds			Of which transitional	Of which enabling	Of which Use of Proceeds			Of which enabling	Of which Use of Proceeds			Of which enabling	Of which Use of Proceeds			Of which enabling	Of which Use of Proceeds			Of which enabling	Of which Use of Proceeds			Of which transitional	Of which enabling					
1	Financial guarantees (FinGuar KPI)	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
2	Assets under management (AuM KPI)	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%

Institution shall disclose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template
 Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures

TAXONOMY DISCLOSURES

5. KPI OFF-BALANCE SHEET EXPOSURES

FinGar, AuM KPIs CapEx Stock

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			Circular economy (CE)				Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)							
% (compared to total eligible off-balance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)							
		Of which Use of Proceeds		Of which transitional	Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which transitional	Of which enabling	Of which Use of Proceeds		Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	24,64%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	24,64%	0,00%	0,00%	0,00%	0,00%
2	Assets under management (AuM KPI)	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%

FinGar AuM KPIs CapEx flow

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae			
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			Circular economy (CE)				Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)										
% (compared to total eligible off-balance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)										
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)										
		Of which Use of Proceeds		Of which transitional	Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which transitional	Of which enabling	Of which Use of Proceeds		Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%		
2	Assets under management (AuM KPI)	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%		

Institution shall disclose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template
 Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures

ANNEX III REPORTING FORM 1

Activities in the field of nuclear energy		
1	The company is active in the research, development, demonstration and deployment of innovative power generation plants that produce energy from nuclear processes with minimal waste from the fuel cycle, it finances such activities or holds exposures in connection with these activities.	no
2	The company is active in the construction and safe operation of new nuclear facilities for the generation of electricity or process heat – including for district heating or industrial processes such as hydrogen production – and in improving their safety engineering using the best available technologies, it finances such activities or holds exposures in connection with these activities.	no
3	The company is active in the safe operation of existing nuclear facilities for the generation of electricity or process heat – including for district heating or industrial processes such as hydrogen production – and in improving their safety engineering, it finances such activities or holds exposures in connection with these activities.	no
Activities in the field of fossil gas		
4	The company is active in the construction or operation of plants for the generation of electricity from fossil gaseous fuels, it finances such activities or holds exposures in connection with these activities.	no
5	The company is active in the construction, modernisation and operation of trigeneration plants with fossil gaseous fuels, it finances such activities or holds exposures in connection with these activities.	no
6	The company is active in the construction, modernisation and operation of plants for heat generation that produce heat/cold from fossil gaseous fuels, it finances such activities or holds exposures in connection with these activities.	no



IMPORTANT SUCCESSES AND RESULTS

In 2023, important successes and results were achieved at VOLKSBANK WIEN AG:

- » Definition of the “greenhouse gas neutrality 2030” climate target
- » Preparation of a decarbonisation strategy for the company’s operations and calculation of the decarbonisation pathway Scope 1 + 2 using the SBTi methodology
- » Calculation of “Financed Greenhouse Gas Emissions” (GHG emissions) for the Association of Volksbanks
- » Completion of the IT tool selection process for integrating the financed emissions into the loan application process
- » Implementation of the Scope 1 + 2 climate strategy as a KPI in the bonus model
- » Purchase of electric cars only
- » Only sustainable paper (certified recycled paper) is used, consumption was reduced by 15.6 % due to digitisation.
- » Sustainable building standards are applied
- » Installation of additional e-charging stations and PV systems
- » 30 % reduction in data waste at the headquarters at Dietrichgasse 25
- » Reduction in the frequency of postal services



GOALS

In 2023, the goals of VOLKSBANK WIEN AG with regard to energy and climate were the following:

- » Measures to optimise operations, primarily to increase energy efficiency
- » Development of a climate strategy for operations
- » More detailed calculation of the corporate carbon footprint (CCF) including financed GHG emissions
- » Operations will be climate-neutral by 2030
- » Optimisation of paper consumption
- » Continued focus on green power

*A careful,
responsible attitude
towards nature and
the environment.*

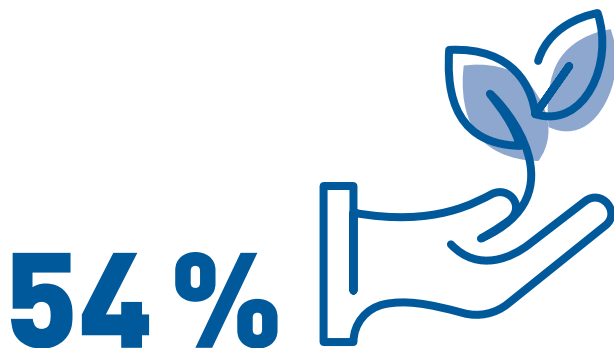


MEASURES

Measure	Time horizon	Status
Application of the sustainable procurement strategy	from 2022	ongoing
Negotiations with owner for implementation of optimisation potential for headquarters	since 2022	ongoing
Sustainable construction standards were prepared in 2022 and are taken into account	from 2023	being planned
Procurement of e-cars only	from 2023	ongoing
Increasing the room temperature in the LAN rooms from 22°C to 25°C	since 2023	ongoing
Improvement of data quality for CCF calculation both for Scope 1 + 2, and for financed GHG emissions (Scope 3)	from 2023	ongoing
Delivery of mail items to all main institutions and administrative head offices 3x/week and to all Volksbank retails branches max. 2x/week	from 2023	ongoing
Formulation of sub-targets for the decarbonisation of the portfolio	from 2023	ongoing

ENVIRONMENTAL INFORMATION

ENERGY AND CLIMATE



OF THE VEHICLE FLEET
ARE E-CARS.¹⁾

Despite the small direct environmental impact of any bank's operations, VOLKSBANK WIEN AG still makes a contribution to climate and environmental protection in terms of energy, heat and power consumption as well as waste-paper and other waste. In addition to contributing to the reduction of Scope 1 + 2 emissions, VOLKSBANK WIEN AG also addresses indirect environmental impact through financed GHG emissions.

The figures indicated in the area of resources refer to the location of the headquarters in 1030 Vienna, Dietrichgasse 25, and the retail branches of VOLKSBANK WIEN AG. In 2020, VOLKSBANK WIEN AG moved to a new location in Dietrichgasse 25 in the 3rd municipal district of Vienna. The key figures for resources and energy are recorded by VB Infrastruktur und Immobilien GmbH. This company is a wholly-owned subsidiary of VOLKSBANK WIEN AG and provides infrastructure services (with the exception of IT services) with a current focus on real estate management, bank logistics, central purchasing and facility management services within the Association of Volksbanks. In this context, tasks are also performed for VOLKSBANK WIEN AG, which acts as the central organisation for the Association of Volksbanks, as well as for numerous other customers from the joint data processing centre.

The retail branches are operated by the respective separate company exclusively, therefore the figures of the Group here correspond to those of the separate company²⁾. As described in the chapter "About the report", an allocation key of 72.9 % is used for calculating the indicators for the parent company (Separate), on the basis of the employees of the parent company and of the Group, as no clear breakdown is possible on the basis of actual values.

Corporate Carbon Footprint (CCF) Scope 1+ 2

In the 2023 reporting year, the CO₂ footprint of VOLKSBANK WIEN AG was calculated for the fifth time. The reporting scope includes all retail branches and the location of the headquarters of VOLKSBANK WIEN AG, and their direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions. Direct emissions include thermal energy consumption and greenhouse gas emissions caused by company cars. As in the previous year, the use of private cars for business trips has been included this year as well. The indirect emissions in Scope 2 result from the purchase of electricity and district heating. Emissions from electricity consumption were calculated on the basis of the electricity actually purchased by VOLKSBANK WIEN AG (market-based) and the average electricity mix for Austria (location-based). Since 100 % of the building electricity purchased by the retail branches comes from renewable sources, there are no market-based emissions in the area of electricity. In the course of 2021, the headquarters' electricity mix was converted to 100 % green power. Since 2021, the precise heat consumption figures of the headquarters have been available. In the 2020 reporting year, it was still estimated based on average heat demand. Hence, VOLKSBANK WIEN AG chose 2021 as the basic year for its decarbonisation strategy.

¹⁾ As at 31.12.2023

²⁾ A customer service centre (part of VB Services für Banken Ges.m.b.H.) is located at the Baden retail branch. The number of employees is negligible considering the total headcount.

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Overall, there was a 20 % reduction in Scope 1 + 2 emissions (location-based) and a 35 % reduction (market-based) in 2023 compared to the previous year, which is due to a reduction in the area used for retail branches and to an improvement of data quality as well as reduced assumptions.

Corporate Carbon Footprint (in kg CO ₂ e) ¹⁾		2023		2022		2021	
		S	G	S	G	S	G
Head- quarters	Direct emissions (Scope 1)	60,634	83,191	82,244	115,608	138,728	197,618
	Company cars	60,634	83,191	82,244	115,608	138,728	197,618
	Indirect emissions (Scope 2 – market-based)	67,134	92,109	91,249	128,266	105,951	150,927
	Electricity	0	0	0	0	14,253	20,303
	District heating	58,457	80,204	87,277	122,683	91,698	130,624
	Company cars (electric)	8,677	11,905	3,972	5,583	*	*
	Indirect emissions (Scope 2 – location-based)	148,369	203,565	162,170	227,959	165,862	236,271
	Electricity	71,237	97,739	67,532	94,928	74,164	105,647
	District heating	58,457	80,204	87,277	122,683	91,698	130,624
	Company cars (electric)	18,675	25,622	7,362	10,348	*	*
Retail branches	Direct emissions (Scope 1)	345,483	345,483	530,272	591,315	624,208	624,208
	Heating	345,483	345,483	530,272	591,315	624,208	624,208
	Indirect emissions (Scope 2 – market-based)	96,817	96,817	116,128	116,128	125,932	125,932
	Electricity	0	0	0	0	0	0
	District heating	96,817	96,817	116,128	116,128	125,932	125,932
	Indirect emissions (Scope 2 – location-based)	466,631	466,631	443,271	443,271	566,611	566,611
	Electricity	369,814	369,814	327,143	327,143	440,679	440,679
District heating	96,817	96,817	116,128	116,128	125,932	125,932	
Total	Direct emissions (Scope 1)	406,117	428,674	612,516	706,923	762,936	821,826
	Indirect emissions (Scope 2 – market-based)	163,951	188,926	207,377	244,395	231,883	276,859
	Indirect emissions (Scope 2 – location-based)	615,000	670,196	605,442	671,231	732,473	802,882
	Total Scope 1 + 2 emissions (market-based)	570,068	617,600	819,893	951,318	994,819	1,098,685
	Total Scope 1 + 2 emissions (location-based)	1,021,117	1,098,870	1,217,957	1,378,154	1,495,409	1,624,708
Specific	Total Scope 1 + 2 emissions (market-based) per m²	17	17	23	24	25	25
	Total Scope 1 + 2 emissions (location-based) per m²	31	31	34	34	38	38

1) Due to subsequent updates and corrections, the values for 2022 have been adjusted.

*Not collected in the reporting year

ENVIRONMENTAL INFORMATION

ENERGY AND CLIMATE

Energy

When purchasing electricity for the retail branches of VOLKSBANK WIEN AG, great importance was attached to ensuring that only CO₂-free electricity was used. This was achieved by means of a general electricity supply agreement which all the banks of the Association have joined.

When modernising office buildings, special attention is paid to optimisations in the climate and environmental areas in order to be able to achieve the CO₂ targets. For this purpose, guidelines for sustainable construction standards were prepared in 2022, which include measures based on the "klimaaktiv" standard and will be applied depending on the type and scope of the construction project.

Electricity

VOLKSBANK WIEN AG has obtained a hydropower certificate from its electricity supplier for its retail branches, guaranteeing that no CO₂ emissions are caused during the generation of electricity for VOLKSBANK WIEN AG. Electricity for the headquarters is procured from the landlord. Since April 2021, the electricity purchased at the headquarters has also been CO₂-free. We have achieved our target of 100 % electricity from renewable sources by 2023 and are continuing to work on improving energy efficiency.

Currently, 53 % of the electricity used by the data centre of VOLKSBANK WIEN AG, ACN, comes from renewable energy sources. According to a published sustainability report, it is the goal of ACN to obtain 100 % of its electricity requirements from renewable energy sources by 2023.

Electricity	Unit	2023		2022		2021	
		S	G	S	G	S	G
Power consumption headquarters	kWh	391,413	537,026	419,452	589,615	428,693	610,674
Power consumption retail branches	kWh	1,993,999	1,993,999	2,197,048	2,197,048	2,547,271	2,547,271
Specific power consumption headquarters ¹⁾	kWh per m ²	49	49	41	41	43	43
Specific power consumption retail branches	kWh per m ²	81	81	84	84	88	88
Specific power consumption total	kWh per m ²	71	71	69	69	73	73

1) The calculation of consumption values per m² is based on the total Group area of 11,038 m² or, for VOLKSBANK WIEN AG (Separate), on a pro rata basis of 8,045 m². The vehicle fleet is not included in the specific electricity consumption.

ENVIRONMENTAL INFORMATION

ENERGY AND CLIMATE

Heat

The central office spaces are supplied with district heating by the landlord. Hence, 100 % of office premises at the headquarters are heated through district heating. Heat consumption in the retail branches is indicated for the parent company only, since they are allocated to VOLKSBANK WIEN AG as a separate institution.

Heating			2023		2022		2021	
			S	G	S	G	S	G
Renewable energies	District heating consumption headquarters	kWh	463,945	636,540	661,189	929,420	675,612	962,410
	District heating consumption retail branches	kWh	768,385	768,385	879,759	879,759	892,334	892,334
	Biogenic consumption retail branches	kWh	3,600	3,600	20,922	20,922	20,033	20,033
	Electricity consumption retail branches ¹⁾	kWh	37,945	37,945	23,012	23,012	37,455	37,455
Non-renewable energies	Natural gas consumption retail branches (incl. unknown energy sources)	kWh	1,604,066	1,604,066	1,405,874	1,405,874	2,097,884	2,097,884
	Oil consumption retail branches	kWh	85,048	85,048	66,376	66,376	64,717	64,717
Total	Heat consumption headquarters	kWh	463,945	636,540	661,189	929,420	675,612	962,410
	Heat consumption retail branches	kWh	2,499,045	2,499,045	2,395,944	2,395,944	3,112,422	3,112,422
	Total heat consumption	kWh	2,962,989	3,135,585	3,057,134	3,325,364	3,788,034	4,074,832
Specific	Heat consumption headquarters ²⁾	kWh per m ²	58	58	65	65	88	126
	Heat consumption retail branches	kWh per m ²	102	102	92	92	142	142
	Total heat consumption	kWh per m ²	88	88	82	82	97	137

Total energy consumption (electricity + heating)			2023		2022		2021	
			S	G	S	G	S	G
Total	Energy consumption headquarters	kWh	855,358	1,173,566	1,080,642	1,519,035	1,104,305	1,573,084
	Energy consumption retail branches	kWh	4,493,044	4,493,044	4,592,993	4,592,993	5,659,693	5,659,693
	Total energy consumption	kWh	5,348,402	5,666,610	5,673,634	6,112,028	6,763,998	7,232,777
Specific	Energy consumption headquarters ²⁾	kWh per m ²	106	106	107	107	77	110
	Energy consumption retail branches	kWh per m ²	183	183	176	176	195	195
	Total energy consumption	kWh per m ²	159	159	151	151	173	167

1) Heating from electricity in 2023, 2022 and 2021 entirely from renewable energy sources.

2) The calculation of consumption values per m² is based on the total Group area of 11,038 m² or, for VOLKSBANK WIEN AG (Separate), on a pro rata basis of 8,045 m².

ENVIRONMENTAL INFORMATION

ENERGY AND CLIMATE

Vehicle fleet

The VOLKSBANK WIEN AG Group provides employees with pool and company cars. At the end of 2023, VOLKSBANK WIEN AG had 32 electric vehicles, 2 hybrid vehicles and 25 vehicles with combustion engines in use. In 2023, four

vehicles with combustion engines and two hybrid vehicles were removed from the fleet. All company cars, including the use of private cars for business trips, have now been included in the calculation of the CO₂ footprint.

Vehicle fleet	Unit	2023		S ¹⁾	2022		2021	
		S	G		S	G	S	G
Fuel consumption – diesel	l	14,450	19,825	20,264	28,485	41,590	59,246	
Fuel consumption – petrol	l	10,926	14,991	14,845	20,868	15,273	21,756	
Electric charging with charging card	kWh	47,674	65,409	24,670	34,678	0	0	
Electric charges Dietrichgasse	kWh	58,911	60,705	21,055	29,597	0	0	

Paper

In 2020, an analysis of the consumption of printing and copying paper was carried out by the denkstatt company. Based on this analysis, various optimisations have been implemented in the past years. Therefore, the consumption of printing and copying paper has decreased by around 15.6 % to 16,999 kg in 2023 (compared to 20,143 kg in the previous year), but the related costs are only slightly lower than in the previous year due to the general price

increase. Measures have been taken in many areas to reduce paper consumption. During the year under review, VOLKSBANK WIEN AG continued to rely on a sustainable paper grade: A4, 80 g, white. In general, recycled paper bearing the EU Ecolabel is used, other types of paper are meant to be used only rarely. The standard setting of all printers available in the pools at HQ is two-sided print. This is meant to keep paper consumption low in the future.

Consumption of printing and copying paper	Unit	2023		S	2022		2021	
		S	G		S	G	S	G
Printing and copying paper	kg	12,392	16,999	14,322	20,143	22,520	32,080	
Printing and copying paper	kg per FTE	13.4	13.4	16.3	16.3	25.2	25.2	

ENVIRONMENTAL INFORMATION

ENERGY AND CLIMATE

Waste

There has been no disposal of hazardous waste and special waste at any of the locations of VOLKSBANK WIEN AG; a total of 54,287 kg of data waste was disposed of. This means a reduction of around 8 % compared to 2022. The increased volumes due to archive disposals prior to branch closures and alterations in branches were offset by the massive reduction at the HQ location at Dietrichgasse 25, 1030 Vienna (approx. 30 %).

Since VOLKSBANK WIEN AG is a tenant at Dietrichgasse 25, 1030 Vienna, the residual waste and all other waste materials – except for paper/data waste – are disposed of via the landlord's waste containers. Since these also contain the waste of the other tenants, the waste quantities for residual waste, glass, plastics, metal and cardboard cannot be clearly allocated to VOLKSBANK WIEN AG.

At the HQ location Dietrichgasse 25, 1030 Vienna, there is a standardised separation system for residual waste, glass, plastics and metal, which is positioned in the staff kitchens and complies with the waste disposal requirements of the landlord. The home bases (open plan offices) are provided with "recycling islands" for the staff to dispose of residual waste and magazines/brochures. Data waste must be disposed of exclusively in a secured manner via locked containers; such containers are located at each printer island.

Climate-optimised local transport

In the area of climate-optimised local transport, the job bike was implemented in 2023.

Corporate Carbon Footprint (CCF) Scope 3

Financed GHG emissions (greenhouse gas emissions)

The decarbonisation strategy was drawn up for the Association of Volksbanks as a whole, as the calculation of financed emissions was equally made for the entire Association and not at individual institution level yet.

The determination of financed greenhouse gas emissions is based on the PCAF Standard (Partnership for Carbon Accounting Financials). This is an initiative supported by financial institutions aimed at enabling greenhouse gas emissions financed through loans and investments to be measured and disclosed consistently.

The results derived from the PCAF logic are largely determined by available customer data, as well as by the underlying models and their input data from data platforms. Therefore, the quality and stability of the results depend not only on the efforts of the Association, but also on the reliability and completeness of the information provided to Volksbank by customers or external databases and calculation platforms. The bank is constantly working to improve data quality and to further develop the models used.

PCAF requires the allocation of a quality score (1 best, 5 worst) for each calculation method at customer level or also transaction level. This way of procedure allows a weighted average of the quality score to be determined. Hence, this quality score provides information about the accuracy of the determination of greenhouse gas emissions and is 5 for the major part of the Association due to the extent of available real data of companies still being low.

ENVIRONMENTAL INFORMATION

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Scope 1 and Scope 2 emissions are clearly defined and attributable to one customer, so that there can be no multiple counting between the Scope 1 + 2 emissions of different companies. Scope 3 emissions, on the other hand, always represent the Scope 1, 2 and 3 emissions of the upstream and downstream value chain (e.g. customers and suppliers), which means that their inclusion in the financed emissions of a bank can lead to a multiplication of the emission values. As Scope 3 emissions can only be controlled to a limited extent due to potential multiplication, and as the IEA guidelines do not specify a reduction path for Scope 3 emissions, the financed Scope 1 and Scope 2 emissions are used for control purposes.

Details on the results are contained in the Sustainability Report of the Association of Volksbanks.

Implementation of the decarbonisation strategy

Scope 1 + 2

In the reporting year, the Scope 1 + 2 emissions of VOLKSBANK WIEN AG were given a decarbonisation target. The level of ambition is based on the requirements of the Science-Based Targets Initiative for a 1.5° reduction target, envisaging a 42 % reduction in absolute GHG emissions by 2030 based on 2021. The methodology applied does not allow GHG emission reductions to be offset through the purchase of any certificates. The target at overall bank level was additionally allocated to the individual locations by means of a distribution key, which enables decarbonisation to be managed separately at location level.

As part of the decarbonisation strategy, three goals were formulated for the Association of Volksbanks. These goals are crucial for the company to be able to adhere to the decarbonisation path of the Association until 2030. This initiative to achieve the individual decarbonisation path is a KPI for the bonus model in the Association of Volksbanks.

The basic prerequisite for achieving the CCF target is that no increase in total emissions (Scope 1 + 2 incl. mobility) occurs. The calculation is based on the CCF calculated for the year 2023.

1. A reduction of total emissions (CCF calculation Scope 1 + 2 incl. mobility)
2. Reduction of specific CO₂e per m²
3. Closing data gaps

The targets and KPIs are reported and managed by the Sustainability Committee.

VOLKSBANK WIEN AG implements numerous energy saving measures

In 2023, the Group put a special focus on avoiding energy consumption in the bank's operations. Savings were made both by headquarters and the retail branches. The following measures were encouraged or implemented:

- » Switching off illuminated advertisements (between 10 p.m. and 6 a.m.)
- » Reducing corridor lighting levels
- » Timers on appliances such as coffee machines
- » Reducing or omitting Christmas lighting
- » Converting to LEDs
- » Photovoltaic systems (for example, in the Kagran retail branch)
- » Motion detectors in the toilets
- » Optimising heating, air conditioning and ventilation systems control
- » Appeal to employees to act in an environmentally friendly way
- » Checking the refrigerator settings on a regular basis
- » Consolidation/reduction of areas to save energy
- » Tender for e-charging stations to be implemented at all locations in 2023
- » Conversion of the entire fleet to e-cars
- » Sustainable building standards to reduce excessive energy consumption

ENVIRONMENTAL INFORMATION

ENERGY AND CLIMATE

Scope 3

Reduction of GHG emissions – material KRIs¹⁾ for the overall portfolio

The aim is to decarbonise the portfolio, which is to be achieved in the long term by formulating various sub-targets. An important point of reference here is the net zero target by 2050 of IEA²⁾, which has carried out and published specific analyses for this purpose.

For the 2024, 2030 and 2050 milestones, corresponding sector-specific pathways from organisations such as the International Energy Agency (IEA), the Science Based Targets Initiative (SBTI) or the Carbon Risk Real Estate Monitor (CRREM) were applied, with the metrics used in the respective pathways being converted to the emissions intensity for Scope 1 and 2 in gr CO₂/EUR on which the decarbonisation strategy is based.

For the overall portfolio, both short-term (2024) and medium-term (2030) targets for the average intensity of the overall portfolio have already been defined in the 2024 strategy of the Association, which can be derived from the IEA's net zero target by 2050³⁾.

The short- and medium-term intensity targets are achieved through the following influencing factors:

1. Reduction of the portfolio

In Real Estate Financing, in particular, the gradual reduction in the financing of older and accordingly less efficient real estate financing is leading to an automatic reduction in the average emission intensities of the respective PCAF classes. The same applies to the reduction of financing in CO₂-intensive industries.

2. Improvement of intensities in new business

By financing newer properties and sectors with lower intensities, the effect of unwinding the portfolio can be amplified.

3. Passive decarbonisation of the Austrian energy network

It is expected that Austrian electricity will gradually become "greener" and that all financing for which electricity consumption is a major driver of CO₂ emissions will therefore continuously improve in terms of emissions intensity.

The effect of passive decarbonisation is derived from the data of the Carbon Risk Real Estate Monitor (CRREM). This is an EU-funded tool that was developed as part of a research project by a consortium of real estate companies and academic institutions and helps users to model scientifically sound decarbonisation pathways, particularly for real estate.

1) KRI = key risk indicator

2) International Energy Agency

3) CRREM-Austria targets were used for the Commercial Real Estate and Mortgages sub-portfolios.

ENVIRONMENTAL INFORMATION

ENERGY AND CLIMATE

CRREM also provides other relevant information for the creation of decarbonisation pathways, including the emission factors of individual countries' electricity grids. These provide an indication of the factor by which the emissions intensity of electricity will improve per year.

4. Decarbonisation of industries and countries

The achievement of our net zero target for 2050 and the associated target achievement opportunities depend to a large extent on the decarbonisation progress of the target markets and industries. Achieving net zero greenhouse gas emissions from the Association therefore also requires a transformation of the economy and is dependent to a certain extent on government and regulatory measures for all sectors, particularly in Austria. This progress in decarbonisation is reflected on the one hand in the decreasing emission intensities of EUROSTAT data and on the other hand in real data from customers.

Details on the reduction of GHG emissions can be found in the Sustainability Report of the Association of Volksbanks.

OUTLOOK

Measures for optimising operations are planned for 2024, primarily to increase energy efficiency.

- » Compliance with the decarbonisation pathway
- » Expansion of e-mobility
- » Installation of additional PV systems
- » Expansion of the digitisation of building services
- » Further development of climate strategy and data quality
- » Implementation of targeted measures based on the site-specific determination of CO₂e as part of the CCF calculation and energy audits
- » Outsourcing of waste management

Other key measures planned in the area of Scope 3

Following the introduction of an IT tool, it should be possible to determine GHG emissions in the future as part of the loan application process in order to set up improved monitoring.

In addition, the ongoing survey is intended to improve the PCAF quality score, as more detailed information is available by integrating and documenting energy certificates for properties, for example. Consequently, the quality of the result of the determined GHG emissions is expected to improve, which is to be continuously developed further.



Due to the bank's cooperative self-image, sustainability has always played an important role.



IMPORTANT SUCCESSES AND RESULTS

In 2023, important successes and results were achieved at VOLKSBANK WIEN AG:

- » Full application of the ESG aspects introduced in 2022 in the credit process
- » Piloting and roll-out of the sustainability check to identify sustainable financing in accordance with the framework at VOLKSBANK WIEN AG and Volksbank Niederösterreich, including training for the sales and market service center
- » Continuation of sustainability training for Corporate account managers up to and including spring 2024
- » Standardised request process for energy certificates implemented as part of the sustainability check
- » Customer events in cooperation with respACT on the topic of circularity; brochure for SMEs, focus on circular economy
- » Cooperation for the foundation and financing of energy cooperatives
- » Update of PV systems brochure
- » Purchase of the book "How sustainability works" for selected SME customers
- » Allocation of financing volumes of around euro 154.8 million that are either subsidised or eligible for a green bond issue (+1.8 % compared to 2022)
- » Increase in the volume of outstanding assets of the Non-Profit Housing unit by euro 105.7 million compared to 2022 (+17 %)
- » 1,084 new Union Investment fund customers
- » Sustainable funds account for 37 % of the total fund portfolio.

GOALS

In 2023, the goals of VOLKSBANK WIEN AG in the area of sustainable products and services were the following:

- » Accompanying customers through the transformation process
- » Driving the financing of energy-reducing measures
- » Expansion of sustainable consulting services
- » Further development of the labelling of sustainable financing
- » Expansion of data collection from customers (e.g. for calculating greenhouse gas emissions in greater detail)
- » Continuation of the event series with a sustainability focus for SMEs
- » Development of an approach strategy for sustainable investments in the sphere of private and corporate financing
- » Focus on San-Re-Mo financing (refurbishing – renovating – modernising)
- » Increase in real estate financing that is subsidised or eligible for a green bond issue by 1.8 % compared to 2022
- » Increase in loan growth in the non-profit property development sector by 17 % compared to 2022
- » Identification of potentially sustainable financing in accordance with the Sustainability Bond Framework
- » Expansion of the product range of sustainable investment funds
- » Expansion of sales of sustainable investment funds

MEASURES

Measure	Time horizon	Status
Continue customer events and brochure	since 2021	ongoing
Intensify employee training	periodical	ongoing
Development and roll-out of a comprehensive guide for internal account managers (ESG, CO ₂ determination)	since 2022	ongoing
Further development of labelling of sustainable financing	since 2021	ongoing
Sales campaigns with a focus on sustainability (San-Re-Mo)	since 2022	ongoing
Sustainable debit card (DMC) for selected cooperatives	02/2022	ongoing
Digitisation in the sphere of payment transactions	since 2022	ongoing
Inclusion of other sustainable funds of Union Investment in product portfolio	since 2021	ongoing
Recertifications on the topic of sustainability	since 2022	ongoing

ENVIRONMENTAL INFORMATION

SUSTAINABLE PRODUCTS AND SERVICES



37 %

IS THE SHARE OF SUSTAINABLE FUNDS IN THE TOTAL FUND PORTFOLIO IN 2023.

VOLKSBANK WIEN AG's greatest lever for the transformation toward a sustainable economy lies in products and services. Sustainable products can reduce negative impacts on the climate and the environment, for example through sustainable funds or the financing of housing projects with high energy efficiency, also taking social aspects into account.

In 2023, numerous steps were taken to integrate ESG aspects into the bank's core business. To this end, steps were taken both with regard to technical solutions, in the area of services, customers and customer support, and for sales.

Sustainable financing

The integration of sustainability into the credit process was a priority. For this purpose, ESG aspects are considered in the course of the loan decision and their impact on customers' ability to repay the loan was taken into account (see "Risk management" chapter). Since the majority of the bank's portfolio consists of real estate loans, one of the first and most important measures was to demand energy certificates for customers' real estate portfolios. Other data requirements are being developed and will be rolled out further in the coming months (such as CO₂ emissions). The aim is to classify newly originated investment financing in terms of sustainability as part of the loan application process. The pertinent process was introduced in 2023 (and is going to be developed continuously).

The identification and labelling of sustainable financing is an integral part of implementing the sustainability strategy applicable throughout the Association and the transaction-based ESG disclosure and reporting requirements and forms the basis for issuing dedicated sustainable capital market issues (including green bonds). A concept including partial implementation of the Taxonomy Regulation, the so-called sustainability check, was worked out for the purpose of labelling sustainable financing (see chapter "Taxonomy disclosures"). The aim is to classify and to label newly originated investment financing in terms of sustainability as part of the loan application process. The pertinent process was rolled out across the network following a successful pilot in 2023. The basis for labelling is Volksbank's internal definition of ecologically and/or socially sustainable financing, which is based on the Sustainability Bond Framework of VOLKSBANK WIEN AG and on the contribution criteria of the EU Taxonomy.

ENVIRONMENTAL INFORMATION

SUSTAINABLE PRODUCTS AND SERVICES

Biodiversity and preservation of species in lending

In 2022, a scoring system was developed for the assessment of credit risks associated with ESG factors. By means of the assessment of soft facts by the account managers, risks of the customers are evaluated in the context of an ESG score. These soft facts also include the topics of biodiversity and preservation of species. Moreover, ESG risks are analysed and reassessed as part of the risk inventory using ESG heat maps on a regular basis. In the ESG heat map, various risk events, such as loss of biodiversity and preservation of species, are described and evaluated. See "Risk management" chapter. VOLKSBANK WIEN AG has an influence on biodiversity through the financing of real estate (existing and newly constructed buildings).

Based on the General Instruction on Risk Assessment of Outsourcing, all outsourcing activities of VOLKSBANK WIEN AG are reviewed using a defined standard process. A sustainability check is part of this process. The query on sustainability risks also covers questions on biodiversity and the preservation of species. Loss of biodiversity has also already been considered as a risk for investments by one product partner.

Events

In order to support customers with regard to this extensive topic and to draw attention to the fact that in the future, in addition to financial data, sustainability data will be required as well in order to make a loan decision, joint customer events were held together with respACT in 2023.

Another event focused on the topic of the circular economy. The sustainability brochure "Sustainability for SMEs and Cooperatives: focus on circular economy" and a separate public funding brochure on the topic of sustainability by the Austrian Federation of Cooperatives are intended to provide customers with additional support in taking the first steps toward sustainable transformation. Moreover, the cooperation on the financing of energy cooperatives was continued with the ÖGV. As a supplement, the book "How sustainability works" was purchased for customers from the Terra Institute.

Employees have been defined who assume an internal multiplier function in sales. As "ambassadors for sustainability" in the region, these employees are opinion leaders contributing to the transfer of knowledge. At the beginning, the focus of the training was mainly on the specialists, the "investment advisors" and the "corporate account managers". In the Corporate sector, a series of training courses will be held with the Terra Institute until March 2024. The focus is on all account managers and employees in Credit Risk Management. Additionally, the bank will draw up a factsheet for consultancy for particularly affected sectors. This includes risks, opportunities and starting points in consultancy.

Subsidised housing

Subsidised housing financing is an instrument of political leverage that can be used to create affordable, high-quality living space that meets the needs of the market. Apart from affordability, this can also be used to realise regional planning and socio-political steering potentials. Finally, housing subsidies also allow for climate policy targets to be realised more efficiently, thus making an essential contribution to climate protection.

Austria's housing policy measures are characterised by property-specific subsidies, which are awarded as part of the Länder-specific housing subsidies. The Directive on the Energy Performance of Buildings (2002/91/EC) led to the agreement under the B-VG (Fed. Constitutional Act) Article 15a on common quality standards for the promotion of the construction and renovation of residential buildings for the purpose of reducing greenhouse gas emissions (Fed. Law Gazette II No. 19/2006) between the Federal Government and the Länder (Austrian federal provinces). Based on this, housing subsidies were usually linked to ecological criteria (upper limit for heating requirement) as a prerequisite for subsidies in connection with the promotion of photovoltaics and solar thermal energy. In this way, housing subsidies simultaneously contribute to affordable and healthy housing and living space as well as to environmental and climate protection.

ENVIRONMENTAL INFORMATION

SUSTAINABLE PRODUCTS AND SERVICES

Due to VOLKSBANK WIEN AG's historically strong commitment in the area of real estate financing, by including subsidised real estate financing, putting an increased focus on non-profit housing and engaging in the area of builder-owner model financing, a significant contribution was made to sustainable development in the sphere of creating and improving living space and making the same more affordable and more ecological. Volksbank contributes to SDG 11 by providing access to adequate, safe, and affordable housing.

Working instructions and loan disbursement criteria specially tailored to this business segment were also introduced to facilitate work and speed up processes. In the credit process, specialised front-office, back-office and administrative units for credit documentation specifically tailored to these financing purposes enable resources to be used very effectively, including the tailoring of processing times to customer needs – off the standard forms in many cases.

The previous focus on growth in this business segment formed the basis for the green bond issue by VOLKSBANK WIEN AG, which was implemented successfully in 2023, and will serve as a model for further issues in this area in the future, involving all the banks of the Association. All projects financed with these funds, previously and in future, are particularly energy-efficient, thus making a valuable contribution to the creation of sustainable housing; the relevant criteria have already been defined.

In 2023, VOLKSBANK WIEN AG allocated financing volumes of around euro 154.8 million that were subsidised or eligible for a green bond issue. This represents an increase of 1.8 % against the previous year. 63 subsidised real estate projects were financed by VOLKSBANK WIEN AG in 2023. The target of a 5 % increase was not achieved, although, individually, subsidised financing increased by more than euro 40 million or almost 59 % to euro 109 million. This is due to the drastic deterioration in economic conditions over the course of the year, the sharp rise in interest rates and the resulting sharp decline in demand for real estate financing eligible for green bonds. Despite these conditions, the extent of which was not foreseeable in 2023, an increase in volume was still achieved compared to the record figure of 2022.

However, the target set for loan growth in the area of non-profit developers of at least 5 % compared to 2022 was clearly exceeded with an increase of euro 105.7 million or 17 %.

The strategy of the Association of Volksbanks and of VOLKSBANK WIEN AG for the non-profit housing segment, which has been in place since 2018, was updated in 2023 and adapted to the prevailing requirements of the business segment. The adjustments concerned a redefinition of portfolio growth and of the limit per economic unit in this business segment with regard to the maximum exposure and unsecured amount as well as the exposure target and limit structure at the level of the Association of Volksbanks and of VOLKSBANK WIEN AG.

In 2023, euro 28.3 million in new financing were granted for renewable energy production, meaning that the target of at least euro 25 million set for 2023 was achieved.

Financing of energy cooperatives

The details are described in the chapter "Cooperative" under the item "Foundation and financing of energy cooperatives".

ENVIRONMENTAL INFORMATION

SUSTAINABLE PRODUCTS AND SERVICES

Sustainable investments

The business model of VOLKSBANK WIEN AG is to focus on the bank's core business and to enter into cooperations with strong product partners. Union Investment is VOLKSBANK WIEN AG's product partner in the area of funds and has thirteen sustainable funds on its list of recommended funds for sale in Austria. The portfolio of sustainable funds accounts for 37 % of the total fund portfolio in 2023. Two of the sustainable funds have also been awarded the Austrian Ecolabel. More details on the cooperation with Union Investment and the sustainable funds can be found in the chapter/digression "Product partners".

In the sustainability preference query, investment advisors ask their customers about their wishes regarding sustainability. A committee of experienced investment specialists from the Association of Volksbanks develops and decides on product proposals from the area of investment funds and certificates.

The product proposals are reviewed by Volksbank Tirol AG in the course of the investment process with regard to sales approval, tax transparency and MiFID regulations (see enumeration), as every MiFID-II-relevant product actively offered to customers in the Association of Volksbanks has to pass a product approval procedure ("PGP") to be documented in advance.

MiFID II Regulations:

- » Definition of the target market
- » Sustainability preference
- » Product description
- » Selection of the appropriate sales strategy
- » Identification of the risk strategy
- » Conflict-of-interest check
- » Review of the product's fee structure

However, a successfully tested product may only be included in the product range (Volksbank master list) if it is in line with the Volksbanks' business strategy.

OUTLOOK

Sustainable products and services are being implemented step by step. A particular focus here is on consultancy regarding transformation towards sustainability and on sustainable financing such as renewable energy projects. For this purpose, as mentioned already, dedicated training courses for the sales staff are provided and continuously developed. In addition, there are sales staff training events on cooperation within the scope of renewable energy financing projects such as the financing of energy communities or cooperatives.

In general, the focus in terms of sustainability will be on the following product and service categories:

- » Expansion of the range of sustainable investment products and services
- » Customer events on sustainable investments and financing
- » Introduction of a consultancy concept based on sustainable aspects
- » Process-based and promotional support of sustainable loans for private and corporate customers (San-Re-Mo)
- » Sustainability in payment transactions (focus on digitisation, such as qualified electronic signature)
- » Consultancy concept for private and corporate customers based on sustainable regional aspects and including cooperative networks

ENVIRONMENTAL INFORMATION

SUSTAINABLE PRODUCTS AND SERVICES

For 2024, the focus in corporate banking and for residential housing construction is among others on sustainability in terms of products and consultancy. There is also an increased focus on the topic of digitisation in payment transactions, in order to keep distances short and increase customer satisfaction. To this end, the continued expansion of services in "hausbanking" is planned. Another important component of the sustainability efforts is the qualified electronic signature, which is constantly being expanded and promoted.

In accordance with legal requirements and under defined conditions, VOLKSBANK WIEN AG provides a payment account (basic account) with basic functions.

Furthermore, in the future, customers who successfully introduce and apply sustainability concepts in their corporate environment will be offered a platform for presentation (social media, events, etc.).

In the area of sustainable real estate, the company is going to be positioned more clearly in terms of socio-economic benefits. This involves preferential cooperation with non-profit developers in the direct catchment area and in collaboration with the banks of the Association throughout Austria.

The following targets in the area of Corporate and Real Estate Financing are planned for 2024:

- » Loan growth in the non-profit property development sector by at least 5 % compared to 2023
- » Increase in real estate financing that is subsidised or eligible for a green bond issue by 3 % compared to 2023
- » New financing volume in the renewable energy sector of at least euro 30 million in 2024

Sustainable investments

Since August 2022, account managers must ask their customers whether they want sustainability preferences to be taken into account in their investments. At the same time, however, this requires additional qualification of the account managers. Investment advisors and private bankers must therefore complete a special ESG Advisor training course and are required to apply for recertification every year.

Based on these legal adjustments and the positioning of Volksbank as a sustainable bank, the product range in the investment sphere will be evaluated on a regular basis and the range of sustainable products expanded.





IMPORTANT SUCCESSES AND RESULTS

In 2023, important successes and results were achieved at VOLKSBANK WIEN AG:

- » The goals of increasing the proportion of female managers by 10 % from 31 December 2021 to 31 December 2023 was overaccomplished at VOLKSBANK WIEN AG Separate at 19.7 % and in the VOLKSBANK WIEN AG Group at 22.4 %.
- » The NPS (Net Promoter Score) was improved at VOLKSBANK WIEN AG Separate from + 2 to + 10 in 2023 against 2022 and at VB Infrastruktur und Immobilien GmbH from -8 to + 21 in 2023 against 2022.
- » Anchoring the employer values elaborated by the employees (e.g. introduction of a “first-name culture” across all hierarchy levels) was continued successfully.
- » The visibility and perceptibility of the HR guiding principle: “Creating a framework for meaningful work and supporting people’s work-life balance” was increased through videos and targeted communication.
- » The presentation of the “Service Heroes Awards” as a visible sign of appreciation is continued and took place on the occasion of the summer party with many employees participating in the event.
- » The gender pay gap and equal pay gap analysis was again conducted for 2023.
- » Preparation and approval of the employee profit-sharing scheme for 2023
- » Development of expert careers with a new job description: Sensei experts
- » Start of the management training with a pilot group
- » Enhancement of the role of the trainer through targeted measures (trainer breakfast and invitation to the trainer fresh-up for everyone)
- » Implementation of a young talent programme

Other initiatives that have been successfully implemented:

- » Roll-out “Urlaubswoche Plus” (additional week of annual leave)
- » Roll-out of the JobRad (job bike) initiative
- » Roll-out of the “Employees recruiting employees” initiative
- » Cooperation with betreuerinnen.at, a platform for 24h care services
- » Enhancement of the digital education offered in the form of modern online training courses
- » Development of additional training formats in the sphere of management training and sustainability

GOALS

In 2023, the goals of VOLKSBANK WIEN AG with regard to employees were the following:

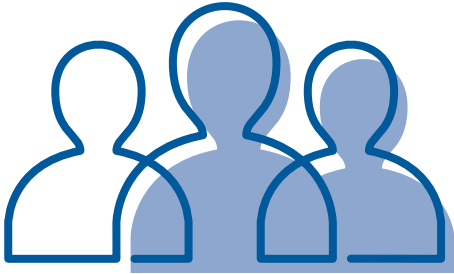
- » VOLKSBANK WIEN AG has set itself the goal of increasing the proportion of female executives by 10 % in the period from 31 December 2021 to 31 December 2023.
- » The NPS (Net Promoter Score) from 2022 is meant to be improved in the 2023 survey.

MEASURES

Measure	Time horizon	Status
The employer branding values have been established and are practiced at VOLKSBANK WIEN AG	since 2018	completed
Measures to strengthen identification with VOLKSBANK WIEN AG are being continued (e.g. Service Heroes Award, employee survey)	since 2021	ongoing
Efforts to increase the share of women in managerial positions are consistently being pursued	since 2018	ongoing
Introduction and update of a standardised gender pay gap analysis	since 2021	ongoing
Training on the Diversity Policy	since 2022	ongoing
Implementation of an NPS and identity survey	since 2022	completed
Employee survey was conducted at the end of 2023	since 2023	completed
Implementation of expert careers and appointment of Sensei experts	since 2022	completed

SOCIAL INFORMATION

EMPLOYEES



1,483

EMPLOYEES WORK FOR VOLKSBANK WIEN AG.¹⁾

VOLKSBANK WIEN AG builds on a relationship based on trust – because when it comes to banking, mutual trust has been a bond with customers for many years. The same is also very important to VOLKSBANK WIEN AG as an employer in its relationship with its employees. That is why it relies on mutual trust through partnership. Volksbank is serious about its responsibility.

As a central element of the HR strategy, a promise to employees was formulated by the Managing Board members in 2023, which is supported by the employer values and the strategic HR guiding principles, addressing the challenges and opportunities arising from the current environment: “As a modern and customer-oriented regional bank, we promise you performance-based remuneration with flexible working models in a corporate culture based on trust. Within the scope of our sustainable business model, we offer meaningful work that we support through top-level training and development opportunities.”

Employees represent and combine VOLKSBANK WIEN AG’s authentic employer values – encounters at eye level, scope for creative freedom and making the company ‘fit for the future through flexibility’ – by working together. Each employer value is based on an individual value proposition which has become an integral part of the Association’s value framework practiced by VOLKSBANK WIEN AG, helping the bank to improve as an employer. In this context, great importance is attached, among others, to training and education, flexible working hours, equal rights, recognition, innovation and self-fulfillment.

VOLKSBANK WIEN AG relies on appropriate remuneration that exceeds the minimum requirements of the collective agreement. The basis for this is the remuneration policy applicable throughout the Association. The remuneration policy is based on a total reward strategy that rests on the following four pillars in a holistic approach: governance & compliance, observation of market trends & practices, motivation & retention, and sustainability.

The early repayment of the government’s participation capital and the good result gave the Association of Volksbanks additional scope for structuring its remuneration policy. Specifically, in addition to the many non-monetary components of the holistic remuneration approach, such as flexible working hours and remote working, the monetary elements have now also been upgraded by introducing “variable remuneration”.

A profit-sharing model was developed for all employees that combines the cooperative’s fundamental values and growth targets. The new profit-sharing model was introduced at the beginning of 2023 in accordance with the resolutions passed by the corporate bodies.

SOCIAL INFORMATION

EMPLOYEES

Employment development

VOLKSBANK WIEN AG currently employs 1,483 people. The figures indicated in the employee section refer to those employees that were employed by the company (VOLKSBANK WIEN AG, VB Services für Banken Ges.m.b.H., VB Infrastruktur und Immobilien GmbH) on 31 December of the year under review. The figures stated include white-collar employees, blue-collar employees and apprentices, but exclude the Managing Board. Full-time equivalents are rounded mathematically to whole numbers.

Employees ¹⁾	Gender	Unit	2023		2022		2021	
			S	G	S	G	S	G
Headcount		Number	1,051	1,483	1,019	1,473	1,040	1,518
	F	Number	539	858	538	869	553	903
	M	Number	512	625	481	604	487	615
Employees by full-time equivalents		FTE	922	1,265	880	1,237	892	1,270
	F	FTE	428	663	415	657	420	675
	M	FTE	494	602	465	580	472	595
White-collar employees	F	FTE	418	653	406	648	412	666
	M	FTE	492	596	462	573	469	588
Blue-collar employees	F	FTE	0	0	0	0	0	1
	M	FTE	0	4	0	4	0	4
Apprentices	F	FTE	10	10	9	9	8	8
	M	FTE	2	2	3	3	3	3
Full-time employees		Number	741	985	717	977	743	1,013
	F	Number	281	427	284	440	297	456
	M	Number	460	558	433	537	446	557
Part-time employees		Number	310	498	302	496	297	505
	F	Number	258	431	254	429	256	447
	M	Number	52	67	48	67	41	58
Employees with permanent employment contract		Number	1,036	1,466	1,008	1,461	1,028	1,506
	F	Number	532	851	533	864	547	897
	M	Number	504	615	475	597	481	609
Employees with fixed-term employment contract		Number	15	17	11	12	12	12
	F	Number	7	7	5	5	6	6
	M	Number	8	10	6	7	6	6

All of the white-collar employees and apprentices are covered by a collective bargaining agreement. The blue-collar employees are not subject to a collective bargaining agreement.

SOCIAL INFORMATION

EMPLOYEES

*Our employees
are the basis
of our success!*

Employees ¹⁾	Gender	Unit	2023	
			S	G
Newly hired employees		Number	86	107
	F	Number	36	49
	M	Number	50	58
	Age group	Unit	S	G
	< 30 years	Number	33	44
	30-50 years	Number	44	50
	> 50 years	Number	9	13
	Gender	Unit	S	G
New hiring rate		%	8.2	7.2
	F	%	6.7	5.7
	M	%	9.8	9.3
	Age group	Unit	S	G
	< 30 years	%	28.2	27.8
	30-50 years	%	8.1	6.4
	> 50 years	%	2.3	2.4

Recruitment of interns and employees with fixed-term employment contracts were not included in the calculation (formula for hiring rate: number of new hires/number of employees).

Employees ¹⁾	Gender	Unit	2023	
			S	G
Staff turnover		Number	70	104
	F	Number	42	60
	M	Number	28	44
	Age group	Unit	S	G
	< 30 years	Number	15	22
	30-50 years	Number	18	33
	> 50 years	Number	37	49
	Gender	Unit	S	G
Fluctuation rate		%	6.7	7.0
	F	%	7.8	7.0
	M	%	5.5	7.0
	Age group	Unit	S	G
	< 30 years	%	12.8	13.9
	30-50 years	%	3.3	4.2
	> 50 years	%	9.4	9.0

This table shows the staff departures in the business year including retirements. Terminations of employment contracts with interns and fixed-term employment contracts were not included in the calculation (formula for fluctuation: number of departures/number of employees).

SOCIAL INFORMATION

EMPLOYEES

Materiality matrix and link to HR guiding principles of Volksbanks

As part of a stakeholder survey conducted throughout the Association on the views of the most important sustainability issues, four key points emerged from the area of “social matters”. These are the following:

- » Diversity and equal opportunities
- » Training and education
- » Employee satisfaction
- » Employee health and safety

These results fit very well with the established HR guiding principles of the HR strategy, which supports the sustainability strategy. The following HR guiding principles, in particular, reflect the results of the stakeholder survey:

- » Full equality and recognition
- » Targeted development of employees and creation of a systematic framework for this purpose
- » Consistent use of employee feedback as a development driver for the organisation and the executives
- » Creating a framework for meaningful work and supporting work-life balance

Following this, the stakeholder key points from the area of “social matters” are merged with the HR guiding principles.

Diversity and equal opportunities

Full equality and recognition

VOLKSBANK WIEN AG has been committed to a fair and positive working environment for all employees for years, with a strong focus on diversity and inclusion. First and foremost, all employees are valued and treated equally. The aim of “living diversity” is to create an organisational culture where no one is disadvantaged and everyone is able to develop and unfold their potentials. This increases productivity, motivation and social skills and brings sustainable success to the company and all employees. In the Code of Conduct, to which all employees are bound, VOLKSBANK WIEN AG states that it expressly respects human rights and rejects any form of discrimination. In order to professionally manage staff diversity in all its complexity, individual measures are not enough.

VOLKSBANK WIEN AG is committed to the appreciation and equal rights of all employees in an overall concept that has an impact on corporate culture, above all through the behaviour of executives.

In order to ensure equal rights, VOLKSBANK WIEN AG primarily implements measures for the advancement of women with a view to equal opportunities. The overriding goal of cross-company measures for the advancement of women is to reduce or prevent the underrepresentation of women in senior positions. The measures are intended to increase the proportion of women in managerial positions by around 10 % every two years in order to achieve equal participation in decision-making and responsibility.

In particular the following goals for the advancement of women are derived from this:

- » Increase in the proportion of women in the target group of “high potentials”
- » Creating awareness and structures for equal treatment of women and men
- » Ensuring compatibility of work and family (family-friendly HR policy)
- » Utilisation of the multiplier function of female high potentials for all the women employed at VOLKSBANK WIEN AG

To support these goals, VOLKSBANK WIEN AG has launched its own women’s network, which is constantly working on new ideas and ways to support female high potentials, also sharing this experience within the Association.

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Another key success factor for equal treatment and equal opportunities is a structured analytical process on equal pay and gender pay gaps. Differences between average male and female remuneration are documented and justified annually – as part of the remuneration report – and appropriate measures are taken to compensate for the differences, if necessary (see Remuneration Policy of VOLKSBANK WIEN AG). The gender pay gap can mainly be attributed to the fact that men are disproportionately represented in higher-paid occupations, while women make up a larger share in lower-paid occupations. In 2023, the average total remuneration of female employees who do not hold management positions was 82 % in relation to their male colleagues, which is an improvement on the 80 % of the previous year 2022. Among executives, the ratio deteriorated slightly from 86 % in 2022 to 85 % in 2023. The annual gross salary on a full-time equivalent basis was used to calculate the gender pay gap. In addition to targeted qualification measures for women, gender recruiting, mentoring programmes and transparent application processes are additional instruments for structured gender equality management.

Diversity Policy

VOLKSBANK WIEN AG has drafted and published its overall concept and the measures implemented in a *Diversity Policy*¹⁾. Executives and employees were trained on this topic.

As regards responsible corporate behaviour with a focus on human rights, VOLKSBANK WIEN AG has established a number of guidelines. As one of these guidelines, the Diversity Policy is the responsibility of the HR department. The policy is subject to an approval process and was approved by the Managing Board.

Share of women and employees with managerial responsibility

The share of women at VOLKSBANK WIEN AG is 51.3 %, within the Group 57.9 %, that of women in positions with managerial responsibility is 29.1 %, within the Group 35.2 %. Compared to the previous year, the proportion of female executives at VOLKSBANK WIEN AG increased by 17.3 %, and by 15.4 % within the Group.

Supervisory Board			2023	2022
Gender	Unit		S	S
Supervisory Board members			18	14
F	%		44	43
M	%		56	57
Age group			S	S
< 30 years	%		0	0
30-50 years	%		28	21
> 50 years	%		72	79

Managing Board			2023	2022
Gender	Unit		S	S
Managing Board members			3	3
F	%		0	0
M	%		100	100
Age group			S	S
< 30 years	%		0	0
30-50 years	%		0	0
> 50 years	%		100	100

The Supervisory Board and Managing Board members are presented in the tables from the perspective of VOLKSBANK WIEN AG (Separate).²⁾

The term of office and independence of the Supervisory Board members are set out in the Annex.

1) <https://karriere.volksbankwien.at/wp-content/uploads/2023/01/Diversitaetspolicy.pdf>

2) It is only in this presentation that the "governance bodies" are taken into account. The remaining key employee figures in the report always exclude the Managing Board of VOLKSBANK WIEN AG. The managing directors of VB Services für Banken Ges.m.b.H. and VB Infrastruktur und Immobilien GmbH are not included in the tables showing the Supervisory Board and Managing Board and are reported in all other key employee figures.

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Managerial responsibility	Gender	Unit	2023		2022	
			S	G	S	G
Employees with managerial responsibility		Number	127	165	133	174
	F	%	29.1	35.2	24.8	30.5
	M	%	70.9	64.8	75.2	69.5
	Age group	Unit	S	G	S	G
	< 30 years	%	0.0	0.0	0.8	0.6
	30-50 years	%	42.5	43.0	45.9	48.3
	> 50 years	%	57.5	57.0	53.4	51.1

Managerial responsibility	Gender	Unit	2023		2022	
			S	G	S	G
Employees without managerial responsibility		Number	924	1,318	886	1,299
	F	%	54.3	60.7	57.0	62.8
	M	%	45.7	39.3	43.0	37.2
	Age group	Unit	S	G	S	G
	< 30 years	%	12.7	12.0	11.6	11.5
	30-50 years	%	52.6	53.6	53.5	54.8
	> 50 years	%	34.7	34.4	34.9	33.7

Further education

Focused development of our employees and creation of a systematic framework for this purpose

For VOLKSBANKG WIEN AG, further education is an essential component of HR development and employee retention in order to ensure and develop the knowledge and skills of the employees required to implement the "relationship bank of the future" strategy throughout the Association. In this context, the services of Volksbank's own academy (Volksbank Akademie) are used, which provides needs-based training courses with optimal coordination between executives, technical experts and HR management.

All training formats of Volksbank Akademie take account of the strategic orientation of the Association of Volksbanks and are based on blended learning as well as e-learning scenarios in accordance with the latest approaches to didactic methodology. The training courses offered by

Volksbank Akademie follow the 70:20:10 learning model by Morgan McCall et al. This model propagates that the major part of the knowledge, skills and types of behaviour that are required for the exercise of any activity is acquired through actual experience and in collaboration with colleagues in practice (learning by doing), and not in a classroom. The current regulatory requirements are reviewed by the experts of the central organisation of VOLKSBANK WIEN AG and included in the training courses of the academy. This allows employees as well as members of managing boards and supervisory boards to keep their knowledge up to date and provide evidence of their skills when required. Apart from the proven central pool of trainers of the Association with internal and external experts, Volksbank Akademie additionally relies on regional coaches and mentors who accompany the participants on a professional and personal level during their training.

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Volksbank Akademie offers training courses in the areas of sales, operations, regulatory matters, IT, personal development and leadership. Topics include IT user training, service managers, account managers, corporate account managers, investment advisors, clerks (including MSC and KSC), housing consultants, loan officers, mentors, trainers, professional/senior executives, talent programmes, regulatory matters (e.g. compliance, money laundering, FATCA), as well as Fit & Proper for key personnel, supervisory board and managing board members.

VR coaching has been an essential part of Volksbank Akademie's account manager training since 2019. In practical training sessions with VR glasses, participants train in specific consultancy settings under the guidance of experienced coaches. 2023 was characterised by the continuous further development of VR coaching. Targeted preparatory tasks and a user-friendly trainer platform for the innovative VR glasses Meta Quest 2 contribute significantly to improving the learning experience and success.

In addition to the cooperation with Volksbank Akademie as the primary training provider in the Association, in-house training courses as well as external training measures are used as well. These training courses, which complement the Volksbank Akademie programme, are used whenever the size of the target group makes in-house development uneconomical and/or suitable special training courses are available on the open market.

Training on the subject of sustainability¹⁾

Education is fundamentally sustainable due to several aspects: education solves social and ecological problems, creates [job] prospects and increases income. With SDG 4, VOLKSBANK WIEN AG has committed itself to high-quality education; this also applies to education on the topic of sustainability.

» The EFPA-ESG-Advisor® certification successfully launched in 2022 was continued in 2023 with the first recertification course. 63 employees of the VOLKSBANK WIEN AG Group have completed the "Sustainable Debt" training, thus starting the recertification process.

- » The e-learning format "Relationship bank of the future on sustainability" was revised and successfully rolled out in 2023. The current initiatives and successes of the Association of Volksbanks in the area of sustainability were vividly presented and highlighted in the training programme. In 2023, 76 employees of the VOLKSBANK WIEN AG Group completed the new sustainability training course.
- » In March 2023, Volksbank Akademie launched a sustainability training initiative for employees in the areas of corporate customers and credit risk together with the Terra Institute. Training videos and webinars give participants the opportunity to reflect on and deepen their development towards sustainability. In 2023, 152 employees of the VOLKSBANK WIEN AG Group registered for this training course.
- » The live stream "Sustainable financing - what we need to know" also took place in March. In cooperation with KPMG, an overview of the regulatory requirements and the resulting need for action was provided. 48 employees of the VOLKSBANK WIEN AG Group attended the live stream.
- » At management level, the "Sustainability for Fit & Proper" training was offered for the fourth consecutive year. The training in May 2023 provided knowledge on current regulatory requirements, the associated practical examples, and the measures already implemented successfully within the Association. By 31 December 2023, 12 participants of the VOLKSBANK WIEN AG Group have completed this training course.
- » The topic of diversity has been addressed at VOLKSBANK WIEN AG since 2019 through training courses for all Volksbank Wien employees. In 2023, the "Responsibility for equal treatment, diversity and gender" training course was rolled out across the Association specifically for the Fit & Proper target group. Participants were given an overview of current legal regulations, sensitised to corporate strategy and sustainability reporting, and informed about specific internal guidelines and best practices within the Association. By 31 December 2023, 8 participants of the VOLKSBANK WIEN AG Group had completed this training course.

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- » The annual Trainer and Examiner Fresh-up on 16 and 17 November 2023 was held under the motto “Education on the move – education in the age of AI” (artificial intelligence), emphasizing the responsible use of AI tools in everyday professional life as well as the practical application of AI and educational technologies. In 2023, 13 participants of the VOLKSBANK WIEN AG Group completed the Fresh-up.

In-house training for executives

Diversity management workshops

The aim of diversity management is to create an organisational culture where everyone is able to develop and unfold their potentials. This will increase the performance, motivation and social skills of the employees, ultimately making the company more successful. VOLKSBANK WIEN AG organises workshops on this topic for all executives.

Coachings, mentoring programmes

Executives at VOLKSBANK WIEN AG are provided with coaching in addition to management courses and training. In addition, a mentoring programme by executives for executives was launched in 2021 alongside WoMentoring, and continued ever since.

Workshop “Fit for the future as an executive”

Here, executives are introduced to the corporate and employer values, the underlying processes in employee management and the necessary regulatory knowledge in the form of a one-day workshop. At the same time, employees are invited to share and exchange internal knowledge, experience and best practices.

Workshop “Conducting successful appraisal interviews”

This workshop explains the meaning and importance of well-conducted appraisal interviews. Recognising the benefits of conversations, formulating goals correctly, receiving and giving feedback properly are just some of the essential contents of this workshop. The aim is to provide optimal support to executives in line with the employer value of “encounters at eye level” and to prepare them to conduct successful interviews.

Fit & Proper training of Volksbank Akademie

For years, the Supervisory Board members, Managing Board members and the executives of VOLKSBANK WIEN AG defined as “key personnel” have been trained within the scope of the Fit & Proper programme of Volksbank Akademie, for example on the topics of compliance, banking regulation and sustainability. The range of training courses is constantly being expanded, in 2023 to include, among others, topics such as the strategy process, risk management, digital transformation and bank fitness. In 2023, 28 executives, including 14 members of the Supervisory Board of VOLKSBANK WIEN AG, attended this training.

In 2023, employees of VOLKSBANK WIEN AG received 48,551 hours of further training through Volksbank Akademie seminars as well as in-house and external training courses. This amounts to an average of 33 training hours per employee (headcount) of VOLKSBANK WIEN AG per year.

Average training hours	Gender	Unit	Total	Akademie	In-house/ external
Total employees		Ø hours	32.74	22.70	10.04
	F	Ø hours	29.14	20.84	8.30
	M	Ø hours	37.68	25.25	12.43
Employees without managerial responsibility		Ø hours	31.21	21.96	9.26
	F	Ø hours	28.07	20.25	7.82
	M	Ø hours	36.07	24.60	11.47
Employees with managerial responsibility		Ø hours	44.91	28.63	16.28
	F	Ø hours	43.90	29.05	14.85
	M	Ø hours	45.46	28.40	17.05

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Employee satisfaction

Consistent use of employee feedback as a development driver for the organisation and executives

VOLKSBANK WIEN AG relies on mutual trust through partnership. This includes listening to, and systematically using, employee feedback to develop the organisation and executives. This is operationalised in the form of employee surveys and appraisal interviews.

NPS survey

In autumn 2023, the annual Association-wide NPS (Net Promoter Score) survey was carried out, asking interviewees the following question: "How likely are you to recommend Volksbank Wien / VB Services / VB II as employer to a friend or acquaintance?" Again, a number of questions regarding employee identification with the company were added to the NPS survey.

NPS survey for VOLKSBANK WIEN AG Separate

Compared to the last employee survey more than two years ago, the NPS score has increased by 27 points and by 8 points against the previous year. Therefore, the NPS in 2023 amounts to 10 points. The responses also show that the degree of identification of a vast majority of employees is high to very high. At 7.0, the score of identification is high and has increased against 2022 (6.8).

NPS survey for VB Services für Banken Ges.m.b.H.

At 61 %, the response rate is significantly higher than in 2022 (44 %). The NPS has deteriorated by 13 points. Identification with VB Services für Banken Ges.m.b.H. has developed positively. Whereas last year only 49 % had a strong identification with VB Services für Banken Ges.m.b.H., this figure is now 57 %.

NPS survey for VB Infrastruktur und Immobilien GmbH

Compared to the last survey more than two years ago, the NPS has increased by 17 points and by 29 points against the previous year. This means that the NPS in 2023 is a gratifying 21 points. Identification has also increased again, from 6.2 in 2022 to 8.3.

VOLKSBANK WIEN AG considers these good results as recognition of the numerous measures implemented since the last employee survey. The measures were based on specific requests from employees regarding:

- » optimal framework conditions for flexible working,
- » development opportunities and career prospects,
- » monetary & non-monetary recognition, and
- » appreciative leadership at eye level.

Numerous measures have already been implemented. Here is an excerpt of the latest initiatives:

- » Introduction of a bonus model
- » Introduction of "Urlaubswoche Plus": for a better work-life balance.
- » Introduction of a young talent programme: with a view to attracting new staff, closing potential "retirement gaps" in time.
- » Introduction of "Employees recruiting employees": employee recommendations are important and should be rewarded appropriately.
- » Introduction of JobRad: an eco-friendly, cost-efficient mobility option.
- » Cooperation with betruenerinnen.at: a 24-hour caregivers platform to support the needs of families.

Appraisal interviews

VOLKSBANK WIEN AG is proud of its executives and employees, who bring with them a high degree of professionalism as well as technical, interdisciplinary and social skills. In order to be able to guarantee and develop these resources in the long term, an annual appraisal interview is held between supervisors and employees. The aim is to look back on the past period, to reflect on joint successes, learnings and areas of development and to define and plan further joint goals.

Appraisal interviews are an important pillar of successful cooperation and support the success of the company's communication and management culture. The roll-out will take place at the beginning of the year and involve all active employees. Managing Board members and inactive employees (e.g. employees on parental leave) are exempt from the interview. Employees who join during the year will be considered in the next round of appraisal interviews.

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Pension fund and other employee benefits

A company pension scheme is in place for the employees of VOLKSBANK WIEN AG with BONUS Pensionskassen AG. All employees with a least five years of service in the company are entitled to benefit from this fund. The employer contributes at least 2.0 % (in accordance with the collective bargaining agreement and/or the relevant employer/works council agreements) of the pension assessment basis per employee and year to the pension fund. *Further benefits¹⁾* are set out in detail online.

BEST PRACTICE

The Service Heroes Award

In 2023, the Service Heroes Award was presented again at VOLKSBANK WIEN AG. The idea behind the award is to bring back-office employees into the spotlight, who do a marvellous job in the background to support the sales department. The winners receive transparent recognition for their performance and support in the form of an award and a thank you. All employees had the opportunity to nominate individual heroes or even entire teams. A jury selected the winners from the numerous nominees, who were also presented on the intranet. The employees, together with the most successful retail branches, were honoured at a ceremony held as part of the summer party.

Employee health and safety

Creating a framework for, and supporting, work-life balance

Employee health

VOLKSBANK WIEN AG is convinced that the compatibility of professional and private life is decisive for the quality of life and health of its employees. HR management sets itself the strategic goal of enabling this compatibility. A healthy and successful work-life balance is meant to be facilitated by flexible working hours and workplace models. All employees are entitled to leave for family reasons, i.e. entitlement to time off in accordance with section 8 of the Austrian Salaried Employees Act (AngG) and the collective agreement (funeral, wedding, etc.).

In difficult private phases for employees, VOLKSBANK WIEN AG tries to stand by the employees concerned – through a cooperation with Hilfswerk – and to raise employees' awareness of the issue.

In addition, the employees of VOLKSBANK WIEN AG will find numerous support offers on the intranet in the form of information packages on the topics of family, care and nursing responsibilities. Also, a company physician and a company psychologist are available in case of personal stress. Various offers and preventive measures are available to help employees stay healthy; these measures are organised by the HR department, the works council and the company physician. During working hours, healthcare offers may be used throughout the year, such as TBE or influenza immunisation.

Furthermore, "Volksbank Aktiv" courses are available to employees, which can also be attended online. These consist of yoga/90 min and Pilates/50 min, each once a week. Courses were offered in the spring, summer and autumn. There were 58 participants in total (27 for Pilates and 31 for the yoga class).

By offering their own sports groups, VOLKSBANK WIEN AG employees can keep fit by running, cycling, playing badminton or squash, skiing and cross-country skiing. The bike parking facility available in the main building, including showers and lockers, supports the possibility of cycling to work – another contribution to promoting the health of our employees. Employees of VOLKSBANK WIEN AG are also entitled to get reduced rates within the scope of group health insurance schemes.

Regular inspections of workstations including ergonomic advice, up to individual workstation layout, are actively encouraged by both HR and the works council, see chapter "Employees/works council". After bank robberies at retail branches, in case of stress or burnout, employees can turn to a company psychologist for support. A disabled persons representative is also available to assist employees. The cooperation with JobRad is another measure designed to promote both the physical and mental

1) <https://karriere.volksbankwien.at/ihre-vorteile-bei-der-volksbank-wien/mitarbeitervorteile-benefits>

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health of employees. Here, a bicycle worth up to 10,000 euros can be leased via VOLKSBANK WIEN AG. Through the cooperation with [betreuerinnen.at](#), a data platform for qualified nursing staff, employees who have a care case in their close family circle and need qualified 24-hour care can seek support.

Safety

All employees of VOLKSBANK WIEN AG enjoy comprehensive statutory social protection, for example against loss of earnings due to significant life events. These include illness, unemployment from the start of employment, accidents at work and disability, parental leave and retirement.

Within the framework of operational safety, a work standard has been drawn up that contains the main tasks and obligations arising from the Austrian Industrial Safety Act (ASchG) for VOLKSBANK WIEN AG and the Association of Volksbanks. According to the ASchG, employers are obliged to ensure the safety and health protection of employees with regard to all work-related aspects. Employees are obliged to comply with the protective measures provided for and to follow the employer's instructions. The implementation of the ASchG as well as compliance with and observance of the provisions of other laws such as the Austrian Workplace Ordinance (AStV) are described in an internal working instruction. Furthermore, all required documents must be made available digitally at every workplace. Each retail branch is responsible for updating these documents; at the headquarters, this is done by the safety officer.

Necessary training is provided to ensure employee safety during operations. The implementation of initial training on employee safety is required for every new employee; in addition, further training measures are offered regularly

(1x per year). The content of these training events includes general behaviour at the workplace, occupational health and safety, assault, fire and first aid.

Regular inspections are performed for hazard identification, risk assessment and incident investigation. These include checking emergency exit lights, first aid kits, defibrillators, and operational checks of lifts.

In addition to these safety measures, there are defined processes in technical building and occupational health management for monitoring accidents at work and reporting them to HR management, payroll, technical and medical safety management and the Employee Safety Committee.

In 2023, there were six accidents at work, all of which were merely injuries without fatalities. Five of these accidents occurred outside the company premises. The accident on the company premises occurred without any external or building-related influencing factors.

The risk can be classified as very low due to office-only workplaces. A high-quality building and health management system is in place.

In spite of comprehensive safety measures, the specific risk of robberies cannot be excluded completely in the banking sector. Psychological emergency care is available if required. The personal risk is further minimised through safety training events for employees at retail branches.

Safety training	Gender	Unit	2023	2022
Crisis intervention and safety training	F	Number	70	54
	M	Number	45	40

In total, 230 hours were spent on crisis intervention and safety training in 2023. There were no bank robberies in 2023.

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Awards of VOLKSBANK WIEN AG

Distinction as popular employer 2023

VOLKSBANK WIEN AG is proud to have been awarded a distinction as 'Popular Employer 2023' by the Austrian daily Kurier, which is based on statements made online in the categories employer in general, career, salary, corporate culture and family friendliness. The companies with the highest ratings received an award. VOLKSBANK WIEN AG has now won this award three times in a row.

Recertification audit "berufundfamilie"

Each year, the national seals of quality "berufundfamilie" and "hochschuleundfamilie" are awarded to companies and institutions that have successfully participated in the audit, and created need-based general conditions for a more family-friendly world of work and studies. VOLKSBANK WIEN AG has obtained the basic "berufundfamilie" audit certificate again in 2023.

Balancing career and family

"Keep Balance" cooperation with Hilfswerk Austria

Within the scope of the "Keep Balance" initiative, Hilfswerk experts lend their support to people faced with specific challenges and questions arising in various situations in life. As in the previous pandemic years, this cooperation proved its worth also in the 2023 reporting year: For example, 99 consultations were conducted by telephone. 37 employees attended 5 online presentations on the topic of "Fit and healthy".

VOLKSBANK WIEN AG extended its successful "Keep Balance" cooperation with Hilfswerk.

Info packages on the topics of family, care and nursing responsibilities

Austria offers a wide range of services for families and in the social sphere, as well as support measures. Particularly in industries with a high proportion of services, such as the banking industry, balancing work and family is a major challenge. The information packages clearly present and explain the wide range of offers. In this way, VOLKSBANK WIEN AG intends to assist its employees in finding their way through the labyrinth of available benefits quickly and easily.

OUTLOOK

Based on the strategic HR guiding principles, VOLKSBANK WIEN AG has set the following priorities for 2024:

- » Targeted development of employees and creation of a systematic framework for this purpose:
 - Extension of existing management training
- » Positioning as an attractive employer to achieve employee loyalty and acquire external talent and experts:
 - Development of young talent pool
- » Consistent use of employee feedback as a development driver for the organisation and executives:
 - Improvement of the 2023 NPS value
 - Evaluating and deducing measures from the 2023 employee survey
- » Creating a framework for meaningful work and supporting work-life balance:
 - Continuation of initiatives that demonstrate that meaningful work is practiced at Volksbank
- » Full equality and recognition:
 - Continuing increase of the share of female executives between 31 December 2021 and 31 December 2025 by 10 %.
 - Decrease of equal pay gap

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ELECTED WORKS COUNCIL MEMBERS REPRESENT THE INTERESTS OF EMPLOYEES WITHIN THE VOLKSBANK WIEN AG GROUP.

Sustainability is an essential factor of success for any competitive business and, above all, an important instrument to strengthen the confidence of employees in their own company. The works council members of the VOLKSBANK WIEN AG Group are committed to sustainable principles:

Sustainability principles of the works council members

The works council members of the VOLKSBANK WIEN AG Group

- » represent, protect and promote the labour-law-related, economic, social, healthcare-related and cultural interests of the company's employees,
- » live up to and represent the principle of non-discrimination,
- » act as partners for the sustainable development of the company's corporate culture,
- » are committed to representing the interests of all employees,
- » attend to conflicts with a view to a reconciliation of interests, and
- » are committed to employee representation through elected works council members throughout the Group.

14 elected works council members (among them 6 women) in VOLKSBANK WIEN AG (Separate) represent the interests of all employees of VOLKSBANK WIEN AG. This means that 100 % of employees are covered by employee representatives (works council). 6 works council members (2 men, 4 women) were delegated by the works council to the Supervisory Board of VOLKSBANK WIEN AG and various Supervisory Board committees.

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*Strong
representation of
employee interests.*

	Unit	2023		2022		2021	
		S	G	S	G	S	G
Works council members	Number	14	24	14	24	14	24
Works council members on the Supervisory Board and in various committees	Number	6	6	5	5	5	5

Health	Unit	2023		2022		2021	
		S	G	S	G	S	G
Sports sections	Number	6	6	6	6	8	8
'Aktiv' programme courses	Number	2	2	2	2	2	2
Participants 'Aktiv' programme	Number	58	58	66	66	72	72

To protect employees' interests, employer/works council agreements are worked out, negotiated and concluded by the works council. Measures in the sphere of employee healthcare and safety are organised by the works council for the major part (e.g. health check, influenza and TBE immunisation, eyesight test). A company doctor is present at the VB Forum once a week. At the suggestion of the works council, employees were given the opportunity to take part in a smoking cessation seminar free of charge.

The works council includes the position of women's representative/equal treatment officer. In case of need, employees may contact this person in all confidence. There is an employer/works council agreement on the prevention and reduction of workplace bullying, sexual harassment, discrimination, and the promotion of amicable conflict resolution practices.

Employees dispose of a great variety of services at favourable terms (e.g. dressmaker's shop, cleaning shop, pharmacy orders). Via the "CorpLife-Mitarbeiterwelt" (employees' world) and "corporate-benefits" platforms and directly via the works council web page, exclusive offers are made available on a regular basis to employees on culture, sports and leisure, housing as well as many renowned brands. Reduced-price vouchers from various companies can be purchased by employees at the works council secretariat. On the initiative and with the cooperation of the works council, the very complex "JobRad", or job bike, project was implemented in 2023, with over 40 bikes (e-bikes and bicycles) already financed in the Volksbank Wien AG Group. In addition, the works council organised an initiative for employees to have their bicycles checked in spring; the costs for the check and any material used were covered by the sports section of the works council, the Marketing department and the HR department. Since 2022, cultural events have been organised in cooperation with the cultural officers ("Kulturlotsen") of the ÖGB (Austrian federation of trade unions). The highlight of 2023 was an evening tour of Schönbrunn Zoo. The event was fully booked within a short space of time. Six sports sections and the "VB Aktiv" yoga and Pilates classes complete the offer. In the year under review, there were 58 participants in the "Aktiv" programme. In order to give all employees the opportunity to participate, some "VB Aktiv" events have been provided as online services, which were also widely used by employees.



IMPORTANT SUCCESSES AND RESULTS

In 2023, important successes and results were achieved at VOLKSBANK WIEN AG:

- » Numerous information events and another brochure on sustainability with a focus on circular economy support customers in the region.
- » Procurement is regional, sustainable and based on a procurement matrix.
- » Continuation of communication concept “purely Austrian company/regionality”
- » Share of financing abroad 1.82 %



GOALS

In 2023, the goals of VOLKSBANK WIEN AG with regard to regionality were the following:

- » Support for customers in the region
- » Share of financing abroad no more than 5 %
- » Personnel management has a sustainable, regional focus (employer branding)¹⁾
- » Continuation of communication line and advertising activities with focus on “purely Austrian company/regionality”



MEASURES

Measure	Time horizon	Status
Strengthening the regional economic cycles through consultancy and products	periodical	ongoing
Regional and sustainable procurement	since 2022	ongoing
Communication of regional positioning	periodical	ongoing
Focus on sustainable, regional employer branding	since 2019	ongoing

¹⁾ see chapter “Employees”

SOCIAL INFORMATION

REGIONALITY

VOLKSBANK WIEN AG operates almost exclusively in its catchment area. There are no foreign shareholders. The bank's focus is on being the sustainable relationship bank for customers in the region, thus ensuring short distances. This business model and the focus on the region reduce the risk of negative impacts on climate and the environment as well as on other ESG aspects, for example, due to environmental conditions, market circumstances and the legal framework in Austria. The core of VOLKSBANK WIEN AG's sales activities is its network of retail branches in Austria.

Regionality was defined as a core value by the managing board members of the Association of Volksbanks and constitutes an important focus in sustainability management alongside the topic of cooperatives. Cooperatives are regional because they are built on proximity and personal contact. They are usually deeply rooted in the region and among the people who live there. In this way, they strengthen regional economic cycles, ensuring straightforward supply chains, verifiable production and co-determination within the region.

VOLKSBANK WIEN AG focuses on customers in Austria. In regions close to the border, VOLKSBANK WIEN AG offers its services to selected foreign customers upon request. No active foreign expansion activities are being planned. Rather, the role as regional financial service provider is meant to be consolidated even further.

In order to ensure sustainable business management, it was defined among others that a maximum of 5 % of loans and receivables to customers are allowed to exist in neighbouring countries. A limitation was effected in this respect in the risk strategy, which is monitored continuously, with appropriate reporting to the Managing Board.



98.18 %

FINANCING
IN THE REGION.

SOCIAL INFORMATION

REGIONALITY

The business focus is on loans, deposits and payment transactions – other products or services are provided through partners.

The following table shows the regional roots of VOLKSBANK WIEN AG. Generally, with euro 5,948,161 thousand, the lending business showed a slight increase in the 2023 reporting year (2022: euro 5,623,708 thousand, 2021: euro 5,458,578 thousand), the share of regional financing in all VOLKSBANK WIEN AG financing transactions amounted to 98.18 % in 2023 (2022: 98.26 %, 2021: 97.73 %). As in the past few reporting years, the share of financing transactions in foreign countries (1.82 %) is way below the target from the risk strategy. These figures are perfectly in line with the motto “from the region for the region”. For the sake of completeness, savings deposits are shown as well; however, a clear allocation of savings deposits to financing transactions is not possible. In 2023, the amounts owed to customers (savings and other deposits) were euro 6,554,231 thousand (2022: euro 6,764,572 thousand, 2021: 6,921,758 thousand).

Regional investment and share of foreign financing¹⁾

Euro thousand	2023				
	Regional	Foreign	Total	Regional share	Foreign share
Financing of all customers	5,839,716	108,445	5,948,161	98.18 %	1.82 %
of which private customers	2,069,061	17,417	2,086,477	99.17 %	
of which SMEs	2,788,824	12,376	2,801,200	99.56 %	
of which corporate customers	277,741	48,523	326,264	85.13 %	
of which others	704,090	30,129	734,220	95.90 %	
Savings deposits and other deposits			6,554,231		
Share of regional financing in savings deposits and other deposits			89.10 %		

For more than 170 years, the Volksbanks have been local financial providers in their region. VOLKSBANK WIEN AG has maintained this focus to this day. It also lives up to its traditional values of freedom, responsibility and self-help in its private customer and SME business.

VOLKSBANK WIEN AG makes a significant contribution to the value creation of its regions by fulfilling the core functions of a bank for private households and small and medium-sized enterprises: financing investments, ensuring payment transactions, and facilitating needs-based financial investments that offer a risk/return profile appropriate to the respective goal.

Retail branches and offices

VOLKSBANK WIEN AG has six regional head offices for better market cultivation. The employees of these regional head offices are mostly from the region, they know their customers, offer regional know-how in dealings with customers, and customer-relevant decisions can be made quickly and directly on site with the customers. This results in short distances, which also leads to lower CO₂ emissions due to travel and enables a direct exchange with business operators in the region. The regional head offices organise their own events that serve to connect customers from the region – so that the added value will remain in the region.

Private customers

VOLKSBANK WIEN AG is a competent investment, retirement pension provision and housing bank for private customers. In the service business, the bank relies on cooperation partners such as TeamBank and Union Investment.

1) The catchment area of VOLKSBANK WIEN AG was extended to the whole of Austria, due to the merger with the SPARDA brand which is operating all over Austria. The entire volume of domestic financing for customers was defined as Regional.

SOCIAL INFORMATION

REGIONALITY

Small and medium-sized enterprises

With its focus on small and medium-sized enterprises, VOLKSBANK WIEN AG is working with the lifeblood of the economy in their area of operation. In Austria, this customer group not only reports the highest shares in value creation and employment, but also a high share of successful niche producers.

As a bank for SMEs, VOLKSBANK WIEN AG offers professional competence throughout the full product range of corporate financing, and in all other spheres of finance, for instance investment and subsidies. The account managers of VOLKSBANK WIEN AG have in-depth knowledge of regional customers and of prevailing local conditions, processing investment and capital loans swiftly in line with customers' needs.

Sustainable regional support for customers¹⁾

The need for action in the sphere of sustainability is constantly increasing, even for smaller companies. In order to give SMEs a helping hand here, VOLKSBANK WIEN AG and the CSR experts from respACT have launched a series of events entitled "Opportunities and challenges of corporate sustainability in practice" in 2022. A joint event on the topic of the circular economy was held in 2023 as well.

Subsidies

The funding priorities in 2023 were sustainable/regional (start-up) projects and projects with environmentally relevant (sub)aspects (financing environmentally relevant sectors or investments in sustainable energy supply, e-mobility, resource conservation, etc.). For its Corporate investment financing, VOLKSBANK WIEN AG relies on comprehensive subsidy management, from a personal consultancy approach supported by digital communication channels to subsidy settlements and sustainable management of subsidised financing in the interests of corporate customers.

Other brands of VOLKSBANK WIEN AG

Apart from the "Volksbank" brand, SPARDA-BANK and Gärtnerbank are important, valuable components of the brand strategy due to their well-established branding.

The SPARDA-BANK brand

SPARDA-Bank is a brand of VOLKSBANK WIEN AG for private customers throughout Austria. The clear focus is on servicing employees and retirees, as well as young persons, pupils, apprentices and students. SPARDA-Bank was founded as a cooperative society by railway workers for railway workers more than 85 years ago with a clear focus on employees: "The bank for people who keep the country moving." For many years, there has been close cooperation with the transport and service workers union, vida. Having been a member of the Association of Volksbanks for many years, SPARDA-Bank was merged with VOLKSBANK WIEN AG in mid-2017 and, as an independent brand, has been part of the Austrian bank ever since.

The "SPARDA Care Airbag" from SPARDA-BANK's product range is particularly noteworthy. This product is exclusively available to members of the vidahelp society to support carers and caregiving relatives. Members of vidahelp receive a purchasing account at a preferential interest rate from SPARDA-BANK for a period of six months to cover care costs or the purchase of care products.

More information is available at www.sparda.at/vidahelp

The Gärtnerbank brand

As a cooperative bank according to Schulze-Delitzsch, Gärtnerbank was founded as savings and credit institution of Wiener Gartenbau (horticultural association of Vienna) by gardeners for gardeners in 1920 and dedicated itself to servicing the Wiener Gartenbau association in Vienna and its surroundings. Ever since the merger of Gärtnerbank with VOLKSBANK WIEN AG in 2014, the work with the target groups of horticultural farms, market gardens, gardening centres and cemetery gardeners has been continued. In addition, services and support are provided to all professional institutions, such as the Chamber of Agriculture of Vienna, the federal association of commercial gardeners of Austria, Österreichische Blumenwerbung, the regional gardening associations, Wiener Bauernbund (Vienna farmers association), Junggärtnervereinigung (association of young horticulturists), as well as the various groups in Vienna's municipal districts.

1) The details are described in the chapters "Cooperative" and "Products and services".

SOCIAL INFORMATION

REGIONALITY

Gärtnerbank's customers pursue a thoroughly regional, sustainable business model by keeping the value chain within the region – Vienna and its surroundings. Production and investments take place in the region, regional professionals are hired, and the products are also delivered within the region. Hence, they are consumed and marketed locally. The financing provided by Gärtnerbank thus serves the region, ensuring short transport routes, and is also used by Gärtnerbank customers in investments for the transformation from fossil to renewable energy (biomass heating system, PV system).

Procurement, outsourcing and suppliers

Sustainable and regional procurement in facility management

75 % of VOLKSBANK WIEN AG's suppliers are from Austria. 25 % are from Germany (one supplier is from the Netherlands). In general, it can be said that transport routes are kept short and VOLKSBANK WIEN AG fulfills its cooperative mission in the region. As the central organisation of the Association of Volksbanks, VOLKSBANK WIEN AG, or more specifically, since November 2019, the newly established company VB Infrastruktur und Immobilien GmbH, is also in charge of central purchasing for all regional Volksbanks. In this context, the company sets great store by sustainable products, regional suppliers and, if possible, environmental certificates. Due to the fact that most suppliers are Austrian companies, the risk of human rights violations is rather low.

The topics of sustainability and social responsibility are firmly embedded in the business policies of printing shops and many suppliers of advertising material in particular. Moreover, the purchasing function of the Association is striving to extend its range of sustainable products. Priority is given to products made from recycled PET material. In selecting the printing shops, VOLKSBANK WIEN AG pays attention to their environmental certifications.

Framework conditions for sustainable procurement were entered into a matrix and assessed positively in an Association-wide committee in April 2022. A supplier's sustainability is evaluated by means of indicators (company headquarters located in Austria, sustainable concepts or certificates of the supplier available, location of production checked, etc.). In May 2022, the rules and regulations included in the appropriate matrices were approved within the Association of Volksbanks. These rules and regulations describe the further procedure depending on the result of the evaluation according to the matrix. In the event that offers are available from equivalent suppliers, the more sustainable supplier will be commissioned. The procurement matrix was successfully applied in 2023.

Outsourcing of organisation and IT

A very important milestone was the sale of ARZ Allgemeines Rechenzentrum GmbH to Accenture (ACN) in 2022, thereby ensuring the assistance of one of the world's leading IT service providers for long-term safeguarding and quality expansion of a modern, secure and affordable IT landscape. With the changeover to ACN, the operational quality will be successively adjusted to state-of-the-art standards and thus prepared for key strategic challenges for IT solutions in the years ahead (digitisation, regulatory matters and IT security). In addition to the Sustainability Report, ACN has undergone due diligence and is certified according to the Environmental Management System ISO 14001. The contract and the Code of Business are intended to ensure compliance with laws, rules, regulations and appropriate EGS (Ethics and Governance Standards, e.g. Code of Conduct), as well as standards of VOLKSBANK WIEN AG.

Based on the General Instruction on Outsourcing, all outsourcing activities of VOLKSBANK WIEN AG are effected according to a defined standard process. A sustainability check is part of this process. Checking for sustainability risks covers a wide range of issues, e.g. whether the service provider endangers the environment and/or biodiversity, is heavily dependent on resources such as coal, gas, oil, water, etc. or has established sustainability principles.

Short distances through regional focus.

Sustainability in communication

In order to consolidate its positioning as a sustainable regional bank, VOLKSBANK WIEN AG has defined that both PR/communications and advertising messages should pay special attention to its positioning as a purely Austrian, regional banking group. As in previous years, the focus of communications in press releases and advertorials was therefore set on Austria and regional activities in 2023 as well. Guidelines for regional sponsorships, regional Managing Board communications, and sustainable events have been implemented since 2021.

As regards advertising, cooperation with the Ski Austria ski jumping team was continued. The long-standing cooperation with the figureheads in Austrian sports conveys the pro-Austrian sentiment of VOLKSBANK WIEN AG to the public. This cooperation is reinforced by social activities, such as an online competition on ski jumping or the design of starting bibs by children in junior sports. Another partner is Österreichische Sporthilfe, which supports over 250 Austrian athletes in all regions of the country. Every year, around four athletes are presented by producing and promoting a video featuring them. They are also awarded a fee to support their sporting performance. In 2023, a competition was organised, and the ten best success stories of the athletes were presented. In this way, VOLKSBANK WIEN AG is able to establish a connection between Austria and regionality. As regards business conducted with companies, VOLKSBANK WIEN AG is only active in Austria, and within Austria mainly regionally. This is communicated by addressing regional customers in the company's advertising messages. Also, regional corporate customers are featured in blogs and social media time and again. In all areas, private customers and entrepreneurs are invited to tell their success stories using the advertising line as a basis.

An initiative newly launched in 2022 is the support of the Green Marketing Award. By sponsoring this award, Volksbank wants to increase awareness for sustainable activities and transparency in their communication. The bank once again sponsored the Green Marketing Awards in 2023, supporting participants from all regions.

In employer branding, various activities were launched to target employees from the respective regions. VOLKSBANK WIEN AG considers it important for a regional bank that employees live in the region and also come from the region.

At the beginning of 2023, VOLKSBANK WIEN AG opened its own social media channels, which disseminate regional content featuring employees from Vienna, the catchment area and Burgenland, thus promoting trust, customer proximity and regional roots.

OUTLOOK

In 2024, the topic of regionality will continue to be emphasised through various measures throughout VOLKSBANK WIEN AG. This may concern the promotion of Volksbank's positioning as a regionally sustainable bank, the bank's employer branding, in which regionality plays an important role, or the selection of suppliers, partners and projects that we support.



IMPORTANT SUCCESSES AND RESULTS

In 2023, important successes and results were achieved at VOLKSBANK WIEN AG:

- » VOLKSBANK WIEN AG awarded "1st place investment advice branch banks 2023", Vienna rating
- » SPARDA-BANK awarded "1st place overall rating" in "Austria's best current accounts (branch banks) 2022" (extended until 10/2023)
- » IMAS study regarding corporate customers: Volksbank scores with close, personal relationship of account managers with corporate customers
- » INTEGRAL study on brand awareness
- » "Unternehmer-Studie" (survey of entrepreneurs) conducted for the sixth time



GOALS

In 2023, the goals of VOLKSBANK WIEN AG with regard to customer service quality were the following:

- » Feedback from customers on products and services on a regular basis
- » Good customer advice and ease of use in the digital world of finance
- » Feedback from customers also on products and services of product partners



MEASURES

Measure	Time horizon	Status
Customer survey on products and services	periodical	ongoing
Study on Corporates	since 2018	ongoing
Further cooperation with highly qualified product partners	periodical	ongoing

SOCIAL INFORMATION

CUSTOMER SERVICE QUALITY

As the “relationship bank of the future”, Volksbank has always been interested in improving its services together with and for its customers.

Customer surveys

In line with the special importance of customer relationships, customer satisfaction surveys are important indicators of the organisation’s success. For this reason, customer satisfaction in the private and corporate customer business is measured regularly for the purpose of deriving measures from this to further improve customer service. Basically, studies are commissioned on quality assurance and improvement. The results are incorporated into strategic considerations and used for planning measures.

The results from the studies are presented and made available internally at VOLKSBANK WIEN AG and within the Association of Volksbanks. Based on these results, attempts are made to improve and further develop the respective subject areas, products and divisions to the greatest possible extent. The findings are also incorporated into the planning of projects for subsequent years.

IMAS STUDY

For several years now, the Association of Volksbanks has been obtaining the customer satisfaction survey in the SME sector from IMAS. In the 2022 study, IMAS conducted 2,500 interviews in the SME segment with annual sales in the range of euro 0-10 million throughout Austria. The aim was to explore the position of the Volksbanks.

In the opinion of the SME customers surveyed, satisfaction with the terms of payment transactions in standard business had increased during the survey period, by comparison with competitors. Similarly, compared to 2021, satisfaction was maintained in electronic banking, mobile banking app. The expertise and high quality of consultancy, the speed in answering inquiries and the close, personal relationship with corporate clients are particularly noteworthy.

In the categories

- » Fast processing of payments
- » Terms of financing
- » Innovative, modern, state-of-the-art technologies
- » Prompt response to inquiries

in the SME segment examined, Volksbank was able to improve by 1–3 % year-on-year in each case.

Austrian Society for Consumer Studies (ÖGVS)

1st place investment advice branch banks, Vienna rating

In cooperation with the ‘trend’ magazine, ÖGVS, the Austrian Society for Consumer Studies, published the independent test “investment advice branch banks 2023” in July 2023. VOLKSBANK WIEN AG was awarded first place in the Vienna category.

1st place overall rating Austria’s best current accounts (branch banks)

In October 2022, ÖGVS, the Austrian Society for Consumer Studies, awarded SPARDA-BANK the “1st place overall rating” within the scope of “Austria’s best current accounts (branch banks) 2022”. The study was extended until 10/2023.

SOCIAL INFORMATION

CUSTOMER SERVICE QUALITY

INTEGRAL Study Retail Banking Report 2023

Since 2017, INTEGRAL has been conducting a representative survey in the retail segment on behalf of the largest banking groups in Austria. Each year, 3,200 people aged 15 and over in Vienna are selected and interviewed as representative of the population.

The most important topics of the study are the perception of the brands (awareness, attractiveness, willingness to choose), the customer connections of banks, soft facts such as customer satisfaction and mobility or use of products and channels.

For VOLKSBANK WIEN AG, the data collected in 2023 show the following picture:

- » Stable share as main bank
- » Stable customer share
- » Stable situation with regard to people's willingness to choose the bank as alternative main bank
- » Slight decline in customer satisfaction as compared to 2022, but values are still at a high level: Volksbank ranks among the top three banks again in 2023.
- » Stable situation in terms of product customer share
- » More Volksbank customers tend to be multichannel customers; they enjoy the convenience of digital channels for banking transactions, but also still visit the retail branches. They are also less likely to consider banking with big digital companies like Amazon, Facebook or Instagram.



Volksbank Unternehmer-Studie

In 2023, Volksbank's Unternehmer-Studie, or survey of entrepreneurs, addressed the topics of sustainability, success factors, main bank relationship, satisfaction with being an entrepreneur, and plans for the future. Together with the Austrian Gallup Institute, 1,000 self-employed persons throughout Austria were again interviewed for this statistically representative survey. The results show that social responsibility, sustainability and regionality are the top three priorities of Austrian entrepreneurs.

Product partner of VOLKSBANK WIEN AG

ERGO



First place "Service Champion 2023"

In 2023, the analysis company Service Value once again conducted a broad-based customer survey on the service experience. A total of 250,000 customers were interviewed. ERGO was able to assert itself as the industry winner in the insurance segment for the ninth consecutive year and was thus also "Service Champion" in 2023. With a service experience score of 77.2 %, ERGO Versicherung noticeably exceeds the industry average of 69 %, clearly ranking first within the industry. In addition, ERGO again secured the "gold" rank in the overall ranking of all companies. Overall, customer reviews on 28 Austrian insurance companies were considered in the ranking.

SOCIAL INFORMATION

CUSTOMER SERVICE QUALITY

Industry Monitor 2023: top positions

ÖGVS, the Society for Consumer Studies, has closely examined various insurance companies in 2023. More than 215,000 opinions were obtained from customers. As part of the "Industry Monitor 2023", ERGO achieved top rankings with four new quality seals. In the "life insurers" category, ERGO became the 2023 industry champion securing first place in the "value for money" category. In accident insurance, the company was ranked among the top 3 in three areas, namely value for money, customer satisfaction and customer service. In household insurance and motor vehicle insurance, ERGO achieved top rankings in the area of "customer satisfaction".

TeamBank: Another distinction of the quality of service and consultancy for 'der faire Credit'



For the thirteenth time in a row, TÜV AUSTRIA awarded a distinction to 'der faire Credit' for the quality of service and consultancy in 2023. This certification confirms a high degree of customer friendliness as well as an unbiased, transparent credit decision. This year, the auditors focused on the expertise of account managers in relation to the financial reserve of 'der faire Credit'. Moreover, integrating the new app in consultancy activities and the ability of customers to access their financial reserves independently were tested for the first time.

Certification of VOLKSBANK WIEN AG

VOLKSBANK WIEN AG confirmed as 'Leitbetrieb'



VOLKSBANK WIEN AG was certified as a 'Leitbetrieb' (model business) for the first time in 2019. In July 2023, the relationship bank was recertified and is considered a distinguished model business for the next two years as well. It was recognised for its sustainable corporate success, its social and ecological responsibility, and its strong focus on Austria as a business location.

OUTLOOK

In 2024, VOLKSBANK WIEN AG will continue to strive to obtain feedback on its products and services through customer surveys and studies in order to continuously improve its services for customers. This is why customer satisfaction in retail and corporate banking will be assessed regularly in future, with measures being derived for further improvement of customer service. The IMAS customer survey, which focuses on customer satisfaction among corporate customers, will also be conducted in 2024.



IMPORTANT SUCCESSES AND RESULTS

In 2023, important successes and results were achieved at VOLKSBANK WIEN AG:

- » Austria-wide image campaign with the Ski Austria men's and women's ski jumping teams
- » Creative painting competition for children to design the bibs of ski jumping stars at a ski jumping event
- » Encouragement of regionality through the "Team Kitchen for Success" category as part of the AFBA Austrian Food Blog Award
- » Cooperations on success stories in which customers of the regional banks were presented
- » Renewed participation of the bank as a partner in the Green Marketing Award



GOALS

In 2023, the goals of VOLKSBANK WIEN AG in the field of social commitment were the following:

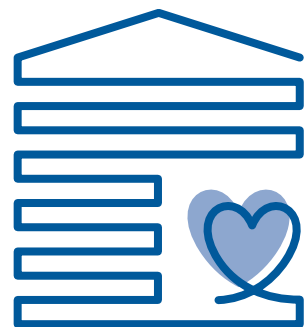
- » Promoting sports, culture and social issues, thus contributing to the common welfare in Austria
- » Further encouraging and promoting young athletes of the Goldi Talents Cup to become the best in ski jumping
- » Focus on sustainability and regionality in the context of the AFBA and the Green Marketing Award

SOCIAL INFORMATION
SOCIAL COMMITMENT

Assuming responsibility and making a contribution to the common welfare is an integral part of the vision of VOLKSBANK WIEN AG. The company considers it its mission to support social and arts facilities as well as sports associations in a spirit of partnership. The focus here is on long-term, integral concepts and mutual learning from each other.

Sponsorship is a marketing instrument allowing to support and achieve a great number of communication and business goals sustainably. The basic criteria for determining whether a cooperation is suitable and relevant for VOLKSBANK WIEN AG are precisely defined and were laid down in guidelines for regional and sustainable sponsorships.

One important concern of VOLKSBANK WIEN AG is to promote sports, cultural and social/charitable activities, thus making an important contribution to society at large. Sports and athletics play an extremely important social role in maintaining people's health. VOLKSBANK WIEN AG focuses on providing children and young people with opportunities to do sports. The targeted promotion of Austrian sports activities and the associated enhanced presence of such activities in the population may lead to increased sports enthusiasm and hence improved physical and mental fitness in the long run.

**FUNDRAISING
CAMPAIGN**

VOLKSBANK WIEN AG
DONATES TO THE
SCHOTTENHOF SOCIETY.

SOCIAL INFORMATION

SOCIAL COMMITMENT

In 2023, VOLKSBANK WIEN AG updated the guidelines, set down in 2021, on the topic of sustainable sponsorships, which describe sponsorship and promotion principles across the Association to support the regional approach. The Association of Volksbanks positions itself as a purely Austrian, regional banking association, and also as a bank that combines on-site consultancy (relationship bank) with needs-based digital services ("hausbanking"). Sponsorship activities should therefore make this positioning credible, reinforcing it. This is achieved on a supra-regional level through a long-term partnership with Austrian testimonials who represent the values of VOLKSBANK WIEN AG, as well as on a regional level through activities that transport the Volksbank values in a sustainable manner.

The following activities are examples of VOLKSBANK WIEN AG's commitment in 2023:

AFBA Austria Food Blog Award

The Austria Food Blog Award brought together influencers, food bloggers and people who enjoy food for the twelfth time in 2023. VOLKSBANK WIEN AG presented a new submission category as a sponsor: "Erfolgsrezept Teamküche" (Team Kitchen for Success) and, true to the new image campaign "Erfolg ist Teamwork" (Success is Teamwork) and its ambitions on the topics of sustainability and regionality, brought teams of cooking enthusiasts into the spotlight.

Goldi Talente Cup

Andreas Goldberger, one the most successful ski-jumpers of all times, has made it his mission to look for ski-jumping talent throughout the country. It is a special concern of VOLKSBANK WIEN AG, as a long-standing partner of the Ski Austria ski jumping stars, to sponsor the Goldi Talents Cup, thus contributing to the encouragement and support of children and adolescents who are enthusiastic about the sport. Daniel Tschofenig, a participant of the Goldi Talents Cup, is now a member of the national team and jumps to top ranks in the World Cup.

Cooperation with Österreichische Sporthilfe

Due to its great success, VOLKSBANK WIEN AG continued its comprehensive cooperation as national partner of Österreichische Sporthilfe in 2023, and is thus one of the essential partners who accompany Austrian top athletes with and without disabilities on their way to win medals in the future. Österreichische Sporthilfe also stands for the core values of the Association of Volksbanks: Trust & Partnership, Regionality & Austria, Cooperative (Successful Together). In the context of this cooperation, Volksbank is a partner in the most important award in Austrian sports, in two other gala evenings, in the largest sports festival in Europe, and also in other activities of the largest mobilisation campaign in Austrian sports.

Success stories

The customer success stories were already a great success in 2022, so they were expanded in 2023. In the context of media cooperations and a commercial campaign, Volksbank has brought numerous customers from the eight regional banks into the spotlight. This emphasizes the bank's appreciation of and commitment to regionality. In addition, the customer portraits are now a central component of the newly designed Volksbank entrepreneur blog.

Green Marketing Award

On 1 June 2023, the Green Marketing Award was presented for the second time to put Austrian model projects and campaigns for sustainable business and marketing into the spotlight. Volksbank as partner of the Green Marketing Award acted as sponsor of the "be aware" category. This was awarded to activities that create awareness for the solution of relevant problems such as soil sealing, biodiversity or human rights.

SOCIAL INFORMATION

SOCIAL COMMITMENT

Pixi booklet “Hanna lacht, die Natur ist aus Vielfalt gemacht”



For World Savings Day, VOLKSBANK WIEN AG gave away the Pixi book “Hanna lacht, die Natur ist aus Vielfalt gemacht” (Hanna laughs, nature is made of diversity) as a gift. In this little book, children aged two to six years can go on an exciting journey to discover how easy it is to find nature in everyday life. The Pixi books are available for download also after World Savings Day: [Pixi book](#).

Fundraising campaign and charity event – Verein Schottenhof

The Schottenhof society (www.schottenhof.at) has been committed to supporting mentally and physically impaired people with animal-assisted therapies since 1998. The donation campaign was initiated by the Meidling, Favoriten and Purkersdorf retail branches. A substantial donation cheque was presented at a charity event on 21 August 2023. In addition to customers, many employees of VOLKSBANK WIEN AG, VB Services für Banken as well as the sales partners ERGO, Union Investment and Team-Bank also contributed to the campaign. A total of euro 46,191.23 was handed over to the society in 2023.

First Sternenhalle Indoor Charity Run



VOLKSBANK WIEN AG was the main sponsor of the first Sternenhalle Indoor Run. At the two-day charity event in Vienna's Sternenhalle, participants supported charitable organisations by running and walking laps. The collected donations of euro 7,735 went to social projects of the organisations CliniClowns, Sterntalerhof, SOS Kinderdorf and Schottenhof.

OUTLOOK

Volksbank's cooperation with Österreichische Sporthilfe will be continued next year and enhanced with regional success stories. Moreover, the image campaign “Success is Teamwork” will be continued. The Goldi Talents Cup will be continued to build up more ski jumping talent for the future. VOLKSBANK WIEN AG clearly demonstrates that long-term partnerships ensure success. As part of its social media strategy, VOLKSBANK WIEN AG brings selected SME customers of the regional Volksbanks to the fore on further blog videos and as part of a commercial campaign. After being a partner in the Green Marketing Award for the first time in 2022, the bank will do so again in 2024.



IMPORTANT SUCCESSES AND RESULTS

In 2023, important successes and results were achieved at VOLKSBANK WIEN AG:

- » No significant fines and penalties
- » Expansion of the use of robotics in compliance processes
- » Re-evaluation of the regulations on sectors and business areas where the bank will not enter into a business relationship
- » Expansion of the Code of Conduct and training materials to include the topic of human rights
- » Policy Statement of the Managing Board of VOLKSBANK WIEN AG on the Protection of Human Rights
- » Implementation of a reporting option for external parties (e.g. customers, suppliers, applicants) on matters relating to a breach of regulations in certain subject areas



GOALS

In 2023, the goals of VOLKSBANK WIEN AG with regard to Code of Conduct and compliance were the following:

- » Avoidance of penalties and fines
- » Monitoring of measures to implement processes for the improvement of human rights
- » Update of the Code of Conduct adding new requirements



MEASURES

Measure	Time horizon	Status
Revision of a web-based training course, which also covers the requirements of the Code of Conduct	2024	being planned
Further development of technical fraud detection	by 2025	ongoing
Alignment of whistleblowing system with new legal requirements	2023	implemented

GOVERNANCE INFORMATION

CODE OF CONDUCT AND COMPLIANCE

Actively exemplifying the values of VOLKSBANK WIEN AG and the commitment to modern compliance are the mandate of the Managing Board and part of the permanent management mission across all hierarchy levels. The issue of human rights also has a high priority at VOLKSBANK WIEN AG and is taken into account in all units involved in the company's core business.

The Code of Conduct was established by the Supervisory Board and documents the values of VOLKSBANK WIEN AG in its internal and external relations (publication on the intranet and internet).

To implement the principles anchored therein and to support the bank's employees in avoiding mistakes and in strengthening the trust of customers and business partners in VOLKSBANK WIEN AG, accompanying measures have been implemented, among others:

- » a clear organisational structure with defined responsibilities,
- » structured written rules,
- » target group-oriented training with practical examples,
- » annual appraisal interviews,
- » specialised staff in the Compliance function,
- » a stringent complaints procedure, and
- » transparent and consistent sanction processes.

In 2023, the preventive measures taken again led to a high level of awareness of compliance issues and made a significant contribution to counteracting accidental violations.



98.9 %

WAS THE PARTICIPATION RATE IN THE MANDATORY COMPLIANCE TRAINING COURSES IN THE YEAR UNDER REVIEW.

GOVERNANCE INFORMATION

CODE OF CONDUCT AND COMPLIANCE

The permanent management mission plays a decisive role in the implementation of compliance issues. It is only by way of executives acting as compliance role models that a high level of integrity can be maintained among employees. The Managing Board exemplifies this approach and communicates this expectation very clearly on various occasions. Violations will be met with sanctions appropriate to the severity of the violation, the focus always being on talking to the employee concerned. Accidental violations are analysed with regard to their causes and, if necessary, repetitions are mitigated through procedural improvements or training.

Structured training and monitoring processes ensure that the fitness and propriety of the executive bodies is maintained at all times, which is why compliance topics are given high priority in the Fit & Proper training courses. The training cycle for executive bodies is two years; this ensures that all executive bodies receive regular anti-corruption training and that their specialist knowledge of aspects of corporate policy is up-to-date. As at 31.12.2023, 90.5% (19) of the executive bodies required to undergo training had completed training within the defined training cycle.

In addition, Compliance reports to the Supervisory Board and the Managing Board on the current compliance risk and on current developments in compliance issues at least quarterly.

For many years already, all new employees joining the bank are instructed about the Code of Conduct of VOLKSBANK WIEN AG by the Compliance function in the course of an onboarding event. In 2023, the training package was expanded to include a module on the protection of human rights. In the year under review, training courses on the Code of Conduct were completed by 98.6 % of those employees who were required to attend them. These training modules also include training with respect to human rights.

The Code of Conduct essentially describes the core values of VOLKSBANK WIEN AG: Trust – Integrity – Respect – Confidentiality.

Moreover, the Code of Conduct deals with selected compliance issues which also document the integrity of VOLKSBANK WIEN AG in its external relations.

The Code of Conduct is the introduction to the working instruction "Compliance Manual" and is the responsibility of the Compliance department. As regards responsible corporate behaviour with a focus on human rights, VOLKSBANK WIEN AG also has the "Policy Statement of the Managing Board of VOLKSBANK WIEN AG on the Protection of Human Rights", apart from two further guidelines, the Data Protection Policy and the Diversity Policy (see "Data protection" and "Employees"). All policies are subject to an approval process, regular risk assessments and are approved by the Managing Board.

Respect for human rights

The Code of Conduct expressly states that VOLKSBANK WIEN AG respects human rights and is opposed to child labour; this basic attitude is detailed in the "Policy Statement of the Managing Board of VOLKSBANK WIEN AG on the Protection of Human Rights", which is published on the homepage of VOLKSBANK WIEN AG. Furthermore, the Code of Conduct states that any form of discrimination will not be tolerated. Volksbank values the dignity of human beings, their rights and their privacy. Therefore, VOLKSBANK WIEN AG has joined the UN Global Compact and supports its ten principles in the area of human rights, among others. To ensure compliance with human rights in the company's core business, for example, industries and business areas have been defined where the bank will not enter into business relationships. In addition, employee training events have been carried out, and care is taken to ensure that business partners comply with human rights. A total of 152.6 hours were spent on human rights policy training as part of compliance training in the year under review.

GOVERNANCE INFORMATION

CODE OF CONDUCT AND COMPLIANCE

Undesired branches of industry and business areas

VOLKSBANK WIEN AG reserves the right not to enter into business relationships or financing transactions with industries or in business areas that contradict the bank's fundamental values. This list of industries and business areas includes, among others, business relationships related to the following topics:

- » Forced labour or child labour
- » Violations of the European Convention on Human Rights, or of obligations under social and labour law
- » Corruption
- » Violations against environmental protection in general (environmental hazards, intentional violation of environmental protection regulations, increased contamination etc.)
- » Animal testing
- » Ownership and operation of nuclear power plants or operation of final disposal sites for nuclear waste
- » Mining of coal or operation of coal-fired power plants
- » Arms deals
- » Particularly controversial forms of gambling

Undesired branches of industry and business areas are evaluated continuously and adjusted if necessary.

In case of doubt, a special approval process is initiated that Compliance is significantly involved in. In the event of discrepancies between sales units and Compliance, the matter is submitted to the Managing Board for individual approval. In this way, reputational risks due to financing transactions or investments that may be subject to criticism are largely avoided. Defining undesirable branches of industry and business areas reduces the bank's reputational risk. In 2023, the criteria for undesired branches of industry and business areas were re-evaluated.

Whistleblowing

By means of the Business Keeper Monitoring System (BKMS®), which has been implemented at VOLKSBANK WIEN AG for years, all employees have the opportunity to submit a report completely anonymously, regarding the categories of

- » Violation of regulatory requirements
- » Fraud
- » Corruption
- » Theft
- » Breach of trust/embezzlement/misappropriation.

Compliance is available for consultations and concerns related to the Code of Conduct. The Managing Board has committed itself to the fundamental protection of the whistleblower and the persons mentioned in the hint. Information on the BKMS® and on access data is available to all employees on the Compliance intranet site and is communicated in numerous training sessions.

As part of the implementation of the requirements of the Whistleblower Protection Act, a reporting channel has been set up for reports by external parties (e.g. suppliers, applicants, etc.). The procedure for reports received via this reporting channel corresponds to the established procedure for whistleblowing reports. The process also provides for the involvement of Internal Audit as an independent investigator in any investigations that become necessary.

Employees are informed about the possibility of providing information via a whistleblowing platform as part of regular training.

The protection of whistleblowers in cases of reasonable suspicion as well as of accused persons is a valuable asset. This also includes protecting whistleblowers among our own employees from retaliation. By introducing the BKMS®, the Managing Board of VOLKSBANK WIEN AG has already committed itself to the protection of those involved; until there is reliable evidence to the contrary, the presumption of innocence applies to the accused.

GOVERNANCE INFORMATION

CODE OF CONDUCT AND COMPLIANCE

Prevention of corruption and bribery

VOLKSBANK WIEN AG pays great attention to actively fighting corruption and bribery. Through appropriate rules, in particular on accepting and granting benefits or on the handling of donations and sponsorships, the bank ensures participation in business life and minimises the risk of criminal offences or damage to its reputation. The Compliance department monitors adherence to the rules and counters violations with appropriate measures. As in the previous year, no cases of corruption were found in 2023; no employees had to be dismissed or subjected to disciplinary measures in this respect, and no contracts with business partners had to be terminated.

Employees are made aware of applicable anti-corruption regulations through compliance training and circulars. In the 2023 financial year, the training courses with anti-corruption content were completed 1,544 times. As a result, 99.0 % of the employees who were required to attend these training courses have completed them.

As in the previous year, the bank (Group perspective) did not have to pay any fines or penalties in 2023, nor were there any significant violations of product information and advertising standards. The measures implemented for 2024 are also aimed at avoiding any substantial fines and penalties, thus keeping the associated reputational risk as low as possible.

Sponsorships

VOLKSBANK WIEN AG supports sporting, cultural, social or charitable events or organisations in the form of sponsorship within defined limits (see section "Social commitment"). Nevertheless, these limits allow the company to make a valuable contribution to regional social

life in Austria. For example, the values represented by the events, groups or organisations that we sponsor must not conflict with the values upheld by VOLKSBANK WIEN AG. Without a culture of sponsorship, any business strategy would be affected by reputational risk that might negatively impact on the company.

Lobbying

VOLKSBANK WIEN AG is not involved in any lobbying activities within the meaning of the lobbying act.

Anti-competitive behaviour, cartel arrangements or monopolistic practices

No complaints were filed against VOLKSBANK WIEN AG for anti-competitive behaviour, cartel arrangements or monopolistic practices.

Sustainability in the Code of Conduct

The importance of sustainability was set down in the Code of Conduct of VOLKSBANK WIEN AG. In this way, VOLKSBANK WIEN AG manifests its commitment to acting sustainably.

Information, communication and public relations

VOLKSBANK WIEN AG sets great store by the accuracy and completeness of the information prepared and documented by it. All matters that VOLKSBANK WIEN AG gets to know about within the scope of its activity will be treated as confidential in accordance with statutory requirements.

Awareness raising

In 2023, VOLKSBANK WIEN AG and its customers were again increasingly exposed to various forms of cyber-crime. In addition to technical measures to prevent criminal acts, employees and customers were sensitised in numerous information sessions regarding crime patterns. Compliance is involved in the processing of cases from a procedural point of view and develops targeted preventive measures, in cooperation with various specialist departments, primarily based on analysing past incidents.

GOVERNANCE INFORMATION CODE OF CONDUCT AND COMPLIANCE

*We assume
responsibility and
create trust.*

Data protection

In the area of customer data protection, there were no substantiated complaints from external parties or from supervisory authorities. In the reporting year 2023, VOLKSBANK WIEN AG received 43 data protection-related inquiries, 20 % less than in the previous year. 68 % of the requests were made by court-appointed adult representatives on behalf of their clients in order to obtain a free overview of the assets of the person under guardianship. All inquiries were processed by the data protection team in a timely manner. There was no obligation to report data breaches to the data protection authority under Art. 33 GDPR.

Inquiries break down as follows:

- » 35 requests for information under Art. 15 GDPR
- » 7 requests for erasure under Art. 17 GDPR
- » 1 Objection

As regards responsible corporate behaviour with a focus on human rights, VOLKSBANK WIEN AG has established a number of guidelines. As regards data protection, which is a human right, a Privacy Policy is in place. The Data Protection Officer is responsible for this policy; it was revised in May 2023, and a separate privacy statement for online services was prepared. The policy published on the internet is subject to an approval process and was approved by the Managing Board.

The Data Protection Officer of VOLKSBANK WIEN AG, Herbert Kühne, can be reached at:
datenschutz@volksbankwien.at

Management of complaints

Complaint management is controlled centrally by the Compliance department. This ensures that an accumulation of complaints is quickly identified and appropriate countermeasures can be initiated. The Capital Market Compliance Officer is informed directly about incoming complaints relating to capital market compliance, including the reason for the complaint.

VOLKSBANK WIEN AG considers complaints as an opportunity to improve existing processes. The bank also attaches great importance to the rapid and transparent handling of all complaints to further strengthen customer loyalty.

All employees are trained via e-learning to respond to complaints correctly; this includes ensuring that complaints are consistently recorded. As part of its permanent management mandate, management monitors implementation and focuses on the positive aspect of complaints.

At VOLKSBANK WIEN AG complaints may be submitted orally or in writing using all communication channels. As a general rule, due to knowledge being available about business processes and the facts relevant to the complaint, the branch or unit where the incident occurred will best be able to help quickly and efficiently. If no solution is found at this level, or if the customers feel that this is not expedient, it is also possible to contact the ombudsperson's office of VOLKSBANK WIEN AG: ombudsstelle@volksbankwien.at

OUTLOOK

In 2024, further measures will be elaborated to prevent white-collar crime. We plan to re-evaluate the Code of Conduct in 2024.



GOALS

In 2023, the primary goal relating to sustainability was to continue the incorporation of ESG risks into the risk processes. The focus was on identifying and assessing ESG risks for the main risk types at VOLKSBANK WIEN AG, especially within credit risk.



IMPORTANT SUCCESSES AND RESULTS

In 2023, important successes and results were achieved at VOLKSBANK WIEN AG:

- » Survey of ESG risks across the Association with all risk owners concerned
- » Development of a questionnaire for the survey of ESG risks at customer level and associated with implementing an ESG Score
- » Updating the longer-term climate scenario with a focus on credit risk within the scope of the bank's internal stress test
- » Gap analysis on Task Force on Climate Related Financial Disclosures (TCFD) and ESG data as well as evaluation of external suppliers
- » Continuation of the data project to cover ESG data requirements for bank steering and risk management, as well as sustainability reporting and disclosure
- » Initiatives regarding Austria-wide ESG databases, especially for SMEs, including involvement in the ESG questionnaire of the OeKB tool for the tourism industry (OeKB > ESG Data Hub)
- » Labelling of sustainable financing (especially real estate financing)
- » Continued development and annual update of ESG heat maps
- » Continued focus on (acute/chronic) physical risks and transitory risks
- » Expansion of reporting on internal stress test to include (acute/chronic) physical risks
- » Regular quantification of ESG risks within the scope of the risk-bearing capacity calculation in selected risk types

GOVERNANCE INFORMATION

RISK MANAGEMENT

Developments in risk management

Assuming and professionally managing the risks associated with the business activities is a core function of every bank. In its capacity as central organisation of the association of credit institutions under section 30a of the Austrian Banking Act, VOLKSBANK WIEN AG performs this central task for the Association of Volksbanks for the latter to have in place administrative, accounting and control procedures for the recognition, assessment, management and monitoring of the risks associated with banking transactions and banking operations as well as of the remuneration policy and practices (section 39 (2) Austrian Banking Act).

The business model requires risks to be identified, assessed, measured, aggregated and controlled effectively. Risks and capital are managed by means of a framework of principles, organisational structures as well as measuring and monitoring processes that are aligned with the activities of the departments and divisions. Based on its function as the central organisation of the Association of Volksbanks, VOLKSBANK WIEN AG is responsible for drawing up the risk strategy of the Association. The risk strategy of the Association provides for consistent general conditions and principles for uniform risk management and ensures that the risk-bearing capacity is guaranteed at all times. On the one hand, the risk strategy of the Association maps ESG risks via a specially formulated sub-risk strategy; on the other hand, important findings from the risk identification and assessment process are described in the sub-risk strategies for existing risk types. The sub-risk strategy for ESG risks was defined at the level of the Association and is applied to all affiliated banks as part of the local risk strategies. The risk strategy is reviewed for up-to-dateness and adequacy at least annually and adjusted to the respective current general conditions.

Based on the business model of the Association of Volksbanks, a breakdown by risk type and risk position is made. For credit risk as a key risk driver, in particular, the Association of Volksbanks has taken measures to identify, assess and manage ESG risks.

The Association of Volksbanks and its affiliated banks act in accordance with the highest ethical and professional standards and are therefore committed to conducting lending business in a sustainable and responsible manner. For this reason, we do not enter into business relationships in sensitive areas that conflict with this claim. For traders in ethically questionable industries and business areas, business relationships or financing are not possible or only possible in accordance with the rules of conduct specified by Compliance (see chapter "Compliance" and ESG disclosure under the CRR, including chapter "Risk management", Qualitative disclosures on corporate governance risks, lit. d).

Furthermore, in the context of lending, attention is paid to the protection of the environment and the sustainability of social concerns. Financed transactions must comply with environmental regulations. For this reason, no business is conducted in environmentally or socially harmful sectors.

GOVERNANCE INFORMATION

RISK MANAGEMENT

ESG score and lending process

A separate scoring system was developed for assessing the risks associated with ESG factors at the level of the individual borrower, which is applied to Corporate and Real Estate customers depending on credit exposure. By means of the assessment of soft facts by the account managers, the risks associated with ESG factors as well as the risk-mitigating measures taken by the customers are evaluated in the context of an ESG score. The soft facts, which are tailored to the customer segments, cover all three risk aspects (environmental, social and governance), including environmental risks not associated with climate risks (such as loss of biodiversity).

The ESG score is designed to take into account both industry risks and customer awareness and actions in relation to ESG factors. In quantitative terms, the additional assessment of customer-specific soft facts (evaluation of qualitative information), in addition to industry-specific ones, results in an ESG score, which can subsequently be used to classify and analyse ESG risks at portfolio level and as additional information during the lending process. There are currently no plans to link the value of the ESG score directly to the customer-specific credit decision, as no sufficient time series analyses based on the data collected are available yet.

An assessment of the risks associated with ESG factors takes place within the scope of the lending and monitoring processes. The assessment of the borrower's ability to service the debt is generally made taking into account the borrower's current and future financial circumstances, whereby risks to the future financial and liquidity position must be included in the consideration. The credit decision

must therefore also take transitory and physical environmental risks into account. The manufacturing, energy supply and transport sectors, in particular, are currently undergoing a major transformation process with regard to the reduction of CO₂ emissions. For customers in these sectors, the front office statement should therefore address – in addition to the risks from the ESG score – the extent to which costs/efforts for high CO₂ emissions or for the transformation towards low CO₂ economic activity are incurred by the customer. In doing so, onerous or hazardous aspects in relation to the customer's earning power and business model need to be assessed.

Moreover, the statement must address if a financed property is located in a danger zone (e.g. flood, avalanche danger, earthquake). As it may be assumed that there is insufficient insurance cover for properties in danger zones, an assessment must be made as to whether there are reserves in the customer's financial position to cover any losses.

Physical climate risks in financing

In 2023, the Association of Volksbanks increasingly addressed physical climate risks in financing. We have been analysing and evaluating climate data for some time now. In the reporting year, more far-reaching approaches were developed and, taking additional account of scientific information sources, industry-specific derivations were made possible.

Physical climate risks can affect both customers' business models and (in particular) immovable collaterals. For this reason, physical climate risks were considered using two approaches:

- » **Property location analyses** are used to assess risks associated with financed real estate or real estate collaterals.
- » **In-depth sector analyses** are used to analyse financed sectors that are particularly exposed to climate risk.

GOVERNANCE INFORMATION

RISK MANAGEMENT

Overview of property location analyses – climate risks & exposure

The starting point for the risk analysis was acute (such as heavy precipitation, landslides or forest fires) and chronic climate hazards (such as heat or water stress). Future-related climate scenarios were used to assess the sensitivity of customer locations or immovable collaterals to climate hazards. Based on this, around 16 % of locations can be considered sensitive to climate risks. The focus here is on acute climate risks, with exposures in western Austria being particularly affected.

Adjustment options & risk management

The Association of Volksbanks sees the continuous improvement of the data situation as a major contribution to climate resilience. More precise location-based data should enable the hotspots in Volksbank's exposure to be identified in a targeted manner and specific adjustment measures to be implemented.

Additionally, the Association of Volksbanks is working on the further integration of physical and chronic climate risks into the real estate-related risk strategy. The Risk Appetite Statement is used to monitor exposure to physical risks.

Overview of in-depth sector analysis (using the example of tourism) – Climate risks & exposure

The tourism industry represents a significant financing sector. Together with its customers, the Association of Volksbanks aims to finance sustainable tourism projects and ensure climate resilience in its financing. In the west and south of Austria in particular, there is a dependency on winter tourism. The natural snow cover duration and snow depth, especially in the west and south of Austria, have decreased significantly at all altitudes since 1950.¹⁾ Evaluations also show that the risk of heavy rainfall in small areas, flooding, thunderstorms and hail has increased. At the same time, chronic temperature changes are leading

to longer summer seasons and thus to a potential expansion of Alpine summer tourism. Accordingly, physical climate risks can have a significant impact on customers' business models in the tourism sector. In order to ensure a data- and science-based starting point, Volksbank based its analysis on climate scenario evaluations from the APCC Special Report Tourism and Climate Change.²⁾

Adjustment options & risk management

To integrate sector-specific climate risks into the lending process, the Association of Volksbanks has integrated physical climate risks in the sector strategy for tourism and the leisure industry. Industry knowledge and future-oriented climate scenarios should enable sustainable and risk-conscious growth in tourism. Based on the sector strategy, awareness is raised in sales and customer service to ensure sufficient risk awareness in lending.

Stress testing and ICAAP

As part of the internal stress test, ESG-related scenarios have been simulated since December 2020. The specific design of the Volksbank-specific, Austria-specific stress scenario is reviewed for each stress test cut-off date and redefined on the basis of current events. This scenario generally takes into account both physical and transitory climate risks. Since the reporting date of 31 December 2021, the effects of a longer-term climate scenario with a focus on credit risk have also been reported. This scenario also takes into account the effects of long-term scenarios of the Network for Greening the Financial System (NGFS).

1) APCC Special Report, Tourism and Climate Change, https://tourismus.apcc-sr.ccca.ac.at/wp-content/uploads/2021/02/ASR19-Zusammenfassung_fuer_Entscheidungstragende.pdf

2) https://tourismus.apcc-sr.ccca.ac.at/wp-content/uploads/2021/02/ASR19-Zusammenfassung_fuer_Entscheidungstragende.pdf

GOVERNANCE INFORMATION

RISK MANAGEMENT

The integration of ESG risks in risk frameworks and in the internal capital adequacy process is continuously being expanded based on the insights gained. For example, ESG risks are regularly analysed and reassessed as part of the risk inventory using ESG heat maps. The ESG heat map is a tool to identify, analyse and assess the materiality of ESG risks and/or their risk drivers. In the ESG heat map, various risk events (e.g. increased costs due to CO₂ taxes, extreme weather events such as heat, drought, floods and storms, biodiversity loss, water stress and land use, etc.) are described and evaluated for all relevant risk types of the Association of Volksbanks. The risk events included in the ESG heat map are derived from the United Nations Sustainable Development Goals (SDGs). The assessment of the impact of risk events is based on a medium- to long-term horizon of five to ten years. Any periods beyond that will be considered within the scope of the longer-term climate scenario based on the NGFS scenarios until 2050. The effects of these NGFS scenarios are consolidated within the period of ten years considered in the internal stress test. Short-term effects for the period of up to three years will additionally be taken into account in the individual stress scenario.

The ESG heat map is used, for example, to analyse the loan portfolio on the basis of individual industries. The result of these analyses is the mapping of ESG risks in the context of the risk inventory. On the basis of the risk analyses, steering impulses and needs for action are derived.

Although ESG risks can be material in principle, based on the available results, they represent a manageable risk for the Association of Volksbanks. Nevertheless, the Bank focuses on initiatives for the sustainable management of ESG risks (e.g. reduction of financed emissions; for more details on the materiality assessment of ESG risks, please refer to the ESG disclosure in accordance with the CRR as at 30.06.2023, in particular Chapter 3 Risk management, Qualitative disclosures on environmental risks, lit. o).

Significant enhancements of the data basis

To achieve the strategic plans and ensure the requirements for ESG data, the Association of Volksbanks set up an ESG data project in Q4 2022 – to continue and expand the topics addressed by the finished Sustainability Project. Due to the business model of the Association and the materiality of credit risk, the focus here is on the credit portfolio. The aim is to bundle the data requirements for internal control, risk management, sustainability reporting and regulatory disclosure and to integrate them in the existing data collection processes in a structured manner. Building on the measures taken in 2022 (including implementation of ESG scoring, collection of energy certificates, expansion of the documentation requirement for climate and environmental risks as part of the property valuation process), numerous enhancements were achieved in 2023:

- » Quantification of acute/chronic physical risks in the credit portfolio
- » Collection of CO₂ emissions (Scope 1, 2 and 3) for the loan portfolio (in line with the PCAF standard)
- » Labelling of sustainable financing
- » Evaluation and selection of IT tools to expand the ESG database and further develop risk assessment.

GOVERNANCE INFORMATION
RISK MANAGEMENT

Assessment of ESG risks of customers since 2022.

A more detailed description of risk management, risk policy principles, the organisation of risk management and regulatory requirements as well as material risks can be found in the Annual Report of the Association of Volksbanks and of VOLKSBANK WIEN AG as well as in the disclosure pursuant to the CRR.

OUTLOOK

Continuous enhancement of methods and models

Based on the insights already gained, the Association of Volksbanks aims to continuously develop its methods and models in connection with the identification, measurement and management of ESG risks and to further expand the creation of an appropriate data basis. The main focus is on improving the methods to quantify physical risks and to determine CO₂ emissions. Based on this and in line with the strategic orientation of the Association of Volksbanks, additional risk indicators are going to be developed that adequately reflect and limit the extent and development of the ESG risks inherent in the existing risk types.

The expansion of the data base is also an important factor for risk management. To this end, the Association of Volksbanks is working, for example, on improving climate data for location-based climate risk analyses. For the purpose of increasingly analysing and systematically considering industry-specific climate risks, industry knowledge on the effects of climate change is to be further deepened and awareness created.



IMPORTANT SUCCESSES AND RESULTS

In 2023, important successes and results were achieved at VOLKSBANK WIEN AG:

- » Data security issues were reported by the CISO (Chief Information Security Officer) in Managing Board and Supervisory Board meetings.
- » Security measures were adapted to new threats.
- » The training content was adapted to new circumstances.



GOALS

In 2023, the goals of VOLKSBANK WIEN AG with regard to data security were the following:

- » Report of the CISO on data security in Managing Board and Supervisory Board meetings
- » Maintaining and improving defined safety levels
- » Maintaining and improving the IT security skills of employees

GOVERNANCE INFORMATION

DATA SECURITY

Banking transactions are a matter of trust. We consider the trust of our customers in the Volksbank brand as an obligation to pursue a comprehensive, diligent and responsible approach to the topic of data security, in order to avoid any violation of personal rights of customers and employees, and the associated reputational risks.

Aiming for a consistently standardised level of security is of utmost importance to VOLKSBANK WIEN AG. With a security strategy adapted to today's threats, the bank is fit for the future. VOLKSBANK WIEN AG considers the following to be key aspects of data security and the fight against cyber-crime:

- » a secure IT landscape,
- » an optimum response to incidents,
- » comprehensive training of employees, and
- » stringent contracts with business partners.

IT security

IT security strategy and initiatives are defined centrally by VOLKSBANK WIEN AG by the CISO together with the other banks in the Association of Volksbanks. Binding requirements for VOLKSBANK WIEN AG employees are described in the form of guidelines, and compliance is regularly reviewed by the Security and IT Risk Management team. New laws, requirements and recommendations are included in the respective policies. All policies are accessible to all employees at any time on the intranet. Should any vulnerabilities be found by the Security and IT Risk Management team, they will be eliminated based on the respective risk. Security incidents are managed centrally at VOLKSBANK WIEN AG and will subsequently be included in the training of employees and customers.

During the period under review, no data leaks, theft or loss of customer data were found by the IT Security function. In case of outsourced IT services, the relevant IT security requirements are imposed upon the supplier.

Response to security incidents

Despite the greatest efforts and investments in preventive measures to ward off malicious attacks, a security incident can never be completely ruled out. Should such a case occur, it is essential to respond appropriately, thus reducing the amount of loss to a minimum. The correct handling of security incidents at VOLKSBANK WIEN AG therefore follows appropriately defined processes (incident and emergency management) and is practiced on a regular basis.

GOVERNANCE INFORMATION

DATA SECURITY

Training of employees

Another important aspect is awareness raising among employees and customers of VOLKSBANK WIEN AG on the topic of information security. New employees will be invited directly to attend the information security training which must absolutely be completed by all employees of VOLKSBANK WIEN AG every year. All employees are aware of the confidentiality of customer data and have signed a non-disclosure agreement.

Training Information Security	Unit	2023		2022		2021	
		S	G	S	G	S	G
Proportion of employees who have been trained in information security	%	100	100	100	100	99	98

These training measures lead to enhanced IT security skills among employees of VOLKSBANK WIEN AG, which in turn contribute to raising customers' awareness of the topic of IT security through direct communication with them in counselling sessions.

Stringent contracts with business partners

No transmission of customer data will take place except within the scope of contract performance and observing statutory requirements. The data are encoded during transmission, depending on their security classification. The recipients are obliged under the contract to observe confidentiality and data security. Business partners and also employees of VOLKSBANK WIEN AG who need to inspect or have access to sensitive company data must submit to appropriate non-disclosure obligations in other spheres as well.

Outsourcing agreements are reviewed, regularly monitored and controlled in terms of their compliance with the law and international security standards (e.g. ISO 27001), in order to reduce the risk of non-performance, to protect the bank's reputational risk and the personal rights of customers and employees.

OUTLOOK

In order to continue to be perfectly prepared for the increasing threats, the bank's information security function will be further expanded in the coming years.





IMPORTANT SUCCESSES AND RESULTS

In 2023, important successes and results were achieved at VOLKSBANK WIEN AG:

- » Increase in online product transactions in hausbanking (+314 %), online savings (fixed-term deposits +8,880 %)
- » Increase in mobile payment (pay app): +74 % use of digital cards and introduction of LAKS PAY (contactless payment)
- » 29 active robotics processes with 208,025 transactions and 842 person days (PD) of time saved for the bank



GOALS

In 2023, the goals of VOLKSBANK WIEN AG in the area of digitisation were the following:

- » Use digitisation to save resources and protect the environment (saving CO₂, time, paper)
- » Strengthening employee awareness on digitisation and development of digital mindset
- » Increase in digital signature (advanced and qualified signature)
- » Expansion of Opti-Channel approach to processes and consultancy
- » Expansion of robotics processes to increase efficiency



MEASURES

Measure	Time horizon	Status
Increase of product and service orders in "hausbanking" (optimisation and new service orders)	2018 – 2025	ongoing
Use of qualified electronic signature (QES) in the customer section (Phase 1 = selected forms or transactions for private customers)	2022 – 2024	Phase 0 and Phase 1 done, Phase 2 (expansion UseCases) was prepared
Piloting of a biometric signature solution (FES) at VBW with selected specialist departments	2023	completed
Development and support of the Digi-Community	2023	completed
Expansion of robotics team and increase in processes	2023	completed

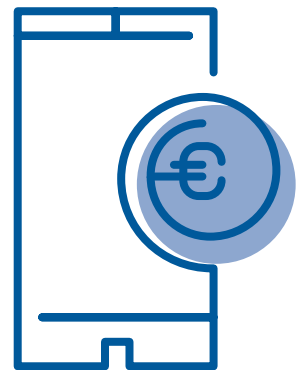
GOVERNANCE INFORMATION

DIGITISATION

The Digitisation department of VOLKSBANK WIEN AG supports the business model with digital products and services as well as Opti-Channel networking. A consistent focus on expanding excellent and digitally supported consultancy and creating an outstanding Opti-Channel customer experience are key success factors. Customer processes are optimised and enable customers to save time – this is measured on an ongoing basis using key performance indicators. Internally, specific measures are taken to promote the digital mindset of employees and to strengthen awareness of digital solutions.

The development of the online processes includes the optimisation of the new customer closing procedure when opening an account, the enhancement of the online account switching service and the provision of new service orders in “hausbanking” (e.g. online fund savings). With strategic partners such as TeamBank, ERGO and Union Investment, the digital product range is being continuously expanded and existing product solutions are also being made available in the online channel. The use of online product sales increased by +314 % in 2023. Customers were particularly impressed by the ease and speed with which online fixed-term deposits can be taken out in hausbanking (+8,880 %).

The use of “hausbanking” (internet banking of the Volksbanks) was further expanded in 2023. The number of active users (login within the last 90 days) increased by +2.8 % compared to the previous year and the number of mobile logins increased by +13.2 %. In total, the use of “hausbanking” service orders at VOLKSBANK WIEN AG saved 960 days of customer time (travel time, call duration, processing).



+ 314 %

INCREASE IN
SELF-SERVICES (ONLINE
PRODUCT TRANSACTIONS)
IN HAUSBANKING.

GOVERNANCE INFORMATION

DIGITISATION



+ 1,032 %

INCREASE IN
ROBOTICS PROCESSES
BY RPA TEAM.

In 2023, the robotics team of VOLKSBANK WIEN AG was able to implement a total of 29 active robotics processes with over 208,000 transactions, saving 842 person days (+ 1,032 % compared to the previous year)¹⁾. This automation enables the back office units in particular to be relieved.

To strengthen employee awareness, in addition to the development of knowledge management content, the exchange of knowledge via roadshows, online training courses, community calls and "hausbanking" tips was promoted as well. A digital ambassador for each branch is the first point of contact for customers to get to know digital services or to increasingly use digital products themselves in future. The digital ambassadors also act as multipliers in the retail branch and pass on their expertise on digital products and services to other employees in the branch.

As part of the design of a new banking app, the views and needs of customers were increasingly integrated in 2023. The participants in the usability test represented different types of customers of the Association of Volksbanks (age, gender, profession). In the future, all age groups should have equal access to digital services and receive the best possible support in handling and using them.

OUTLOOK

In 2024, further measures will be taken to advance the digital transformation and increase the level of digital maturity, and to prepare the use of artificial intelligence or pilot the use of AI in a safe environment. The new IT service provider Accenture will make a significant contribution following the rebuilding of the infrastructure and modernisation of the necessary interfaces and/or the provision of additional services and tools (around M365). The expansion of online processes (for existing and new customers) is being pursued further, and the expansion of digital self-services for all customer groups is being extended.

In 2024, a special focus will be placed on introducing and intensifying the digital target group approach. The aim is to strengthen the networking of the activities of account managers in the branches with the digital channels (hausbanking, websites, etc.) and to measure their effectiveness using defined key figures.



ANNEX / APPENDIX GOVERNANCE BODIES

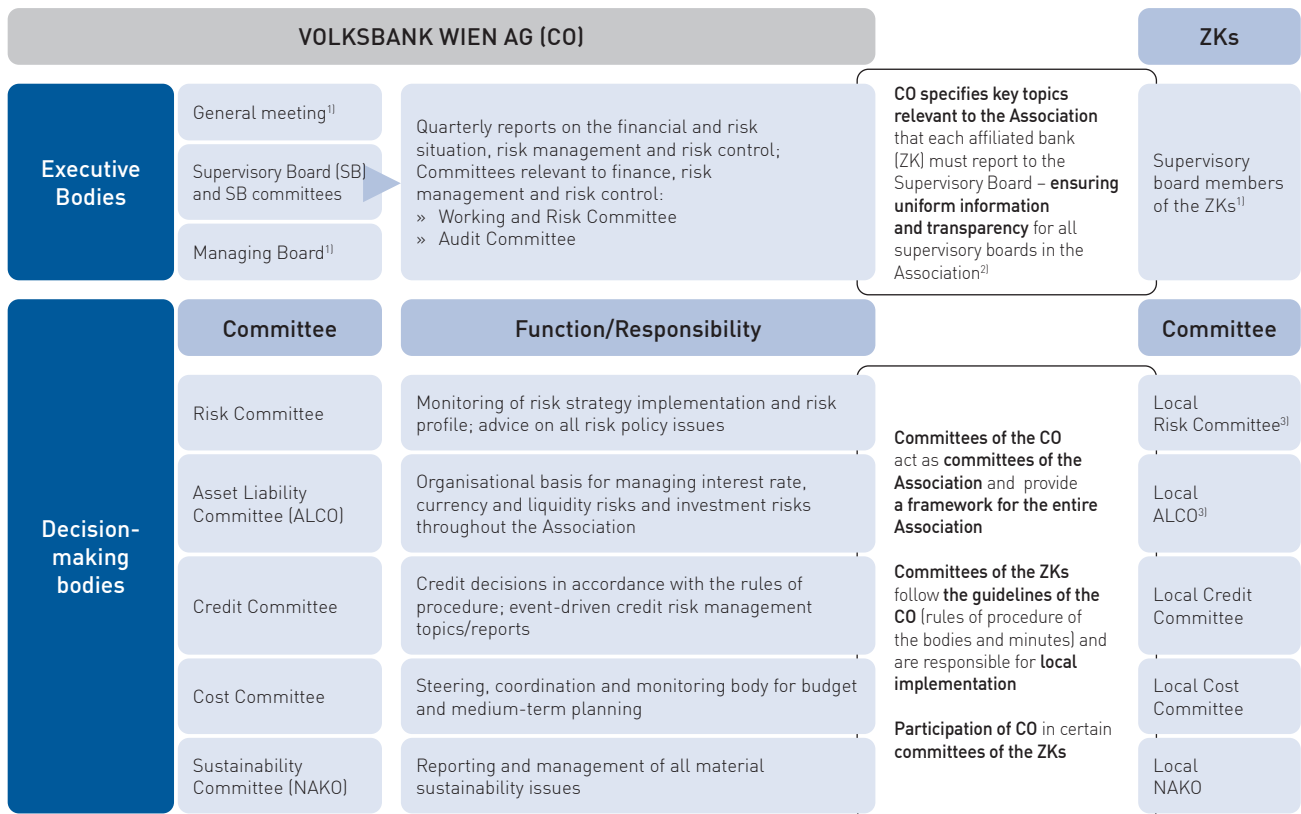
Governance structure and composition of the highest governance body

VOLKSBANK WIEN AG

Name	Initial appointment	Position	Current mandate ¹⁾ from to		Effective number of mandates	Independent yes no		Occupation
Aichinger Wilfried	12.05.2023	Member	12.05.2023	GM 2028		x		Business consultant
Management functions					4			
Supervisory functions					2			
Althaler Susanne	06.08.2015	Member	27.04.2023	GM 2028		x		Head of Consulting Financial Service Industry (retired since 2019)
Management functions					0			
Supervisory functions					3			
Baier Andrea	01.06.2022	Member	18.04.2023	24.11.2025		x		Works council of VOLKSBANK WIEN AG
Management functions					0			
Supervisory functions					1			
Berger Harald	27.04.2023	Member	27.04.2023	GM 2028		x		Regional Director Southern Burgenland at VOLKSBANK WIEN AG (retired since 2021)
Management functions					0			
Supervisory functions					2			
Bruckner Johann	27.04.2023	Member	27.04.2023	GM 2028		x		Attorney-at-law
Management functions					0			
Supervisory functions					2			
Burtscher Birte	27.04.2023	Member	27.04.2023	GM 2028		x		Certified public accountant/tax consultant
Management functions					0			
Supervisory functions					1			
Donnerbauer Heribert	06.08.2015	1st Deputy	27.04.2023	GM 2028		x		Attorney-at-law
Management functions					2			
Supervisory functions					3			
Ehinger Hermann	21.07.2015	Member	18.04.2023	31.12.2023		x		Works council of VOLKSBANK WIEN AG
Management functions					0			
Supervisory functions					1			
Hegen Helmut	24.04.2018	2nd Deputy	27.04.2023	GM 2028		x		Attorney-at-law
Management functions					1			
Supervisory functions					1			
Herzog Christoph	12.05.2023	Member	12.05.2023	GM 2028		x		Director – Municipal Administration of the City of Villach
Management functions					0			
Supervisory functions					2			
Oelinger Robert	24.04.2018	Chairman	27.04.2023	GM 2028		x		Certified public accountant/tax consultant
Management functions					0			
Supervisory functions					3			
Ovesny-Straka Regina	27.04.2023	Member	27.04.2023	GM 2028			x	Chairperson of the Managing Board and CEO of Volksbank Steiermark AG (retired since 2022)
Management functions					0			
Supervisory functions					6			
Rittmann-Müller Martina	27.04.2023	Member	27.04.2023	GM 2028		x		Certified public accountant/tax consultant
Management functions					4			
Supervisory functions					2			
Rudorfer Christian	25.11.2020	Member	18.04.2023	24.11.2025		x		Works council of VOLKSBANK WIEN AG
Management functions					0			
Supervisory functions					1			
Spiegel Christiane	01.06.2022	Member	18.04.2023	24.11.2025		x		Works council of VOLKSBANK WIEN AG
Management functions					0			
Supervisory functions					1			
Übelacker Walter	27.04.2023	Member	27.04.2023	GM 2028		x		Real estate trustee, certified court expert
Management functions					1			
Supervisory functions					3			
Weber Iris	12.05.2023	Member	12.05.2023	24.11.2025		x		Works council of VOLKSBANK WIEN AG
Management functions					0			
Supervisory functions					1			
Wicha Bettina	25.11.2020	Member	18.04.2023	24.11.2025		x		Works council of VOLKSBANK WIEN AG
Management functions					0			
Supervisory functions					2			

ANNEX / APPENDIX
GOVERNANCE STRUCTURE AND COMMITTEES

The bodies and committees of VB Wien as CO form the basis & hub for the implementation of governance across the Association



1) Organisation of General Meeting and Managing Board in the CO and the individual ZKs are not explained in detail in this report; their structure and organisation correspond to the respective legal requirements

2) Additional reports, information and draft resolutions submitted to the Supervisory Board in accordance with legal and contractual requirements, supervisory regulations and the respective Articles of Association

3) Participation of the CO in Committee of ZKs

ANNEX / APPENDIX

REMUNERATION POLICY AND PROCESS FOR DETERMINING REMUNERATION

Basic salary and variable remuneration

Remuneration of Supervisory Board members

To take proper account of conflicts of interest, the members of the Supervisory Board exclusively receive a gender-neutral fixed remuneration – incentive mechanisms based on the performance of the ZK (affiliated bank) are excluded. The reimbursement of costs for members of the Supervisory Board and the payment of a fixed amount per working hour or working day or working month are also deemed to be fixed remuneration.

Under section 98 Austrian Stock Corporation Act, the General Meeting approves the remuneration of SB members. The remuneration must correspond to the economic situation of the company.

The HR Management, Compliance and Controlling departments are involved in the procedure for adjusting the remuneration of Supervisory Board members. These departments are charged with preparing an assessment of the appropriateness of the remuneration to be submitted to the General Meeting.

Remuneration of Managing Board members

The remuneration of the Managing Board is in line with their qualifications, professional experience, powers, duties, expertise, responsibilities and functions, and the complexity of the corporate structure.

The Supervisory Board is responsible for structuring the remuneration systems for the members of the Managing Board and must ensure that this is commensurate with the tasks and responsibilities of the Managing Board, and with the economic situation of the affiliated bank (ZK).

No variable remuneration was granted to Managing Board members in 2023.

Remuneration of executives

Uniform remuneration regulations exist for all employees, including executives. A guiding principle of the VOLKSBANK WIEN AG remuneration system is that the fixed

remuneration is in line with the market with reference to the external market (competitors in the banking and financial services sector on the Austrian labour market). Criteria for assessing market conformity are the function, professional and personal qualifications, (relevant) experience and also the results of internal comparisons in salary studies. In these comparisons, the fixed remuneration of employees must be aligned with the market median including the variable salary components of the salary studies. The fulfilment of this approach is verified by the remuneration benchmarks which are carried out on a regular basis. With regard to variable remuneration, a bonus model based on an employee profit-sharing model was introduced in 2023. The model provides for an equal bonus payment to all employees, including executives. Above a certain threshold, all employees in sales are then paid an additional bonus of the same amount.

Employment bonuses or payments as recruitment incentive

Employment bonuses or payments as a recruitment incentive are currently not permitted.

Severance payments

Uniform legal rules apply to all employees, including Managing Board members and executives. Voluntary severance payments are only permitted in connection with the restructuring of the Association.

The severance payments must not be higher than the opportunity costs that would arise in connection with or as an alternative to the premature termination of contracts. Opportunity costs must be estimated within the scope of a business case, taking into account the alternative costs such as salary costs, ancillary wage costs, court and litigation costs, legal fees, etc., and must be documented in a verifiable manner.

If a severance payment is granted, Compliance must be involved in the procedure in individual operational cases of voluntary severance pay (including out-of-court settlements) of 50 % or more of a gross annual salary for the previous year. Compliance examines the process from the perspective of any concealed variable remuneration / performance bonuses and conflicts of interest.

ANNEX / APPENDIX

REMUNERATION POLICY AND PROCESS FOR DETERMINING REMUNERATION

Reclaims

'Malus' and clawback are used for ex-post risk adjustment as part of the bonus model. Part or all of the deferred variable remuneration is forfeited in a malus case. Catching up is not permitted for the annual portions omitted. Clawback is used to reclaim the variable remuneration that has already been paid out. The following cases may constitute a clawback event:

- » any significant contribution to the poor financial situation,
- » willful or grossly negligent breaches of duty of care,
- » fraud,
- » violations of statutory provisions or regulatory requirements to protect customers' interests, if determined by the regulatory authorities or by a court.

Pension arrangements

There are uniform pension arrangements for all employees, including executives. Employees are not entitled to any early retirement scheme. Within the framework of statutory partial retirement, working hours can be continuously reduced by 40 % to 60 %. Compensation is paid in the amount of 50 % of the difference if working hours are reduced by 40 %. In exceptional cases, a block model may be agreed. Access to partial retirement is possible at the earliest five years before reaching the standard retirement age.

The remuneration policy of VOLKSBANK WIEN AG and the Association of Volksbanks is based on a holistic approach that not only focuses on financial success, but also on sustainable development and social responsibility. The fixed bonus model is directly linked to the company results at Association level and ensures that bonus payments (employee profit-sharing) are linked to the profitability, earnings, risk management and, in particular, the sustainability performance of the Association.

The bonus pot is defined at Association level and adjusted taking into account profit, risk indicators, qualitative criteria and sustainability indicators. Aspects such as reducing environmental impact, promoting social responsibility and supporting sustainable economic development play a key role here.

By integrating sustainability indicators in the remuneration system, executives are motivated to develop and implement strategies that have a long-term positive impact on the economy, the environment and society.

The close link between remuneration and these goals and the relevant performance ensures that management strives to make a positive contribution to overcoming global challenges and promoting sustainable development.

In addition to appropriate fixed and variable remuneration, which is in line with the sustainable cooperative business model, the following sustainability factors also serve to support the achievement of sustainable aspects and long-term value creation at VOLKSBANK WIEN AG:

- » compliance with labour law standards;
- » compliance with occupational health and safety;
- » fair conditions at the workplace, diversity as well as education and training opportunities;
- » fighting inequality, and
- » encouraging social cohesion.

Independent and external representatives are on the Remuneration Committee. Stakeholders' views are obtained and taken into account. A remuneration expert acts as remuneration consultant; that person is a member of the Supervisory Board and hence not independent. The Supervisory Board of VOLKSBANK WIEN AG has formed a Remuneration Committee which, among other things, is responsible for the remuneration agendas under section 39c of the Austrian Banking Act. The Remuneration Committee comprises members of the Supervisory Board and works council representatives. One remuneration expert is represented on the committee. The tasks of the committee include the approval, monitoring and implementation of the remuneration policy, remuneration practices and remuneration-related incentive structures, in connection with the management, monitoring and limitation of risks in accordance with section 39(2b)(1)-(10) of the Austrian Banking Act, of available own funds and liquidity, whereby the long-term interests of shareholders, investors and employees of the entire Association must be taken into account. The committee has decision-making powers.

ANNEX / APPENDIX

SIGNIFICANT NON-FINANCIAL RISKS

Presentation of risks from the activity of VOLKSBANK WIEN AG pursuant to the Austrian Sustainability and Diversity Improvement Act (NaDiVeG)

Sustainability topic	Matters pursuant to NaDiVeG	Significant risks (for matters pursuant to NaDiVeG)	Measures	Opportunities
Regionality	<ul style="list-style-type: none"> » Environmental matters » Social matters 	<ul style="list-style-type: none"> » Financing with no regional focus » No selection of local suppliers » No promotion of local structures 	<ul style="list-style-type: none"> » Clear focus on regionality in core business through regional financing » Builder-owner models » Securing regional investments » Selection of local suppliers and networking of regional business operators with members/customers of VOLKSBANK WIEN AG 	<ul style="list-style-type: none"> » Positioning VOLKSBANK WIEN AG as local supplier of financing products » Image improvement » Competitive advantages » Strengthening local infrastructure » Reduction of CO₂ emissions
Sustainable investment, sustainable financing	<ul style="list-style-type: none"> » Environmental matters » Social matters 	<ul style="list-style-type: none"> » Insufficient consideration of sustainability in the core business » Financing of high-emission companies or companies with insufficient social working conditions 	<ul style="list-style-type: none"> » Development of sustainability strategy » Adaptation to regulatory requirements (e.g. EU Taxonomy) » Realignment of product portfolio » Calculation of CO₂ footprint for investments and financing » Incorporating integral ESG factors into banking processes and the risk framework » Continuous improvement of the distribution of products 	<ul style="list-style-type: none"> » Development into a sustainable relationship bank » Role model effect » Competitive advantage » Significant contribution to climate protection and reduction of CO₂ emissions
Customer satisfaction	<ul style="list-style-type: none"> » Social matters 	<ul style="list-style-type: none"> » Support does not meet customers' expectations » Loss of customers » Excessive bureaucracy with considerable effort in providing documents on the part of customers 	<ul style="list-style-type: none"> » Customer satisfaction monitoring » Constant improvement of the quality of consultancy processes (also relating to ESG) » Standardised data collection on ESG to avoid additional efforts for customers 	<ul style="list-style-type: none"> » Improvement of perception among customers » Competitive advantages » Efficiency and quality in the consultancy process » Reduction of CO₂ emissions in core business » Creating customer awareness regarding ESG risks and opportunities

ANNEX / APPENDIX

SIGNIFICANT NON-FINANCIAL RISKS

Sustainability topic	Matters pursuant to NaDiVeG	Significant risks (for matters pursuant to NaDiVeG)	Measures	Opportunities
Digitisation	» Social matters	<ul style="list-style-type: none"> » Missing out on digitisation trends » Insufficient range of services offered to customers 	<ul style="list-style-type: none"> » Continuous further development of digital services ("hausbanking") and digital processes (saving paper) » Digitisation of the banking business with state-of-the-art options 	<ul style="list-style-type: none"> » Taking the lead in the industry » Intelligent AI potential » Facilitating banking transactions for customers » More transparency and traceability for customers » Efficiency increase
Employee health and safety	<ul style="list-style-type: none"> » Employee issues » Social matters 	<ul style="list-style-type: none"> » Occupational diseases due to sedentary work » Stress-related sick leaves 	<ul style="list-style-type: none"> » Regular evaluation of occupational safety risks » Ergonomics training courses » Sports opportunities offered to employees 	<ul style="list-style-type: none"> » Positioning as an attractive employer » Low number of sick days » Better employer branding
Training and education	<ul style="list-style-type: none"> » Employee issues » Social matters 	<ul style="list-style-type: none"> » Inadequate training of employees 	<ul style="list-style-type: none"> » Extensive training and education programme by Volksbank Akademie » Full integration of ESG issues into the bank's risk culture 	<ul style="list-style-type: none"> » Continuous further development of employee know-how » Competitive advantages » Low fluctuation » Better employer branding
Employee satisfaction	<ul style="list-style-type: none"> » Employee issues » Social matters 	<ul style="list-style-type: none"> » Employee fluctuation » Image loss in the labour market » Loss of know-how due to key personnel leaving the company 	<ul style="list-style-type: none"> » Wide range of training options » Diversity concept » Sports activities » Feedback culture » Clear development stages » Service Heroes Award » Regular employee surveys 	<ul style="list-style-type: none"> » Positioning as an attractive employer » Low fluctuation » Good employer branding » Positive image » Motivating even back-office employees who rarely have customer contact » Picking up on any dissatisfaction to be able to respond accordingly
Diversity and equal opportunities	<ul style="list-style-type: none"> » Employee issues » Social matters 	<ul style="list-style-type: none"> » Equal opportunities to a limited extent only » Diversity deficit » Discrimination against individual employees for reasons of gender, sexual orientation, ethical affiliation, religious affiliation, age discrimination 	<ul style="list-style-type: none"> » Diversity concept » Women's Network 	<ul style="list-style-type: none"> » Low fluctuation » Better employer branding » Equal opportunities in practice » Protection against prohibited discrimination within the world of work » Equal treatment laid down in legislation » Interactive exchange and mutual support

ANNEX / APPENDIX

SIGNIFICANT NON-FINANCIAL RISKS

Sustainability topic	Matters pursuant to NaDiVeG	Significant risks (for matters pursuant to NaDiVeG)	Measures	Opportunities
Energy and climate	<ul style="list-style-type: none"> » Environmental matters 	<ul style="list-style-type: none"> » No consideration of environmental criteria in the operation of office buildings » Excessive energy consumption in buildings 	<ul style="list-style-type: none"> » Energy efficiency measures at headquarters and in retail branches » Annual calculation of Scope 1 + 2 CO₂ emissions » Development of decarbonisation strategy » Setting climate targets » Reduction of energy consumption » Sparing use of resources » Sustainability criteria in procurement » Greening of vehicle fleet 	<ul style="list-style-type: none"> » Improving resource efficiency » Leading by example in the ecological design of office operations » Image improvement » Competitive advantages » Cost savings » Contribution to climate protection through CO₂ savings
Data protection and security	<ul style="list-style-type: none"> » Social matters 	<ul style="list-style-type: none"> » Data theft » Loss of customer data 	<ul style="list-style-type: none"> » State-of-the-art IT security systems » Training on the General Data Protection Regulation/handling of customer data » Compliance management » E-learning modules 	<ul style="list-style-type: none"> » Facilitating banking transactions for customers » Strengthening customers' trust
Human rights	<ul style="list-style-type: none"> » Respect for human rights 	<ul style="list-style-type: none"> » Insufficient respect for human rights in granting financing and in investment products 	<ul style="list-style-type: none"> » Policy Statement on Human Rights » Integral ESG training courses (incl. human rights) » Exclusion criteria for financing » Approval procedure » Consideration of social factors in qualitative risk assessment 	<ul style="list-style-type: none"> » Protection of human rights » Image improvement » Competitive advantages
Professional ethics and compliance	<ul style="list-style-type: none"> » Fighting corruption and bribery 	<ul style="list-style-type: none"> » Non-compliance with laws and regulations » Corruption cases 	<ul style="list-style-type: none"> » Corruption prevention » Compliance manual » Compliance training courses » Code of Conduct » Exclusion criteria » Whistleblower system 	<ul style="list-style-type: none"> » Image improvement » Competitive advantages » Reduction of reputation and operational risks

ANNEX / APPENDIX

FULLY CONSOLIDATED COMPANIES OF VOLKSBANK WIEN AG

fully consolidated companies	Employees FTE	Share in capital
VB Services für Banken Ges.m.b.H.	289.91	100.00
VB Infrastruktur und Immobilien GmbH	53.53	100.00
VOBA Vermietungs- und Verpachtungsges.m.b.H.	none	100.00
VG Vermietung von Wirtschaftsgütern Gesellschaft m.b.H.	none	100.00

ANNEX / APPENDIX GRI CONTENT INDEX

Statement of application

In accordance with the GRI standards, the report provided by VOLKSBANK WIEN AG covers the period from 1 January 2023 to 31 December 2023.

GRI 1 used

GRI 1: Basic information 2021

Applicable GRI industry standard

No GRI industry standard applicable.

GRI Content Index

GENERAL DISCLOSURES

Information	Position	Requirements omitted	Reason for omission	Statement on omission	More information
The organisation and its reporting practices					
GRI standard/other source: GRI 2: General Disclosures 2021					
2-1 Organisation details	11-12, 143				
2-2 Entities included in the sustainability reporting of the organisation	8, 129				
2-3 Reporting period, frequency and contact point	8-9				
2-4 Restatements of information or new presentation of information	8, 55, 58				
2-5 External assurance	140-142				As a public interest entity, VOLKSBANK WIEN AG is subject to Regulation (EU) No. 537/2014 on specific requirements regarding the statutory audit of public interest entities (briefly Audit Reg). This stipulates a specific selection procedure under the responsibility of the Audit Committee for the first-time appointment of an auditor. Such a selection procedure was carried out at VOLKSBANK WIEN AG for the selection of the auditor for the financial year ending 31 December 2025. In case of renewal of the audit mandate (reappointment of the auditor) within the permissible rotation period (usually 10 years), the performance of such a selection procedure is not required. The election of the auditor for the annual financial statements and the IFRS consolidated financial statements of VOLKSBANK WIEN AG as well as the auditor of the consolidated financial statements of the Association of Volksbanks (association of credit institutions pursuant to section 30a Austrian Banking Act) is incumbent upon the General Meeting of VOLKSBANK WIEN AG under section 270 Austrian Business Code in conjunction with section 63 Austrian Banking Act for the respective following financial year. The Supervisory Board must make a proposal in this regard, taking into account the result of the selection procedure in accordance with the Audit Reg. The Supervisory Board is responsible for concluding the contract for the audit with the selected auditor.
Activities and workers					
GRI standard/other source: GRI 2: General Disclosures 2021					
2-6 Activities, value chain and other business relationships	6-8, 11-12, 28-37, 64-70, 90-92				
2-7 Employees	75-76	2-7 b. iii.	Not applicable	There are no workers without guaranteed working hours.	
2-8 Workers who are not employees	-	2-8	Not applicable	There are no workers who are not employees.	

ANNEX / APPENDIX GRI CONTENT INDEX

GENERAL DISCLOSURES

Information	Position	Requirements omitted	Reason for omission	Statement on omission	More information
Governance					
GRI standard/other source: GRI 2: General Disclosures 2021					
2-9 Governance structure and composition	18-19, 78, 122-123				<p>2-9 a. The management structure, including that of the committees of the highest governance body, can be found in the Annex under Management structure and committees.</p> <p>2-9 b. Details on the Sustainability Committee, the committee of the highest governance body responsible for decision-making and overseeing the management of the organisation's impact on the economy, environment and people, can be found in the chapter Sustainability management.</p> <p>2-9 c.i. Pursuant to the Austrian Stock Corporation Act, Supervisory Board members must not be members of the Managing Board and vice versa.</p> <p>2-9 c.ii see Annex under Governance bodies</p> <p>2-9 c.iii see Annex under Governance bodies</p> <p>2-9 c.iv. see Annex under Management structure and committees</p> <p>2-9 c.v. see page 78</p> <p>2-9 c.vi. women are represented to a lesser extent in the management structure.</p> <p>2-9 c.vii. see Annex under Governance bodies</p> <p>2-9 c. viii. both internal (e.g. works council) and external stakeholders are represented on the Supervisory Board, see Annex under Governance bodies.</p>
2-10 Nomination and selection of the highest governance body	-				<p>2-10 a. The principles and processes for selecting members of the management body and the strategic succession planning to ensure the relevant knowledge and skills required for this are defined by the Supervisory Board (here Nomination Committee) (search and selection process for Supervisory Board and Managing Board members) – taking account of Fit & Proper criteria. The business strategy, the corresponding Fit & Proper Policy and the definition of the tasks of the Nomination Committee constitute the basis for the selection, for strategic succession planning, and for the suitability assessment of the members of the management bodies and are in line with the professional values and long-term interests within the Association of Volksbanks.</p> <p>2-10 b. When nominating and selecting the highest governance body, the criteria of diversity and competencies that are relevant for the impact of VOLKSBANK WIEN AG are taken into account.</p> <p>2-10 b.i. Stakeholders' view not available.</p> <p>2-10 b.ii. Moreover, according to the working instruction on implementing the General Instruction "Managers", care must be taken within VOLKSBANK WIEN AG to also nominate female candidates in the course of the appointment procedure for Managing Board positions under all circumstances. These measures provide the basis for a succession process where vacant management positions (including on the Managing Board) can be filled with both internal and external female candidates.</p> <p>2-10 b.iii. Independence not available.</p> <p>2-10 b.iv. In addition to Fit & Proper criteria, the decisive selection criterion is an understanding of how to take into account the interests and strategy of the credit institution group and the Association of Volksbanks, simultaneously ensuring the highest possible efficiency in performing the duties of the management body. In addition to professional competence, the selection of persons is also based on the fulfilment of the personal qualifications required.</p>
2-11 Chair of the highest governance body	-				Members of the highest governance body are not executives of VOLKSBANK WIEN AG.
2-12 Role of the highest governance body in overseeing the management of impacts	15-19, 22				GRI 2-12 b.i. Currently, the exchange focuses on internal stakeholders.

ANNEX / APPENDIX

GRI CONTENT INDEX

GENERAL DISCLOSURES

Information	Position	Requirements omitted	Reason for omission	Statement on omission	More information
Governance					
GRI standard/other source: GRI 2: General Disclosures 2021					
2-13 Delegation of responsibility for managing impacts	15-19				
2-14 Role of the highest governance body in sustainability reporting	14, 17				
2-15 Conflicts of interest	-				The Supervisory Board has implemented the Code of Conduct, which stipulates that the bank ensures that conflicts of interest are identified and mitigated. In operational terms, this requirement is implemented in the General Instruction on Compliance and in the corresponding working instruction of the Association. In addition, the executive bodies have their own "Policy for dealing with conflicts of interest". Conflicts of interest are reported in regular compliance reports; the Supervisory Board, which includes representatives of the works council, also receives these reports. Reports are submitted to the Supervisory Board at least once a year and to the Managing Board on a quarterly basis.
2-16 Communication of critical concerns	107				In 2023, 655 complaints were recorded (e-business: 77; retail branches: 182; financing: 72; investments/pensions/savings products: 31; securities: 57; payment transactions: 236). These are reported to the Managing Board on a quarterly basis and for each cluster. The Supervisory Board of VOLKSBANK WIEN AG is equally informed quarterly.
2-17 Collective knowledge of the highest governance body	79-81, 104				
2-18 Evaluation of the performance of the highest governance body	16-19				
2-19 Remuneration policies	124-125				See Annex under Remuneration policy and process for determining remuneration
2-20 Process to determine remuneration	124-125				See Annex under Remuneration policy and process for determining remuneration
2-21 Annual total compensation ratio	-	2-21	Restrictions due to a confidentiality obligation	For reasons of confidentiality, there is no disclosure. The median income is disclosed internally and thus a retro-active calculation regarding the salary of an individual managing board member would be possible.	

ANNEX / APPENDIX GRI CONTENT INDEX

GENERAL DISCLOSURES

Information	Position	Requirements omitted	Reason for omission	Statement on omission	More information
Strategy, policies and practices					
GRI standard/other source: GRI 2: General Disclosures 2021					
2-22 Statement on sustainable development strategy	6-7				
2-23 Policy commitments	24				<p>The Code of Conduct is publicly available at: www.volksbankwien.at/hausbank/das-unternehmen/code-of-conduct</p> <p>The Diversity Policy is publicly available at: karriere.volksbankwien.at/wp-content/uploads/2023/01/Diversitaetspolicy.pdf</p> <p>The Data Protection Policy is publicly available at: www.volksbankwien.at/datenschutz</p> <p>Apart from the UN Global Compact, no specific international frameworks are referred to in the principles for responsible corporate behaviour.</p> <p>Compliance aspects are reviewed by VOLKSBANK WIEN AG on a regular basis. Further due diligence processes for sustainability will be established in the course of CSRD preparations.</p> <p>The Policy Statement of the Managing Board of VOLKSBANK WIEN AG on the Protection of Human Rights is publicly available at: www.volksbankwien.at/m101/volksbank/zib/downloads/nachhaltigkeit/230717_vb_grundsatzterklaerung_menschenrechte_fin.pdf</p>
2-24 Embedding policy commitments	24, 78, 103-104, 106				
2-25 Processes to remediate negative impacts	107				At VOLKSBANK WIEN AG, processes to remediate negative impacts are based exclusively on regulatory processes and complaints mechanisms. The approach to complaint identification and handling including the ombudsperson's office is described on page 107. Stakeholders are currently not involved in the development of processes.
2-26 Mechanisms for seeking advice and raising concerns	105				
2-27 Compliance with laws and regulations	105-106				
2-28 Membership associations	Cover				See Annex under Remuneration policy and process for determining remuneration
Stakeholder engagement					
GRI standard/other source: GRI 2: General Disclosures 2021					
2-29 Approach to stakeholder engagement	15, 22-23	2-21			
2-30 Collective bargaining agreements	75				

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MATERIAL TOPICS

Information	Position	Requirements omitted	Reason for omission	Statement on omission	More information
GRI standard/other source: GRI 3: Material topics 2021					
3-1 Process to determine material topics	22-23				
3-2 List of material topics	22				
Regionality					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	88-93				
GRI standard/other source: GRI 203: Indirect Economic Impacts 2016					
203-1 Infrastructure investments and services supported	-	203-1	Not applicable	Not part of the activities of VOLKSBANK WIEN AG. VOLKSBANK WIEN AG itself does not build any infrastructure for the public.	
203-2 Significant indirect economic impacts	58, 88-93				It was identified as a significant impact that VOLKSBANK WIEN AG operates regionally and finances energy cooperatives, which constitute exclusively renewable energy financing transactions, in the sense of the Green Deal to reduce CO ₂ emissions.
GRI standard/other source: Own indicator					
Share of regional financing	5, 90				
Share of regional suppliers	92				
Sustainable investment					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	29-32, 64-70				
GRI standard/other source: GRI 305: Emissions 2016					
305-3 Other indirect (Scope 3) GHG emissions	31				
GRI standard/other source: GRI G4 Financial Sector Supplement					
FS11 Share of assets examined with a positive or negative result from an ecological or social point of view	29-32				
GRI standard/other source: Own indicator					
Share of sustainable funds	30				

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MATERIAL TOPICS

Information	Position	Requirements omitted	Reason for omission	Statement on omission	More information
Sustainable financing					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	33-35, 64-70				
GRI standard/other source: GRI 203: GRI 305: Emissions 2016					
305-3 Other indirect (Scope 3) GHG emissions	59-60	305-3	Information not available/incomplete	The database is currently only available for the Association of Volksbanks, not for VOLKSBANK WIEN AG. A data collection process is initiated. The key figure will be disclosed according to European Sustainability Reporting Standards starting with the 2024 report.	
GRI standard/other source: Own indicator					
Volume of projects funded	68				
Customer satisfaction					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	94-97				
GRI standard/other source: GRI 417: Marketing and Labelling 2016					
417-1 Requirements for product and service information and labelling	-	417-1	Not applicable	Not applicable to financial products.	
417-2 Incidents of non-compliance concerning product and service information and labeling	106				
417-3 Incidents of non-compliance concerning marketing communications	106				
GRI standard/other source: Own indicator					
Customer satisfaction awards	95-97				
Digitisation					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	118-120				
GRI standard/other source: Own indicator					
Use of "hausbanking"	119				

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MATERIAL TOPICS

Information	Position	Requirements omitted	Reason for omission	Statement on omission	More information
Employee health and safety					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	72-73, 83-85				
GRI standard/other source: GRI 403: Occupational health and safety 2018					
403-1 Occupational health and safety management system	83-84				
403-2 Hazard identification, risk assessment, and incident investigation	83-84				GRI 403-2 d. In the course of the necessary official reporting of accident events, conspicuous accident trends are analysed and, if necessary, internal optimisations are made for the safety of the employees.
403-3 Occupational health services	83-84				
403-4 Worker participation, consultation and communication on occupational health and safety	83-84				
403-5 Worker training on occupational health and safety	83-84				
403-6 Promotion of worker health	83-84, 87				
403-7 Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	84				
403-8 Workers covered by an occupational health and safety management system	-				There is no certified occupational health and safety management system.
403-9 Work-related injuries	-	403-9	Not applicable	There is hardly any risk of work-related injuries in office operations. Instead, suitable indicators of our own are reported.	
403-10 Work-related ill health	-	403-10	Restrictions due to confidentiality obligation	Information regarding illnesses of employees must not be disclosed. There are no recognised occupational diseases. Instead, suitable indicators of our own are reported.	
GRI standard/other source: Own indicator					
Number of safety training courses	84				
Number of robberies	84				
Participants in "Volksbank Aktiv"	87				

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MATERIAL TOPICS

Information	Position	Requirements omitted	Reason for omission	Statement on omission	More information
Training and education					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	72-73, 79-85				
GRI standard/other source: GRI 404: Training and education 2016					
404-1 Average hours of training per year per employee	81				
404-2 Programmes for upgrading employee skills and transition assistance programmes	80, 85				
404-3 Percentage of employees receiving regular performance and career development reviews	82				
Employee satisfaction					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	72-73, 82-83				
GRI standard/other source: GRI 401: Employment 2016					
401-1 New employee hires and employee turnover	76				
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	-				In terms of company benefits, VOLKSBANK WIEN AG does not differentiate between different employee relationships. All company benefits are presented on the careers page: karriere.volksbankwien.at
401-3 Parental leave	-	401-3	Information not available/incomplete	The key figures on employees with regard to parental leave cannot be analysed at present. A data collection process is initiated. The key figure will be disclosed according to European Sustainability Reporting Standards starting with the 2024 report.	
GRI standard/other source: Own indicator					
Result of Net Promoter Score	82				
Diversity and equal opportunities					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	72-73, 77-79				
GRI standard/other source: GRI 405: Diversity and equal opportunity 2016					
405-1 Diversity of governance bodies and employees	78-79				
405-2 Ratio of basic salary and remuneration of women to men	78				
GRI standard/other source: GRI 406: Non-discrimination 2016					
406-1 Incidents of discrimination and corrective actions taken	77-79, 86-87	406-1 a.; b. i., iv.	Information not available/incomplete	The key figures on discrimination incidents cannot be analysed at present. A data collection process is initiated. The key figure will be disclosed from the 2024 report according to European Sustainability Reporting Standards.	

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MATERIAL TOPICS

Information	Position	Requirements omitted	Reason for omission	Statement on omission	More information
Energy and climate					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	52-62				
GRI standard/other source: GRI 302: Energy 2016					
302-1 Energy consumption within the organisation	56-57				Total power consumption in 2023 and 2022 from renewable sources, for 2020 and 2021 split between renewable and non-renewable power consumption cannot be provided.
302-2 Energy consumption outside the organisation	-	302-2	Not applicable	There is no energy consumption of pre-products or in the product use phase.	
302-3 Energy intensity	56-57				All energy consumed is used within VOLKSBANK WIEN AG only.
302-4 Reduction of energy consumption	60	302-4	Information not available/incomplete	It is currently not possible to allocate the reduction to individual measures. A data evaluation process will be initiated. The key figure will be disclosed according to European Sustainability Reporting Standards starting with the 2024 report.	
302-5 Reduction in energy requirements of products and services	-	302-5	Not applicable	There is no energy consumption in the product use phase.	
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	52-62				
GRI standard/other source: GRI 305: Emissions 2016					
305-1 Direct (Scope 1) GHG emissions	54-55				The CCF was calculated in accordance with the Greenhouse Gas Protocol. All greenhouse gases pursuant to the Kyoto Protocol were included in the calculations. There are no biogenic CO ₂ emissions. The emission factors used are provided by Ecolnvent, the Environment Agency Austria (UBA) and the International Energy Agency (IEA). When drawing up the climate strategy and setting the climate targets, 2021 was chosen as the base year.
305-2 Energy indirect (Scope 2) GHG emissions	54-55				
305-4 GHG emissions intensity	54-55				
305-5 Reduction of GHG emissions	55, 60-62	305-5	Information not available/incomplete	It is currently not possible to allocate the reduction to individual measures. A data evaluation process will be initiated. The key figure will be disclosed according to European Sustainability Reporting Standards starting with the 2024 report.	All greenhouse gases pursuant to the Kyoto Protocol were included in the calculations.
305-6 Emissions of ozone-depleting substances (ODS)	-	305-6	Not applicable	No direct impact due to office and retail branch operations	
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	-	305-7	Not applicable	No direct impact due to office and retail branch operations	
GRI standard/other source: Own indicator					
Consumption of printing and copying paper	58				
Data protection and security					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	104, 107, 114-116				
GRI standard/other source: GRI 418: Customer Privacy 2016					
418-1 Substantiated complaints concerning breaches of customer privacy or losses of customer data	107				

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MATERIAL TOPICS

Information	Position	Requirements omitted	Reason for omission	Statement on omission	More information
Human rights					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	104				
GRI standard/other source: Own indicator					
Training hours for employees on human rights policies	104				
Further indicators					
GRI standard/other source: GRI 205: Anti-corruption 2016					
205-1 Operations assessed for risks related to corruption	-				All permanent establishments and retail branches are subject to the uniform measures for the prevention of corruption and the associated controls and monitoring measures. In 2023, no suspicion of corruption was recorded.
205-2 Communication and training about anti-corruption policies and procedures	104, 106	205-2 c.	Information not available/incomplete	There is currently no evaluation of communication with business partners. The CoC is currently being revised and a separate supplier CoC is planned for 2024.	All members of the Supervisory Board and all employees are informed about anti-corruption policies and procedures.
		205-2 e.	Information not available/incomplete	There is currently no evaluation of anti-corruption training by employee category or total number. The key figure will be disclosed according to European Sustainability Reporting Standards starting with the 2024 report.	
205-3 Confirmed incidents of corruption and actions taken	106				
GRI standard/other source: GRI 206: Anti-competitive behaviour 2016					
206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	106				
GRI standard/other source: GRI 304: Biodiversity 2016					
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	304-1	Not applicable	No direct impact due to office and branch operations. Indirect impact is analysed.	
304-2 Significant impacts of activities, products, and services on biodiversity	67, 92, 110				
304-3 Habitats protected or restored	-	304-3	Not applicable	No direct impact due to office and retail branch operations. Indirect impact is analysed.	
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	304-4	Not applicable	No direct impact due to office and retail branch operations. Indirect impact is analysed.	

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AUDIT REPORT OF KPMG



VOLKSBANK WIEN AG, Vienna
Independent Assurance Report on the Non-financial Report according to §§ 243b and 267a UGB as of 31 December 2023

To
the board of directors of
VOLKSBANK WIEN AG,
Vienna

This English language independent assurance report is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation nor for any errors or misunderstandings that may derive from the translation.

Independent Assurance Report on the Non-financial Reporting according to §§ 243b and 267a UGB

We have performed an independent limited assurance engagement on the combined consolidated non-financial report according to §§ 243b and 267a UGB ("NFI report") for the financial year 2023, which has been published as Sustainability Report 2023 of

VOLKSBANK WIEN AG,
Vienna
(referred to as "VB Wien" or "the Company").

Conclusion

Based on the procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the NFI report of the Company is not in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB), the provisions of Article 8 of the Regulation (EU) 2020/852 as amended and the supplementing delegated Regulation (EU) 2021/2178 (hereafter "EU Taxonomy Regulation") and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option "in accordance with" in all material respects. Not in scope of our assurance procedures and therefore not covered by our assurance report is chapter "DEGRESSION – PRODUCT PARTNERS OF VOLKSBANK WIEN AG".

Management's Responsibility

The Company's management is responsible for the proper preparation of the NFI report in accordance with the reporting criteria. The Company applies the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option "in accordance with" as reporting criteria. In addition, the company prepares disclosures in accordance with the EU Taxonomy Regulation, which are published as part of sustainability reporting.

The Company's management is responsible for the selection and application of appropriate methods for non-financial reporting (especially the selection of significant matters) as well as the use of appropriate assumptions and estimates for individual non-financial disclosures, given the circumstances. Furthermore, their responsibilities include the design, implementation and

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AUDIT REPORT OF KPMG



VOLKSBANK WIEN AG, Vienna
Independent Assurance Report on the Non-financial Report according to §§ 243b and 267a UGB as of 31 December 2023

maintenance of systems, processes and internal controls that are relevant for the preparation of the sustainability report in a way that is free of material misstatements – whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to state whether, based on our procedures performed and the evidence we have obtained, anything has come to our attention that causes us to believe that the Company's NFI report is not in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB), the legal requirements of the EU Taxonomy Regulation and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option "in accordance with" in all material respects.

Our engagement was conducted in conformity with the International Standard on Assurance Engagements (ISAE 3000) applicable to such engagements. These standards require us to comply with our professional requirements including independence requirements, and to plan and perform the engagement to enable us to express a conclusion with limited assurance, taking into account materiality.

An independent assurance engagement with the purpose of expressing a conclusion with limited assurance ("limited assurance engagement") is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance ("reasonable assurance engagement"), thus providing reduced assurance. Despite diligent engagement planning and execution, it cannot be ruled out that material misstatements, illegal acts or irregularities within the non-financial report will remain undetected.

The procedures selected depend on the auditor's judgment and included the following procedures in particular:

- Inquiries of personnel at the group level, who are responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting thresholds of the Company;
- A risk assessment, including a media analysis, on relevant information on the Company's sustainability performance in the reporting period;
- Evaluation of the design and implementation of the systems and processes for the collection, processing and monitoring of disclosures on environmental, social and employees matters, respect for human rights, anti-corruption as well as bribery and also includes the consolidation of data;
- Inquiries of personnel at the group level, who are responsible for providing, consolidating and implementing internal control procedures relating to the disclosure of concepts, risks, due diligence processes, results and performance indicators;
- Inspection of selected internal and external documents, in order to determine whether qualitative and quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- Analytical evaluation of the data and trend of quantitative disclosures regarding the GRI Standards listed in the GRI-Index, submitted by all locations for consolidation at the group level;
- Evaluation of the consistency of the of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB), the EU Taxonomy Regulation and the GRI Standards, Option "in accordance with" to disclosures and indicators of the NFI report, which apply to the Company;
- Evaluation of the overall presentation of the disclosures by critically reading the NFI report.

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AUDIT REPORT OF KPMG



VOLKSBANK WIEN AG, Vienna
*Independent Assurance Report on the Non-financial Report according
to §§ 243b and 267a UGB as of 31 December 2023*

The procedures that we performed do not constitute an audit or a review. Our engagement did not focus on revealing and clarifying of illegal acts (such as fraud), nor did it focus on assessing the efficiency of management. Furthermore, it is not part of our engagement to audit future-related disclosures, prior year figures, statements from external sources of information, expert opinions or references to more extensive external reporting formats and the webpage of the Company. Also not covered by our assurance report is the information presented in chapter "DEGRESSION – PRODUCT PARTNERS OF VOLKSBANK WIEN AG" on pages 28 to 37 and the indicator GRI G4 FS11 contained therein as well as references from the GRI index to this chapter.

Restriction on use

Because our report will be prepared solely on behalf of and for the benefit of the principal, its contents may not be relied upon by any third party, and consequently, we shall not be liable for any third party claims. We agree to the publication of our assurance certificate and NFI report. However, publication may only be performed in its entirety and as a version has been certified by us.

General Conditions of Contract

Our responsibility and liability towards the Company and any third party is subject to paragraph 7 of the General Conditions of Contract for the Public Accounting Professions.

Vienna

6th March 2024

KPMG Alpen-Treuhand GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Christian Grinschgl
Wirtschaftsprüfer
(Austrian Chartered Accountant)

LEGAL NOTICE

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Vienna, 6 March 2024

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Association of Volksbanks

Apart from the primary banks, VBVM
(Volksbank Vertriebs- und Marketing eG)
is also part of the Association of
Volksbanks.

Volksbank primary banks

8 regional Volksbanks, 1 special
bank (Österreichische Ärzte- und
Apothekerbank AG).

