

**SUS
TAIN
ABILITY
REPORT
2023**

**ASSOCIATION OF
VOLKSBANKS**

OVERVIEW



99.2 %

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



10.2

"LOW RISK" RATING FROM SUSTAINALYTICS FOR VOLKSBANK WIEN AG¹⁾



19.1 %

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

97,778

JOINT CUSTOMERS ARE SERVED BY THE ASSOCIATION OF VOLKSBANKS AND ITS PARTNER ERGO.²⁾



27 %

FEMALE EXECUTIVES IN THE ASSOCIATION OF VOLKSBANKS²⁾

**FROM + 9
TO + 11**

INCREASE OF THE NPS SCORE IN 2023³⁾

3,791 EMPLOYEES

ARE WORKING FOR THE ASSOCIATION OF VOLKSBANKS.⁴⁾



72

ELECTED WORKS COUNCIL MEMBERS REPRESENT THE INTERESTS OF EMPLOYEES WITHIN THE ASSOCIATION OF VOLKSBANKS.



280

YOUNG ATHLETES PARTICIPATE IN THE GOLDI CUP 2023.

1) see chapter "Sustainability management"

2) as at 31.12.2023

3) see chapter "Employees"

4) employees as at 31.12.2023

OVERVIEW

+ 195 %

INCREASE IN ONLINE
PRODUCT TRANSACTIONS
IN "HAUSBANKING".



+ 47 %

INCREASE IN
QUALIFIED ELECTRONIC
SIGNATURE (QES).



13TH DISTINCTION

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

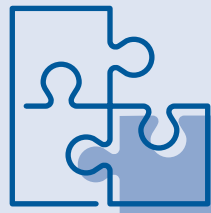
95.8 %

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 99

2) see chapter "Sustainability management"

3) as at 31.12.2023, source: Union Investment

4) participation of VOLKSBANK WIEN AG 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
SUSTAINALYTICS FOR
VOLKSBANK WIEN AG²⁾

SUSTAINABILITY REPORT 2023

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EXCERPT FROM THE KEY INDICATORS

2023

	Unit	Association of Volksbanks	Page
Digression / product partners			
Volume of Association of Volksbanks in Union Investment funds	Euro thousand	5,591,425	32
Share of sustainable funds in Union Investment volume (portfolio)	%	35.2	32
Volume of 'der faire Credit' TeamBank customers Association of Volksbanks	Euro thousand	721,575	36
Joint customers TeamBank Association of Volksbanks	Number	50,775	36
New ERGO insurance policies taken out by customers of the Association of Volksbanks	Number	19,483	38
New business volume of ERGO insurance contracts by customers of the Association of Volksbanks	Euro thousand	20,545	38
Taxonomy			
Green asset ratio (GAR) stock – KPI1 ¹⁾	%	0.56	44
Green asset ratio (GAR) stock – KPI2 ²⁾	%	0.56	44
Energy and climate			
Total Scope 1 + 2 emissions (market-based)	kg CO ₂ e	2,166,319	57
Total Scope 1 + 2 emissions (location-based)	kg CO ₂ e	4,127,092	57
Printing and copying paper	kg per FTE	24	60
Waste generation	kg per FTE	79.8	60
GHG emissions per industry sector for 2023 – Outstanding amount	Euro million ³⁾	31,234	61
GHG emissions per industry sector for 2023 – Financed emissions Scope 1 + 2	t CO ₂ e ³⁾	1,222,316	61
GHG emissions per industry sector for 2023 – Intensity Scope 1 + 2	gr CO ₂ e/EUR ³⁾	39.1	61
Sustainable products and services			
Share of sustainable funds in total fund portfolio	%	37	70

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 the Turnover KPI is used

3) total 12/2023

EXCERPT FROM THE KEY INDICATORS

2023

Employees¹⁾	Unit	Association of Volksbanks	Page
Headcount	Number	3,791	77
Employees by full-time equivalents	FTE	3,108	77
Employees in positions with managerial responsibility (F) ²⁾	%	27	79
Employees in positions with managerial responsibility (M) ²⁾	%	73	79
Works council members	Number	72	86
Regionality			
Share of regional financing in all financing transactions	%	95.8	90
Share of regional financing in all savings deposits and other deposits	%	99.8	90
Compliance			
Confirmed cases of corruption	Number	0	108
Total financial penalties of all kinds	Euro	0	108
Data security			
Proportion of employees who have been trained in information security	%	98.9	118

1) as at 31.12.2023

2) 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 of VOLKSBANK WIEN AG, 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. Steering takes place 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. The banks of the Association are equally managed on the basis of these sustainability goals. Sustainability Officers have been appointed at the affiliated banks, who serve as multipliers and contribute ideas from the banks. They 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 boards of the affiliated banks.

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 operations were maintained and training on sustainability was continued at all hierarchy levels.

1) 2023 warmest year in Austrian measurement history – BMK INFOTHEK

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

The Association of Volksbanks 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.

The Association of Volksbanks consists of purely Austrian banks and only operates within its catchment area and on the Austrian market. 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 the Association of Volksbanks deliberately chooses to remain a strong association of regional banks. In this way, the Association supports the long-term economic success of its customers in the region. The core elements of the activities of the Association of Volksbanks are trust, customer focus and regionality, making the Volksbank 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 emphasized 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. The Association of Volksbanks 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.

Combatting corruption is a high priority within the Association of Volksbanks. 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 UNGC 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, the Association of Volksbanks 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, the Association of Volksbanks 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 the Association of Volksbanks 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
Spokesman of the Association of Volksbanks and
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 2021, the report provided by the Association of Volksbanks 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 the Association of Volksbanks. The GRI Content Index is contained in the Annex.

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 reporting period extends from 1 January 2023 until 31 December 2023. The last report was published on 29 March 2023, the reporting cycle of the Association of Volksbanks is once a year.

All content and key figures relate to all banks within the Association of Volksbanks, unless stated otherwise. A list of all banks covered by the report is contained in the Annex.

VOLKSBANK WIEN AG is the only bank in the Association of Volksbanks that is subject to the NFRD¹⁾. 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 figures are presented voluntarily for the Association of Volksbanks as well.

An overview of material non-financial risks and the due diligence processes established are contained in the Annex.

The e-mail address nachhaltigkeit@volksbankwien.at is available for questions regarding the Sustainability Report of the Association of Volksbanks.

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

The Association of Volksbanks 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.

1) The Non-Financial Reporting Directive (NFRD) is a directive to extend the reporting obligations of large capital market-oriented companies, credit institutions, financial services institutions and insurance companies.





IMPORTANT SUCCESSES AND RESULTS

In 2023, important successes and results were achieved within the Association of Volksbanks:

- » 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, the goals of the Association of Volksbanks with respect to cooperatives were:

- » 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 the Volksbanks’ DNA.

The Association of Volksbanks is an association of credit institutions organised as a cooperative according to Schulze-Delitzsch, pursuant to section 30a of the Austrian Banking Act (BWG). It 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. The focus of the regional banks is on sustainable partnerships with customers and the continuous improvement of customer service – Volksbank is the sustainable relationship bank of customers from the region.

Cooperative principles

The Association of Volksbanks 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.¹¹

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) <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

The cooperative system within the Association of Volksbanks

The Association of Volksbanks consists of a total of nine primary banks, of which six operate as stock corporations and three as cooperatives. While cooperative banks are directly owned by their members, the owners of joint-stock banks are holding cooperatives (Beteiligungsgenossenschaften) that have contributed their banking operations to the respective joint-stock bank. Hence, all banks in the Association of Volksbanks have a cooperative ownership structure and have been committed to the same goals for over 170 years now.

The cooperative ownership structure aims to ensure that customers are also owners of the bank. The aim is to safeguard the cooperative development mission and the regional focus of the banks even in the face of significant changes in regulatory conditions and a constantly changing market environment. From the point of view of customers and owners, regionality means that the capital invested is used in the respective region in the long term, that savings deposits are used to finance local loans, and that the profits generated will support and ensure this cycle. The sustainable, joint economic success of banks and customers is always the main priority. At present, the holding cooperatives of the Association of Volksbanks have some 500,000 members in total.

Foundation and financing of 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.

BEST PRACTICE

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. So far, Owners' Clubs have been established in all regions of Volksbank Steiermark, in the regions of Volksbank Niederösterreich and in four regions of VOLKSBANK WIEN AG.

Owners' Club for cooperative members

Welcome to the Owners' Club

Volksbank Steiermark AG

Aiming to make the cooperative values even more tangible for members and customers and also to arouse genuine enthusiasm among new customers, Volksbank Steiermark has developed the "Volksbank Owners' Club" together with the Austrian Federation of Cooperatives (ÖGV) as a new umbrella brand for membership. This is designed as a joint benefit programme of Volksbank Steiermark and the respective regional holding cooperatives.

Under the motto "Profitieren, erleben und gestalten" (benefits, experiences and active contributions), the club offers special conditions for account packages and consumer loans, a loyalty bonus programme, invitations to lectures with financial experts and selected discovery events, discounts on admission and high-quality vouchers.

GENERAL INFORMATION COOPERATIVE

In this way, Volksbank Steiermark shows a clear commitment to its cooperative roots and its regions. The long-term goal is to establish the Volksbank Owners' Club as a modern cooperative platform that benefits each individual member as well as the respective region and its companies.

Volksbank Niederösterreich AG

The Volksbank Owners' Club of Lower Austria is a joint benefit programme of Volksbank Niederösterreich and its holding cooperatives. As members of the Owners' Club, owners enjoy exclusive benefits and promotions. Invitations to free evening shows of top-class representatives of the Austrian cabaret scene, seasonal vouchers for free admissions to regional events as well as offers and exclusive discounts or special conditions are just a few of the services offered by Volksbank Niederösterreich's exclusive club, which are continuously expanded. Thus, the club creates added value for owners as well as for institutions and companies, strengthening the region in the process.

VOLKSBANK WIEN AG

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



“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. A pilot project is running successfully at BHAK II in Salzburg, with Volksbank Salzburg as a sponsor. There are currently talks about expanding the model, and its inclusion in the curriculum for upper secondary level is also under discussion.

GENERAL INFORMATION

COOPERATIVE

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

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.volksbank.at/nachhaltigkeitsbroschuere

ÖGV Federation Day with Climate Protection Minister Gewessler



The ÖGV held its Federation Day on 3 May 2023 under the motto “Getting stronger together”. Starting from a position of strength and unity – the rotating presidency was returned to the Volksbanks – the Federation is tackling the project of the future. There was a lot of support from

the political sphere. Climate Protection Minister Leonore Gewessler: “We are stronger together than alone. In cooperatives, members are both owners and customers, and principles such as member support and democracy apply. This also makes them ideal for energy communities.”

OUTLOOK

The current goal for 2024 is to establish 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. 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



The Sustainability Report of the Association of Volksbanks is supplemented by best practice examples in many areas from all over Austria thanks to the support of the banks of the Association. Thanks to the colleagues from the banks of the Association for their contributions!

GENERAL INFORMATION

SUSTAINABILITY MANAGEMENT

The Association of Volksbanks' 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 of the Association of Volksbanks, 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:

The Association of Volksbanks

- » 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, emphasizes 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. 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 of VOLKSBANK WIEN AG 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.

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 the Association of Volksbanks.

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.

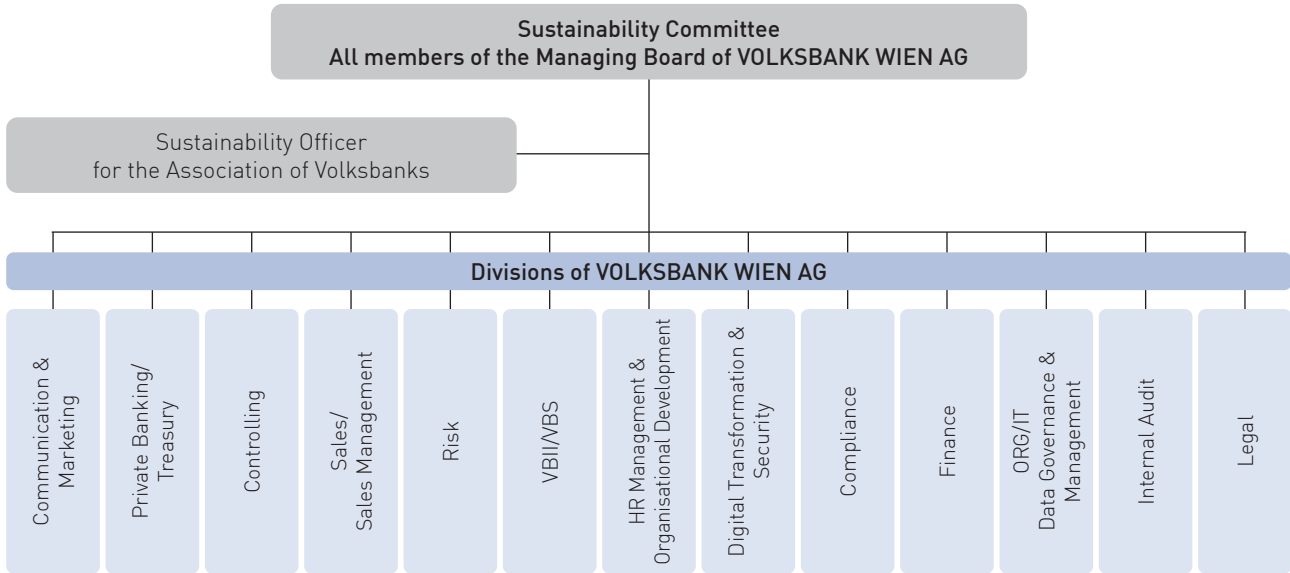
The NAKO is the central steering committee for sustainable opportunities and risks (ESG risks) in the Association of Volksbanks. Management and control are the responsibility of the CO Managing Board. The NAKO manages the sustainable goals of the Association of Volksbanks (see heading Sustainability 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:



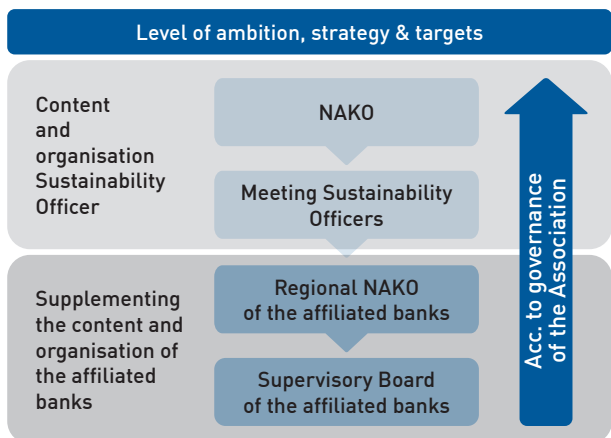
Sustainability governance of the banks of the Association of Volksbanks

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. The Sustainability Officers in the Volksbanks regularly report to the supervisory boards of the affiliated banks as well.

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.



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 the Association of Volksbanks 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 banks of the Association. The

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 executives 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, a sustainability strategy was created for the Association of Volksbanks for the first time, and sustainability was included in all chapters of the strategy of the Association. 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 operational 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, "financed greenhouse gas emissions" (GHG emissions), so-called indirect and downstream emissions associated with the lending and investment activities of the Association of Volksbanks, were also calculated using an ESG software. 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 chapter "Climate and energy").

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. As the central organisation, on behalf of the Association of Volksbanks, VOLKSBANK WIEN AG recognises the importance of TCFD and has begun to integrate TCFD in its reporting on the Association.

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). Disclosure was made voluntarily for this report of the Association.

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 the Association of Volksbanks. 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 the Association to said topics. To improve comprehensibility, each topic was described in greater detail in the questionnaire. The survey was 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, politics, suppliers and capital market participants took part in the survey. This provided important input from stakeholders in determining the main topics of the report.

The Association of Volksbanks 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 the 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 of VOLKSBANK WIEN AG released the results of the double materiality analysis at the end of 2023.

Stakeholder information

Within the scope of the materiality analysis and stakeholder survey, the following stakeholder groups were classified as most relevant to the Association of Volksbanks: private customers, corporate customers, employees, owners, shareholders, members, Supervisory Board members, product partners, NGOs, the Austrian Federation of Cooperatives, the media, politicians, suppliers and capital market participants.

Public relations

In order to inform the stakeholders about news from the bank, the Association of Volksbanks conducts PR activities on a regular basis, in the form of interviews with the CEO or the press officer, of advertorials or press releases.

"Newsroom"

Press releases containing all relevant corporate news, personnel information or interesting topics from Sales are published at regular intervals.

A dedicated "Newsroom" has been set up for journalists and all other interested stakeholders at VOLKSBANK WIEN AG for the Association of Volksbanks, 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

Investor relations

VOLKSBANK WIEN AG as the central organisation 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 sustainability report of VOLKSBANK WIEN AG equally constitutes 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 the Association of Volksbanks as well.

Based on the materiality analysis carried out in 2021, the Association of Volksbanks has allocated the material topics to specific SDGs.

The SDGs most relevant to the Association of Volksbanks are:



GENERAL INFORMATION

SUSTAINABILITY MANAGEMENT

Description of the SDGs relevant to the Association of Volksbanks:



Good health and well-being

Ensure healthy lives and promote well-being for all at all ages.

The Association of Volksbanks 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 checkups, vaccination campaigns and sports groups are only some of the preventive measures to promote employee health that are offered to varying degrees in the individual banks.



Quality education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

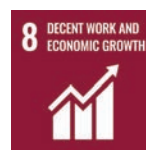
At Volksbank Akademie, with the training formats offered by that institution, such as courses and professional training events that constitute an essential part of HR development, the Association of Volksbanks demonstrates its commitment to quality education. Programmes to promote female high potentials, 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.

For years, the Association of Volksbanks has been committed to a fair and positive working environment for all employees, with a strong focus on diversity and inclusion. First and foremost, all employees are valued and treated equally. In order to ensure equal rights, the Association of Volksbanks primarily implements measures for the advancement of women with a view to equal opportunities. Diversity is one of the sustainability goals in the Association and is measured using a KPI.



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, the Association of Volksbanks 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 the Association of Volksbanks as an attractive, strong and authentic employer brand. The 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

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

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

Make cities and human settlements inclusive, safe, resilient and sustainable.

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.

The Association of Volksbanks 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. The Association of Volksbanks has also set itself the goal of continuously reducing indirect CO₂ emissions from its core business (such as from financing and investments).

BEST PRACTICE

Volksbank Steiermark AG

Volksbank Steiermark has been pursuing sustainability goals based on the SDGs for years. For example, the bank is involved in local initiatives as an "encourager" for entrepreneurs, even in times of war and crisis, and to promote role models in our society. The bank is also active in the promotion of women, by supporting special awards. Volksbank Steiermark continues to pursue its focus on "governance" with a comprehensive project on internal corporate culture. Equal opportunities as the basis for practising "diversity" and a corresponding communication and management culture are the focus here. Initiatives in the area of "environmental protection", such as the conversion of the vehicle fleet to electric vehicles and various construction measures, round off the bank's sustainability efforts.

GENERAL INFORMATION SUSTAINABILITY MANAGEMENT



ESG INVESTMENTS 2018–2023

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 is determined for the investment in sustainable bonds. This investment, defined as an active implementation strategy, recorded around euro 358 million in ESG bonds by the end of 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, the Association of Volksbanks is in a very good starting position. Hardly any CO₂-intensive industries are included in the portfolio (euro 62 million).

The decarbonisation strategy for financed emissions includes the banking book (see 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 the Association of Volksbanks. 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 the Association of Volksbanks 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 the Volksbanks – and they have never been disappointed. The focus of the Association of Volksbanks 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 the Association of Volksbanks 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. Increasing regulatory requirements with a view to investor protection are accounted for: The product standards for securities were accurately determined, clearly defining the customers that a certain investment product is meant for. 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 the Association of Volksbanks 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 within the Association of Volksbanks, namely to increase the safety, transparency and efficiency of European financial markets.

In 2023, the Association of Volksbanks further increased the selection of sustainable funds within the meaning of the Disclosure Regulation (Article 8), adding, 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. The Association of Volksbanks aims to further increase sales of sustainable funds in the coming years.

Association of Volksbanks Union funds ¹⁾	Unit	2023	2022	2021
Volume of Association of Volksbanks in Union Investment funds	Euro	5,591,425,134	4,898,514,567	4,950,728,477
Share of sustainable funds in Union Investment volume	%	35.2	40.68	37.28
Deposits with Union Investment fund units	Number	105,539	102,153	99,285
Deposits with units of sustainable Union Investment funds	Number	59,364	60,095	54,022

1) Starting in 2021, the Association of Volksbanks has put its focus on the presentation of portfolios that are defined as core business and actively managed within the Association of Volksbanks. 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 in the Association of Volksbanks. 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	2022	2021
CO ₂ intensity – investment funds ³⁾	Euro	102.61	160.37	154.57
Union Investment securities funds for which CO ₂ intensity is determined	%	4,018,193,486.53	3,644,858,499.27	2,929,186,206
CO ₂ intensity – real estate funds ⁴⁾	Number	28.56	29.79	35.07
Union Investment real estate funds, for which CO ₂ emissions are determined	Number	1,040,404,913.59	1,253,656,067.91	991,279,494

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 the Association of Volksbanks 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, the Association of Volksbanks had 50,775 'der faire Credit' customers.

	Unit	2023	2022	2021
Volume of 'der faire Credit' within the Association of Volksbanks	Euro thousand	721,575	718,293	678,534
Joint customers with the Association of Volksbanks	Number	50,775	49,400	48,636

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 integrated 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 retail branches of the Association of Volksbanks. 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 820,190 pages of paper¹⁾ and 3,973 kg of CO₂e²⁾ within the Association of Volksbanks.

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 the Association of Volksbanks.

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 within the Association of Volksbanks was 73 %, in the 2023 financial year it was already around 88 %.

	Unit	2023	2022	2021
		Applications via Portal		
		of which DigiSign		
Number of ERGO insurance contracts by customers of the Association of Volksbanks	Number (contract density)	147,076	147,189	149,283
Association of Volksbanks and ERGO customers	Number (contract density)	97,778	99,213	101,632
New insurance policies taken out by customers of the Association of Volksbanks ¹⁾	Number (production unit)	19,483	17,784	15,690
New business volume of ERGO insurance contracts by customers of the Association of Volksbanks	Euro (production premium)	20,545,202	17,677,514	13,817,784
			25,780,624	24,722,598

1) Of the 19,483 insurance contracts, 17,784 were brought in via the ERGO sales portal, 15,690 of which were signed digitally. This corresponds to a DigiSign rate of some 88 %.

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. The customers of the Association of Volksbanks have contributed some 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 as the central organisation of the Association of Volksbanks. 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. Voluntary reporting has also been carried out for the Association of Volksbanks since then.

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, the Association of Volksbanks 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 fulfilment 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, the central organisation of the Association of Volksbanks, 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	148.066.442,78	0,56%	0,56%	0,49%	0,8032%	3,5044%

		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)	14.336.830,09	0,552%	0,552%	0,05%	0,0778%	0,3395%
	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) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (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 (CE)	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 (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (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			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	7,35	4,26			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			7,35	4,26														
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			0,00	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			0,00	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) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (Gross) carrying amount		Non-Financial corporates (Subject to NFRD) (Gross) carrying amount		SMEs and other NFC not subject to NFRD (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 (CE)	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 (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (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			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			3,87	3,76														
2 H 49.1	9,00	2,01			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			0,00	0,00			9,00	2,01														
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			0,00	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			0,00	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 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 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	93,09%	3,03%	3,03%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	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%
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%
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%
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%
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%
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%
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%
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%
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%
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%
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%
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%
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%
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%
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%
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%
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%
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%
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%
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%
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%
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%
24 Households	100,00%	3,25%	3,25%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	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%	3,81%	3,81%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	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%
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%
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%
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%
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%
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%
32 Total GAR assets	16,99%	0,55%	0,55%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	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)				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 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%	
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 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)				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 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%	
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 Use of Proceeds				Of which Use of Proceeds			Of which Use of Proceeds				Of which Use of Proceeds			Of which Use of Proceeds			Of which Use of Proceeds							
		Of which transitional					Of which transitional				Of which transitional			Of which transitional				Of which transitional			Of which transitional			Of which transitional							
		Of which enabling					Of which enabling				Of which enabling			Of which enabling				Of which enabling			Of which enabling			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 Use of Proceeds				Of which Use of Proceeds			Of which Use of Proceeds				Of which Use of Proceeds			Of which Use of Proceeds			Of which Use of Proceeds							
		Of which transitional					Of which transitional				Of which transitional			Of which transitional				Of which transitional			Of which transitional			Of which transitional							
		Of which enabling					Of which enabling				Of which enabling			Of which enabling				Of which enabling			Of which enabling			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%
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%

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 within the Association of Volksbanks:

- » 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
- » Implementation of the Scope 1 + 2 climate strategy as a KPI in the bonus model
- » Calculation of “Financed Greenhouse Gas Emissions” (GHG emissions)
- » Completion of the IT tool selection process for integrating the financed emissions into the loan application process
- » Sustainable building standards are applied
- » Installation of additional e-charging stations and PV systems
- » Reduction in the frequency of postal services
- » Optimisation of the vehicle fleet with regard to climate and environmental issues



GOALS

In 2023, the goals of the Association of Volksbanks in the area of energy and climate were:

- » Measures to optimise operations, primarily to increase energy efficiency
- » More detailed calculation of the corporate carbon footprint (CCF) including financed GHG emissions
- » Development of a climate strategy for operations
- » 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
Improvement of data quality for CCF calculation both for Scope 1 + 2, and for financed GHG emissions (Scope 3)	from 2023	ongoing
Sustainable construction standards were prepared in 2022 and are taken into account	from 2023	ongoing
Purchase of electric vehicles	since 2021	ongoing
Formulation of sub-targets for the decarbonisation of the portfolio	from 2023	ongoing

ENVIRONMENTAL INFORMATION

ENERGY AND CLIMATE

19.1%



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

Despite the small direct environmental impact of any bank's operations, the Association of Volksbanks 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, the Association also addresses indirect environmental impact through financed GHG emissions.

In the Association of Volksbanks, facility management was transformed from a decentralised organisation to a collaborative model (centralised-decentralised). However, this does not apply to all areas such as vehicle fleet, waste management or paper purchasing.

Overall, the Association of Volksbanks attaches great importance to successively introducing and implementing optimisations with regard to the environment and climate in the areas of electricity purchasing, heating, vehicle fleet, paper and waste management. For this reason, the strategy of the Association of Volksbanks stipulates that operations should become GHG-neutral in terms of its CO₂ emissions by 2030.

The key figures for resources and energy were collected by the individual banks of the Association and reported to 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.

Corporate Carbon Footprint (CCF) Scope 1+ 2

In the 2023 reporting year, the CO₂ footprint of the Association of Volksbanks was calculated for the third time. The reporting scope includes all banks of the Association, 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. The indirect emissions in Scope 2 result from the purchase of electricity (buildings and vehicle fleet) and district heating. Emissions from power consumption were calculated on the basis of the electricity actually purchased by the banks of the Association (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.

Overall, there was a 19.1 % reduction in Scope 1 + 2 emissions (location-based) and a 31.4 % 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.

ENVIRONMENTAL INFORMATION

ENERGY AND CLIMATE

Corporate Carbon Footprint (in kg CO ₂ e)		2023	2022	2021
Österreichische Ärzte- und Apothekerbank AG	Direct emissions (Scope 1)	40,234	47,534	37,488
	Indirect emissions (Scope 2 – market-based)	6,409	1,619	1,045
	Indirect emissions (Scope 2 – location-based)	21,805	26,087	19,066
Volksbank Kärnten eG	Direct emissions (Scope 1)	101,194	163,229	134,545
	Indirect emissions (Scope 2 – market-based)	75,777	147,184	167,956
	Indirect emissions (Scope 2 – location-based)	221,131	306,059	327,598
Volksbank Niederösterreich AG	Direct emissions (Scope 1)	323,320	423,108	432,733
	Indirect emissions (Scope 2 – market-based)	41,071	104,464	118,846
	Indirect emissions (Scope 2 – location-based)	299,745	370,166	432,719
Volksbank Oberösterreich AG	Direct emissions (Scope 1)	193,050	233,705	279,266
	Indirect emissions (Scope 2 – market-based)	17,790	133,496	131,734
	Indirect emissions (Scope 2 – location-based)	208,013	336,611	352,566
Volksbank Salzburg eG	Direct emissions (Scope 1)	69,455	120,876	184,622
	Indirect emissions (Scope 2 – market-based)	79,360	161,055	161,382
	Indirect emissions (Scope 2 – location-based)	309,790	400,389	469,288
Volksbank Steiermark AG	Direct emissions (Scope 1)	135,121	159,638	292,586
	Indirect emissions (Scope 2 – market-based)	95,784	165,604	136,271
	Indirect emissions (Scope 2 – location-based)	284,312	355,271	347,661
Volksbank Tirol AG	Direct emissions (Scope 1)	233,317	261,172	193,777
	Indirect emissions (Scope 2 – market-based)	26,059	43,277	58,080
	Indirect emissions (Scope 2 – location-based)	284,087	279,479	302,068
VOLKSBANK VORARLBERG e. Gen.	Direct emissions (Scope 1)	87,993	82,340	82,588
	Indirect emissions (Scope 2 – market-based)	22,785	20,530	22,470
	Indirect emissions (Scope 2 – location-based)	215,655	190,310	202,367
VOLKSBANK WIEN AG	Direct emissions (Scope 1)	428,675	645,880	821,826
	Indirect emissions (Scope 2 – market-based)	188,925	244,395	276,859
	Indirect emissions (Scope 2 – location-based)	670,195	701,518	802,881
Association of Volksbanks in total	Direct emissions (Scope 1)	1,612,359	2,137,482	2,459,431
	Indirect emissions (Scope 2 – market-based)	553,960	1,021,624	1,074,643
	Indirect emissions (Scope 2 – location-based)	2,514,733	2,965,890	3,256,212
	Total Scope 1 + 2 emissions (market-based)	2,166,319	3,159,106	3,534,074
	Total Scope 1 + 2 emissions (location-based)	4,127,092	5,103,372	5,715,643
Specific¹⁾	Total Scope 1 + 2 emissions (market-based) per m ²	16	20	22
	Total Scope 1 + 2 emissions (location-based) per m ²	31	32	35

1) The calculation of consumption values per m² is based on a total area of 133,774.4 m².

ENVIRONMENTAL INFORMATION

ENERGY AND CLIMATE

Energy

When purchasing electricity for the Association, great importance was attached to ensuring that only CO₂-free electricity was used. This was guaranteed by a general electricity supply agreement.

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

The Association has obtained a hydropower certificate from its electricity supplier for its locations, guaranteeing that no CO₂ emissions are caused during the generation of electricity. We have achieved our target of 100 % electricity from renewable sources by 2023 and are continuing to work on improving energy efficiency.

In the previous year, 53 % of the electricity used by the data centre of the Association of Volksbanks, ACN, came 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.

Power consumption	Unit	2023 ¹⁾	2022 ¹⁾	2021
Österreichische Ärzte- und Apothekerbank AG	kWh	84,591	73,030	104,166
Volksbank Kärnten eG	kWh	792,737	907,862	922,785
Volksbank Niederösterreich AG	kWh	1,417,815	1,570,278	1,722,273
Volksbank Oberösterreich AG	kWh	1,042,351	1,182,641	1,276,489
Volksbank Salzburg eG	kWh	1,218,111	1,407,602	1,698,032
Volksbank Steiermark AG	kWh	1,011,169	1,099,116	1,195,182
Volksbank Tirol AG	kWh	1,326,698	1,388,149	1,402,794
VOLKSBANK VORARLBERG e. Gen.	kWh	976,434	975,591	1,006,450
VOLKSBANK WIEN AG	kWh	2,531,026	2,786,664	3,120,490
Association of Volksbanks in total	kWh	10,400,932	11,390,934	12,448,661
Specific power consumption in total²⁾	kWh per m ²	78	71	76

1) For the calculation of electricity consumption for 2023 and 2022, the consumption of the vehicle fleet was excluded.

2) The calculation of consumption values per m² is based on a total area of 133,774.4 m².

ENVIRONMENTAL INFORMATION

ENERGY AND CLIMATE

Heat

By consolidating the heat data of all banks of the Association in 2022, the basis for a strategy to reduce CO₂ can be created for the Association. In 2023, the consumption of heat across the Association decreased by 22.8 % as compared to the previous year, which is due, in particular, to the reduction of areas used for retail branches.

Heating		Unit	2023	2022	2021
Renewable energies ¹⁾	Österreichische Ärzte- und Apothekerbank AG	kWh	57,343	12,269	7,404
	Volksbank Kärnten eG	kWh	614,059	1,115,028	1,190,105
	Volksbank Niederösterreich AG	kWh	855,781	890,931	950,454
	Volksbank Oberösterreich AG	kWh	859,288	1,022,471	948,316
	Volksbank Salzburg eG	kWh	944,488	1,400,408	1,321,742
	Volksbank Steiermark AG	kWh	1,024,989	1,280,331	992,317
	Volksbank Tirol AG	kWh	658,117	549,494	498,687
	VOLKSBANK VORARLBERG e. Gen.	kWh	669,666	623,403	628,182
	VOLKSBANK WIEN AG	kWh	1,446,470	1,853,114	1,875,399
Non-renewable energies ²⁾	Österreichische Ärzte- und Apothekerbank AG	kWh	70,464	127,313	44,543
	Volksbank Kärnten eG	kWh	226,923	444,387	512,896
	Volksbank Niederösterreich AG	kWh	1,047,814	1,552,131	1,618,642
	Volksbank Oberösterreich AG	kWh	790,878	965,768	1,169,739
	Volksbank Salzburg eG	kWh	152,509	291,097	277,660
	Volksbank Steiermark AG	kWh	488,503	536,185	1,218,061
	Volksbank Tirol AG	kWh	703,114	793,490	674,769
	VOLKSBANK VORARLBERG e. Gen.	kWh	328,162	282,067	291,246
	VOLKSBANK WIEN AG	kWh	1,689,114	2,627,169	3,097,465
Total heat consumption Association of Volksbanks		kWh	12,627,682	16,367,056	17,317,628
Specific heat consumption Association of Volksbanks ³⁾		kWh per m ²	94	102	106

Total energy consumption		Unit	2023	2022	2021
Total energy consumption Association of Volksbanks (electricity + heating)		kWh	23,028,614	27,757,990	29,766,290
Specific energy consumption Association of Volksbanks ³⁾		kWh per m ²	172	173	182

1) Renewable energy sources comprise district heating, biogenic sources, and electricity from renewable sources, as well as heat pumps.

2) Non-renewable energy sources comprise natural gas and fuel oil.

3) The calculation of consumption values per m² is based on a total area of 133,774.4 m².

ENVIRONMENTAL INFORMATION

ENERGY AND CLIMATE

Vehicle fleet

When it comes to managing their vehicle fleets, the banks of the Association of Volksbanks act independently. In some cases, measures have already been taken to reduce CO₂, and electric and hybrid vehicles have been purchased. But the switch to e-cars is not the only green measure in the area of the vehicle fleet. The travel policy has been reviewed for sustainability.

Paper

Paper is always purchased via the VB Infrastruktur online portal. However, the banks of the Association are free to place orders independently. Overall, in the year under review, some 75 t of paper were procured by the banks of the Association, that is about 3.4 % less than in the 2022 business year.

A large proportion of the paper procured is either produced in a CO₂-neutral manner or at least provided with the EU Ecolabel certification. The Association of Volksbanks pays attention to the economical use of paper as a resource and aims to ensure a continuous reduction in paper consumption.

Consumption of printing and copying paper	Unit	2023	2022	2021
Printing and copying paper	kg	75,083	77,751	91,197
Printing and copying paper	kg per FTE	24	26	29

Waste

Together with the paper consumption data, the waste volume of all banks of the Association was also surveyed for the 2023 reporting year.

As waste data for glass, cardboard, metal, plastic and residual waste was not available for many locations in the past due to the fact that they were rented (in third-party buildings), only waste data for data waste and hazardous

waste will be reported from 2023. This means that no direct comparison with previous years is possible. The volume of waste generated by the Association of Volksbanks decreased by 17 % compared to the previous year, which is attributable to the change in the data basis.

Waste generation	Unit	2023	2022	2021
Waste	kg	247,931	291,509	286,932
Waste	kg per FTE	79.8	96.1	91.7

Corporate Carbon Footprint (CCF) Scope 3

Financed GHG emissions (greenhouse gas emissions)

The Association has based its determination of financed greenhouse gas emissions 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

ENERGY AND CLIMATE

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 subsequently used for control purposes.

The following table shows the results of the GHG calculations for Scope 1 + 2 emissions in 2023 based on the focus sectors of the Association, as well as real estate and project financing.

GHG emissions per industry sector for 2023

Category	Outstanding amount (in euro million) ¹⁾	Financed emissions Scope 1 + 2 (in t CO ₂ e) ¹⁾	Intensity Scope 1 + 2 (in gr CO ₂ e/EUR) ¹⁾
Business Loans, Listed and Unlisted Equity	12,015	640,566	53.4
of which			
A Agriculture, forestry and fishing	131	190,126	1,451.6
B Mining and quarrying	14	4,896	338.7
C Manufacturing	367	53,387	145.5
D Energy supply	49	2,830	57.3
E Water supply; sewerage, waste management and remediation services	38	37,460	982.1
F Construction	318	28,777	90.5
G Wholesale and retail trade; maintenance and repair of motor vehicles	821	49,236	60.0
H Transport and warehousing	161	52,371	324.3
I Accommodation and catering	409	25,176	61.5
J Information and communication	57	1,294	22.6
K Provision of financial and insurance services	5,692	29,021	5.1
L Real estate and housing	390	216	0.6
M Provision of professional, scientific and technical services	482	11,876	24.7
N Provision of other economic services	125	11,806	94.6
O Public administration, defence, social security	1,114	123,893	111.2
P Education and teaching	11	201	19.0
Q Health and social services	161	3,669	22.7
R Arts, entertainment and recreation	21	4,463	208.6
S Provision of other services	82	2,994	36.5
T - U Others	1,570	6,876	3.4
Commercial Real Estates	10,532	388,739	36.9
Mortgages	8,566	187,690	21.9
Project Finance	121	5,321	43.9
Total	31,234	1,222,316	39.1

ENVIRONMENTAL INFORMATION

ENERGY AND CLIMATE

The presentation of the financed emissions corresponds to a risk-oriented view in line with the decarbonisation strategy.

The calculation results show that the Scope 1 + 2 emissions intensity (= financed emissions / outstanding amount) in gr CO₂/EUR in Business Loans and Equity is significantly above the average of the Association, which is due in particular to the high emissions intensity of the agriculture and forestry, manufacturing, transport and warehousing, and water supply sectors.

Implementation of the decarbonisation strategy

Scope 1 + 2

In the reporting year, the Scope 1 + 2 emissions of the Association of Volksbanks 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. These goals are crucial for the ability 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, which is 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.

ENVIRONMENTAL INFORMATION

ENERGY AND CLIMATE

The Association of Volksbanks implements numerous energy saving measures

A special focus was on avoiding energy consumption in the bank's operations. Savings were achieved both in the retail branches and in the main institutions of the affiliated banks. The following measures were encouraged or implemented (excerpt):

- » 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
- » 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
- » Sustainable building standards to reduce excessive energy consumption

Scope 3

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

The Association aims 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 + 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.

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

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.

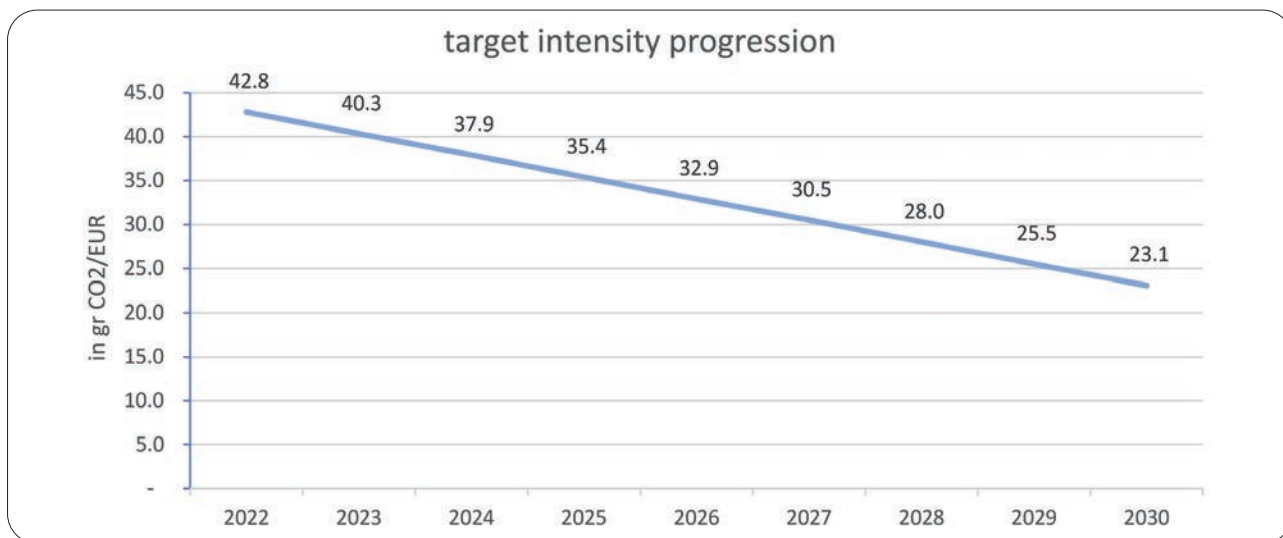
The effect of passive decarbonisation is derived from the data of the Carbon Risk Real Estate Monitor (CRREM). This is an EU-funded tool that was developed as part of a research project by a consortium of real estate companies and academic institutions and helps users to model scientifically sound decarbonisation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

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.

In order to support the achievement of the Association’s overall target path, issue targets are to be defined for internal monitoring in the coming years for the particularly relevant asset class/sectors of Commercial Real Estate and Mortgages. These sectors currently generate around 47.2 % of the portfolio-related emissions of the Association.



ENVIRONMENTAL INFORMATION

ENERGY AND CLIMATE

Sustainable procurement

The details are described in the chapter “Regionality” under the item “Sustainable and regional procurement”.

BEST PRACTICE

VOLKSBANK VORARLBERG e. Gen.

In 2023, facility management continued to put a clear focus on steadily reducing the CO₂ footprint. Among other things, this was achieved by deliberately making business trips more sustainable, by gradually switching to LED lighting, by taking energy-saving and low-emission refurbishment measures, through intelligent control of air conditioning, heating and ventilation systems, and by expanding e-mobility throughout the company. The “Get your Jobbike” campaign was in high demand throughout the year, offering employees an opportunity to buy e-bikes on attractive terms due to tax savings, simultaneously reducing CO₂ emissions by arriving at their place of work without using a car.

In 2024, the implementation of this responsible energy concept will be continued by expanding the network of charging stations and developing district heating for selected retail branches, as well as expanding the bank’s own photovoltaic systems. More efficient cash logistics, i.e. the reduction of replenishment processes through a new generation of self-service machines, will lead to a significant reduction in travel and transport distances. The focus on electronic account statements has had a positive impact on paper savings.

As events and functions also leave a CO₂ footprint, great importance was also attached to the in-house event culture. Almost all events for employees, members and customers were awarded the “ghörig feschtsa” certificate. VOLKSBANK VORARLBERG e. Gen. has joined the homonymous initiative of Vorarlberger Gemeindeverband (association of Vorarlberg municipalities), which is presented on the “umweltv” platform of the Land of Vorarlberg. Another milestone each year is the “Green Events” certification, the highest

seal of quality for a sustainable event in Austria (awarded by the Federal Ministry for Climate Protection, Environment, Energy, Mobility, Innovation and Technology), which was awarded to the customer event with the Vorarlberg Symphony Orchestra at the Festspielhaus Bregenz.

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

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 within the Association of Volksbanks:

- » Full application of the ESG aspects introduced in 2022 in the credit process
- » Roll-out of the sustainability check to identify sustainable financing in accordance with the framework
- » 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 organised to promote the topic of sustainability at the individual regional banks
- » Brochure for SMEs, focus on circular economy
- » Continued cooperation for the foundation and financing of energy cooperatives
- » Update of PV systems brochure
- » 4,750 new Union Investment fund customers
- » Sustainable funds account for 37 % of the total fund portfolio.



GOALS

In 2023, the goals of the Association of Volksbanks with respect to sustainable products and services were:

- » 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)
- » 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.

The greatest lever of the Association of Volksbanks 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 core business of the Association of Volksbanks. 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 chapter "Risk management"). Since the majority of the Association of Volksbanks'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 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 Association 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.

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

ENVIRONMENTAL INFORMATION

SUSTAINABLE PRODUCTS AND SERVICES

and preservation of species, are described and evaluated. See "Risk management" chapter. The Association of Volksbanks 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 the Association of Volksbanks 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.

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 towards 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 loans from VOLKSBANK WIEN AG

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.

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. The Association of Volksbanks contributes to SDG 11 by providing access to adequate, safe, and affordable housing.

ENVIRONMENTAL INFORMATION

SUSTAINABLE PRODUCTS AND SERVICES

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.

Financing of energy cooperatives

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

Sustainable investments

The business model of the Association of Volksbanks is to focus on the affiliated banks’ core business and to enter into cooperations with strong product partners. Union Investment is the product partner of the Association of Volksbanks 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 a customer 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, any product successfully tested by Volksbank Tirol AG in the course of the product approval process may only be included in the product range (Volksbank master list) if it is in line with the business strategy of the Association of Volksbanks.

BEST PRACTICE



Volksbank Niederösterreich AG

Since 2021, Volksbank Niederösterreich’s project business has increasingly focused on supporting customers in financing systems for sustainable and CO₂-neutral energy generation. In 2023, systems with an overall performance of 129,000 MWh were financed, which corresponds to the consumption of some 44,400 households or an amount of CO₂ avoided of some 92,000 t per year. Currently, the focus is on photovoltaic systems, wind turbines and hydropower plants. But also district heating plants and biomass systems are being financed. In this business segment, Volksbank Niederösterreich cooperates successfully with VOLKSBANK WIEN AG in order to be able to implement larger project financing transactions. Information on the initiative is also contained in this video:

[vbnoe Green Energy Imagefilm](#)

ENVIRONMENTAL INFORMATION

SUSTAINABLE PRODUCTS AND SERVICES

Volksbank Kärnten eG offers sustainability audit for its business customers and has received the award for sustainability itself.



Exclusively for its customers in the corporate sector, Volksbank Kärnten offers a sustainability audit in cooperation with Energieforum Kärnten, supporting those who are not yet very familiar with the topic of sustainability. This sustainability check covers all Green Deal topics – including taxonomy – and takes into account all laws that have been and will be passed by the European Union and subsequently by the Austrian parliament. The audit includes an analysis of the relevant issues and laws – depending on the sector and size of the company –, a survey of the current situation and potential for improvement, as well as the joint creation of a list of objectives and a plan of action. Upon request, Energieforum Kärnten will subsequently support the achievement of the goals with a network of experts. Volksbank Kärnten itself underwent this sustainability audit in 2023 and was recognised for its sustainable corporate orientation.

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, the Association of Volksbanks 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.).

VOLKSBANK WIEN AG Real Estate Financing that is subsidised or eligible for a green bond issue

In the area of sustainable real estate, the company plans to strengthen its positioning, also with a view to 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

Sustainable investments

Since August 2022, account managers must ask their customers whether they want sustainability preferences to be taken into account in their investments. However, this also 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 within the Association of Volksbanks:

- » The Association managed to increase the proportion of female executives by 12.5 % in the period from 31 December 2021 to 31 December 2023.
- » The Net Promoter Score within the Association improved by 2 points in 2023 compared to 2022.

Other measures pursued in 2023 include:

- » Ongoing measures to position the Association of Volksbanks as an attractive employer in order to create employee loyalty and acquire external talent and experts
- » Continuation of unrestricted equal rights and recognition measures and the expansion of measures to include:
 - Gender pay gap analysis and potential measures
 - Expansion of the women's advancement programme at the level of the Association
- » Consistent use of employee feedback
- » Continuation of the NPS (Net Promoter Score) survey
- » Continuous organisational development and optimisation of the organisational structure
- » 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 the Association of Volksbanks with respect to employees were:

- » Positioning of the Association of Volksbanks as an attractive employer
- » Strengthening identification with the company
- » Focused development of employees and creation of a systematic framework for this purpose
- » Full equal treatment and recognition of employees
- » New and further development of training formats
- » Development of digital skills
- » Development of additional training formats in the sphere of sustainability

*Our employees
are the basis
of our success!*

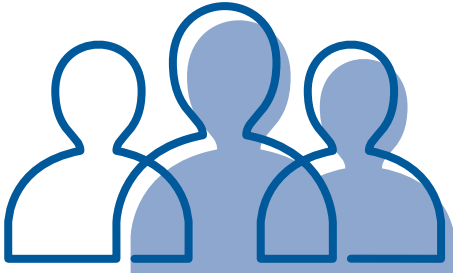


MEASURES

Measure	Time horizon	Status
Increase in the proportion of women in managerial positions by 10 %	2022	end of 2023
Employee satisfaction is evaluated with an NPS (Net Promoter Score) survey	2022	ongoing
Employer branding values are being made a reality in the Association of Volksbanks	since 2019	ongoing
Implementation of a standardised gender pay gap analysis	since 2021	ongoing
Measures to increase pride and identification within the Association of Volksbanks	2022	ongoing
Establishment of a structured framework for remote work	since 2021	ongoing

SOCIAL INFORMATION

EMPLOYEES



3,791

EMPLOYEES ARE WORKING FOR THE ASSOCIATION OF VOLKSBANKS.¹⁾

The Association of Volksbanks 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 the Association of Volksbanks as an employer in its relationship with its employees. That is why the Association relies on mutual trust through partnership.

As a central element of the HR strategy, a promise to employees was formulated by the managing board members of the Association in 2022, 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 the company’s authentic employer values – encounters at eye level, the courage to get involved, and making the company ‘fit for the future through flexibility’ – by working together. Behind all three employer values is an individual value proposition by the individual Volksbanks and Österreichische Ärzte- und Apothekerbank to their employees. This value proposition has become an integral part of the value framework practiced by the Association, helping the Volksbanks to improve as employers. As part of the organisation’s positioning as an attractive employer, great importance is attached to training and education, flexible working hours, equal rights, recognition, innovation and self-fulfilment. The Association of Volksbanks is building on this, because this is how Volksbank will remain fit for the future and sustainably successful.

The Association of Volksbanks attaches great importance to appropriate remuneration that exceeds the minimum requirements of the collective agreement. The basis for this is the remuneration policy applicable throughout the Association.

The early repayment of the government’s participation capital and the good result have given the Association of Volksbanks more 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

The Association of Volksbanks currently has 3,791 employees. The figures indicated in the employee area refer to those employees that were employed within the Association of Volksbanks (8 regional Volksbanks, Österreichische Ärzte- und Apothekerbank, and fully consolidated affiliated companies) on 31 December of the reporting year. Full-time equivalents are rounded mathematically to whole numbers.

Employees ¹⁾	Gender	Unit	2023	2022	2021
Headcount		Number	3,791	3,771	3,919
	F	Number	2,259	2,250	2,322
	M	Number	1,532	1,521	1,597
Employees by full-time equivalents		FTE	3,108	3,033	3,128
	F	FTE	1,644	1,589	1,614
	M	FTE	1,464	1,445	1,514
White-collar employees	F	FTE	1,609	1,561	1,589
	M	FTE	1,420	1,408	1,471
Blue-collar employees	F	FTE	1	1	3
	M	FTE	21	21	26
Apprentices	F	FTE	33	26	22
	M	FTE	24	16	17
Full-time employees		Number	2,372	2,316	2,466
	F	Number	1,011	977	1,047
	M	Number	1,361	1,339	1,419
Part-time employees		Number	1,419	1,455	1,453
	F	Number	1,248	1,277	1,275
	M	Number	171	178	178
Employees with permanent employment contract		Number	3,758	3,732	3,881
	F	Number	2,201	2,058	2,300
	M	Number	1,557	1,674	1,581
Employees with fixed-term employment contract		Number	33	39	38
	F	Number	18	31	20
	M	Number	15	8	18

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

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 of the Association of Volksbanks, 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. In particular, the following HR guiding principles 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 and supporting the 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

For years, the Association of Volksbanks has been committed to a fair and positive working environment for all employees, 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, the Association of Volksbanks 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. The Association 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, the Association of Volksbanks 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 proportion of women in managerial positions is meant to increase steadily 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 within the Association of Volksbanks

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Another key success factor for equal treatment and equal opportunities is a structured analytical process on gender pay gaps. In the future, significant differences between average male and female remuneration will be documented and justified annually – as part of the remuneration report – and appropriate measures will be taken, if necessary (see General Instruction Remuneration Policy and working instruction).

Supervisory Board	Gender	Unit	2023	2022
Supervisory Board members		Number	125	88
	F	%	26	25
	M	%	74	75

Managing Board	Gender	Unit	2023	2022
Managing Board members		Number	19	19
	F	%	5	5
	M	%	95	95

Managerial responsibility	Gender	Unit	2023	2022
Employees without managerial responsibility		Number	3,355	3,358
	F	%	63	64
	M	%	37	36

Managerial responsibility	Gender	Unit	2023	2022
Employees with managerial responsibility		Number	422	413
	F	%	27	25
	M	%	73	75

Fit & Proper training of Volksbank Akademie

For years, the supervisory board members and executives of the Association of Volksbanks have been trained, e.g. on compliance and banking regulatory issues as well as on sustainability issues. 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, 239 people (throughout the Association) took part in the Fit & Proper programme.

BEST PRACTICE

Women’s network of Volksbank Salzburg eG is growing



The Volksbank Salzburg Women’s Network was founded in autumn 2022 with the aim of creating a strong network among women and providing a platform for networking and collaboration. At the end of September 2023, Volksbank Salzburg welcomed eight new members to the network at an onboarding event. Good ideas for promoting women have already been implemented in the first year: Under the title “Female employees in the spotlight”, each issue of the employee magazine features a female colleague as a role model and shares her success story. Female colleagues who take on a management position for the first time receive support from a mentor from the women’s network. Framework conditions for “Führen in Teilzeit” (part-time management) have been created and implemented. A separate series of events was launched for female customers, which kicked off on 28 November 2023 with keynote speaker Mareike Tiede.

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Further education

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

For the Association of Volksbanks, further training 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.

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, the Association of Volksbanks 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. In 2023, 148 employees of the Association of Volksbanks have completed the “Sustainable Debt” training, thus starting the recertification process.

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- » 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. By 31 December 2023, 192 employees of the Association of Volksbanks had completed the new sustainability episode.
- » 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, 349 employees of the Association of Volksbanks 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. 146 employees of the Association of Volksbanks 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, 36 participants had completed this training course.
- » 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, 50 participants of the Association of Volksbanks completed the Fresh-up.

Average training hours	Gender	Unit	Total	Akademie	In-house/ external
Total employees		Ø hours	44.12	34.96	8.47
	F	Ø hours	39.35	31.72	7.05
	M	Ø hours	51.98	40.16	10.90
Employees without managerial responsibility		Ø hours	45.95	34.00	9.00
	F	Ø hours	41.35	32.82	7.65
	M	Ø hours	49.79	39.09	9.86
Employees with managerial responsibility		Ø hours	57.31	43.87	14.03
	F	Ø hours	70.23	57.05	13.18
	M	Ø hours	55.18	41.49	14.29

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Employee satisfaction

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

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

Employee surveys

Since 2022, a Net Promoter Score (NPS) survey has been conducted at all Volksbanks, as part of the “Employee Satisfaction” sustainability goal. In 2023, the participation rate was 65 %, which is 4 percentage points higher than in 2022. The NPS also improved slightly from 9 to 11 points between 2022 and 2023.

These more extensive employee surveys are carried out continuously within the Association at bank level in order to gather new, regional input for improvement measures. For 2023, the following topics on the agenda of the Association, derived from the HR strategy and the promise to our employees, were implemented:

- » Focus on making employees feel that they are doing “meaningful work”
- » Encouraging “pride and identity”
- » Introduction of a bonus model
- » Introduction of a young talent programme
- » Bonus for “employees recruiting employees”

Results of the NPS survey 2023 ¹⁾	2023		2022	
	NPS score	Participation rate	NPS score	Participation rate
Österreichische Ärzte- und Apothekerbank AG	47	63 %	-10	59 %
VB Infrastruktur und Immobilien GmbH	21	42 %	-8	36 %
VB Services für Banken Ges.m.b.H.	-28	61 %	-15	44 %
Volksbank Kärnten eG	15	69 %	2	58 %
Volksbank Niederösterreich AG	13	72 %	40	51 %
Volksbank Oberösterreich AG	-4	53 %	1	52 %
Volksbank Salzburg eG	17	66 %	4	78 %
Volksbank Steiermark AG	16	68 %	11	61 %
Volksbank Tirol AG	28	70 %	30	54 %
VOLKSBANK VORARLBERG e. Gen.	22	73 %	30	82 %
VOLKSBANK WIEN AG	10	62 %	2	67 %
Association of Volksbanks	11	65 %	9	61 %

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Appraisal interviews

The Association of Volksbanks 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 the joint successes, learnings and areas of development and to define and plan further joint goals.

Appraisal interviews are an important pillar of successful and satisfactory 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.

BEST PRACTICE

Hello Volksbank, Hello Association, Hello YOU!

Apart from Volksbank Steiermark as pioneer, a culture of "YOU", the German casual form of address "DU", is equally being made a reality at Volksbank Kärnten, Volksbank Niederösterreich, Volksbank Tirol, Österreichische Ärzte- und Apothekerbank, VOLKSBANK WIEN AG, VB Services and VB Infrastruktur & Immobilien within the Association, which is also meant to apply between these banks.

By expanding the "YOU" culture, the change of corporate culture of the past years is continued and another step is made to strengthen a sense of "WE", a feeling of togetherness, at Volksbank and within the Association.

Moreover, it is a visible sign of encounters at eye level where the matter at hand is more important than corporate hierarchy.

Employee health and safety

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

Employee health

The Association of Volksbanks is convinced that the compatibility of professional and private life is decisive for the quality of life and the health of its employees. HR management sets itself the strategic goal of making this possible. 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.).

Depending on local conditions, further points of emphasis will be the following:

- » "Keep Balance" co-operation with Hilfswerk Österreich
- » Offer of online lectures on the subject of work-life balance
- » Digitisation of the training offered
- » Information packages on the topic of family and nursing for employees with care responsibilities
- » Offers and preventive measures to help employees stay healthy
- » Company doctor or occupational psychologist to help in personal stress situations

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Safety

All employees of the Association of Volksbanks 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 working instruction has been drawn up that contains the main tasks and obligations arising from the Austrian Industrial Safety Act (ArbeitnehmerInnenschutzgesetz; ASchG) for the Association of Volksbanks. According to the ASchG, employers are obliged to ensure the safety and health 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 within the Association of Volksbanks 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, and 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 and 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.

Cyclical 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 spite of comprehensive safety measures, the 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 security training events for employees at retail branches.

Safety training	Gender	Unit	2023	2022
Crisis intervention and safety training	F	Number	450	587
	M	Number	395	463

In total, 1,690 hours were spent on crisis intervention and safety training in 2023.

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Volksbank Tirol AG



In 2023, Volksbank Tirol launched the “Betriebliche Gesundheitsförderung” (BGF; workplace health promotion) project together with Österreichische Gesundheitskasse as a partner, with measures to improve working conditions and organisation, to promote active employee participation and to strengthen the personal skills of employees and executives. The first step was to analyse health burdens and resources in the form of an employee survey, which forms the basis for improvement measures. The project aims to improve the health of employees and their loyalty to the company, on the one hand, and to support a health-promoting leadership style with a generally positive effect on customers, on the other hand.

OUTLOOK

Based on the strategic HR guiding principles, the Association of Volksbanks has set the following priorities for 2024:

- » Targeted development of employees and creation of a systematic framework for this purpose:
 - Expansion of systematic succession planning
 - Extension of existing management training
- » Positioning of the Association as an attractive employer in order to create employee loyalty and acquire external talent and experts:
 - Development of young talent pool
 - Expansion of flexible working time models
- » Consistent use of employee feedback as a development driver for the organisation and the executives:
 - Bank-specific goals regarding the development of the NPS value from 2023
- » Creating a framework for meaningful work and supporting work-life balance:
 - Implementing measures from the Pride & Identity working group
 - Making employees feel that they are doing meaningful work
- » Increase of HR productivity, optimisation of all HR-related costs and improvement of C/I ratio:
 - Bank-specific goals regarding fluctuation
- » Full equality and recognition:
 - Increase of the share of female executives within the Association between 31 December 2023 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 ASSOCIATION OF VOLKSBANKS.

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 Association of Volksbanks are committed to sustainable principles:

Sustainability principles of the works council members

The works councils of the banks in the Association of Volksbanks

- » 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, and
- » attend to conflicts with a view to a reconciliation of interests.

Within the Association of Volksbanks, there is a works council in every Volksbank (with the exception of VOLKSBANK VORARLBERG e. Gen.) and in Österreichische Ärzte- und Apothekerbank AG. 72 elected works council members (30 of them women) in the Association of Volksbanks represent the interests of employees. 40 works council members (24 men, 16 women) were delegated by the works councils to the supervisory boards and various committees of the supervisory boards at the banks of the Association.

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. The banks of the Association offer a

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*Strong
representation of
employee interests.*

variety of services (e.g. flu vaccinations, TBE vaccinations, pregnancy talks, vision checks, etc.). Various sports and fitness classes are provided both presence-based and on-line. Group health insurance and cooperations with fitness centres are also offered to employees. Company doctors are available at the banks. The free counselling service “Keep Balance” offered by Hilfswerk Österreich to help with challenges and questions in all situations in life was gladly used by employees.

The works councils organise various campaigns for employees at the banks of the Association that vary greatly from region to region. Examples are the organisation of employee parties, support in the formation of women’s networks, cultural events, the distribution of fruit baskets to staff members and many others.

Individual works councils have implemented the position of women’s affairs officer / non-discrimination officer. In case of need, employees may contact this person in all confidence. At VOLKSBANK WIEN AG, 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 have a great variety of services (e.g. dressmaker’s shop, dry cleaner’s, pharmacy orders, assistance with cultural and arts events) at their disposal at favourable terms. The “corporate-benefits” and “CorpLife-Mitarbeiterwelt” (employees’ world) platforms provide various offers to employees on culture, sports and leisure, housing and much more on a regular basis.

Association of Volksbanks Works Councils	Unit	2023 overall	female	male	2022 overall	female	male
Works council members	Number	72			75		
Österreichische Ärzte- und Apothekerbank AG	Number		3	1		4	1
Volksbank Kärnten eG	Number		0	6		0	6
Volksbank Niederösterreich AG	Number		1	7		2	7
Volksbank Oberösterreich AG	Number		1	7		1	8
Volksbank Salzburg eG	Number		4	3		4	3
Volksbank Steiermark AG	Number		6	1		6	1
Volksbank Tirol AG	Number		4	4		4	4
VOLKSBANK VORARLBERG e. Gen.	Number		0	0		0	0
VOLKSBANK WIEN AG	Number		11	13		11	13
Works council members on the Supervisory Board and in various committees	Number	40			40		



IMPORTANT SUCCESSES AND RESULTS

In 2023, important successes and results were achieved within the Association of Volksbanks:

- » 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 4.18 %



GOALS

In 2023, the goals of the Association of Volksbanks with respect to regionality were:

- » 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”

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The Association of Volksbanks operates almost exclusively in its catchment area. There are no foreign shareholders. The focus of the Association of Volksbanks 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 the sales activities of the Association of Volksbanks is the Austrian network of retail branches.

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.

The Association of Volksbanks focuses on customers in Austria. In regions close to the border, the Association of Volksbanks 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.



95.82 %

FINANCING
IN THE REGION.

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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 the Association of Volksbanks. Generally, with euro 23,130,152 thousand, the lending business showed an increase in the 2023 reporting year (2022: euro 22,530,304 thousand, 2021: euro 21,836,493 thousand), the share of regional financing in all financing transactions amounted to 95.82 % in 2023 (2022: 95.54 %, 2021: 95.30 %). As in the past few reporting years, the share of financing transactions in foreign countries (4.18 %) is 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 22,208,314 thousand (2022: euro 22,105,097 thousand, 2021: euro 22,746,798 thousand).

Regional investment and share of foreign financing

Euro thousand			2023		
	Regional	Foreign	Total	Regional share	Foreign share
Financing of all customers	22,162,681	967,471	23,130,152	95.82 %	4.18 %
of which private customers	8,233,736	307,317	8,541,053	96.40 %	
of which SMEs	11,339,905	402,855	11,742,761	96.57 %	
of which corporate customers	651,845	92,260	744,105	87.60 %	
of which others	1,937,195	165,039	2,102,234	92.15 %	
Savings deposits and other deposits			22,208,314		
Share of regional financing in savings deposits and other deposits			99.79 %		

For more than 170 years, the Volksbanks have been local financial providers in their region. The Association of Volksbanks 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.

The Association of Volksbanks 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

The employees of the Association 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 banks organise their own events that serve to connect customers from the region – so that the added value will remain in the region.

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Private customers

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

Small and medium-sized enterprises

With its focus on small and medium-sized enterprises, the Association of Volksbanks is working with the lifeblood of the economy within its 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, the Association of Volksbanks 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 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 and the CSR experts from respACT have launched a series of events entitled "Opportunities and challenges of corporate sustainability in practice" in 2022. For instance, a joint event on the topic of the circular economy was held in 2023 at VOLKSBANK WIEN AG.

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, the Association of Volksbanks 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.

Österreichische Ärzte- und Apothekerbank AG

The professional bank of Austrian physicians and pharmacists specialises in the needs of its target group. The high market share among physicians, dentists and pharmacists reflects the long-standing focus on these professional groups. The experienced teams of experts are characterised by industry know-how and a high level of customer understanding. For Österreichische Ärzte- und Apothekerbank, personal consultancy is at the heart of a long-term successful cooperation between customers and the bank based on fairness and trust. The account manager develops customised solutions for customers, tapping into the networks of both professions.

As a professional bank, Österreichische Ärzte- und Apothekerbank has made it its business to support the economic and financial interests of its customers.

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

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Ärzte- und Apothekerbank is aware of its responsibility towards its stakeholders and has therefore anchored its sustainable economic, ecological and social goals in its business strategy. Many of the customers served have a long-standing commitment to sustainability due to their work in the healthcare sector. This also explains the continuing demand for sustainable investment opportunities.

In order to ensure compliance with all regulations, persons have been defined internally at Ärzte- und Apothekerbank who are responsible for implementing ESG topics. This business policy is intended to create awareness of sustainable issues among customers and employees. By engaging and motivating employees and through close interaction with customers and network partners, the bank for the healthcare professions is taking the next step towards customer satisfaction, product innovation, transparency, and employee loyalty with an extended focus on sustainability. This change, namely the integration of sustainability into the company's core values and DNA, has a positive impact on everyone's quality of life in a changing society.

In 2023, Österreichische Ärzte- und Apothekerbank implemented the following main focuses on the topic of sustainability:

- » Information for customers: podcast on the topic of "What has sustainability got to do with finance?"
- » Information page "Sustainable investment" on the homepage www.apobank.at
- » Flexible working for employees through "New working with hybrid meetings"
- » Promotion of equal opportunities
- » Health days as part of the company health promotion programme
- » Gift of decommissioned IT devices to employees
- » Creation of contractual framework conditions to promote sustainable mobility (by bicycle) for employees
- » Sustainable and regional gifts offered to customers
- » Sponsoring of a charity golf tournament in favour of prostate cancer research
- » Sponsoring of a charity golf tournament in favour of social projects
- » Purchase of books on the topic of sustainability to pass on to customers and their children

Other brands within the Association of Volksbanks

Apart from the "Volksbank" brand, SPARDA-BANK and Gärtnerbank are important, valuable components of the brand strategy due to their well-established branding. They are briefly described in the sustainability report of VOLKSBANK WIEN AG. Therefore, these brands will not be discussed in detail below.

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Procurement, outsourcing and suppliers

Sustainable and regional procurement in facility management

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, the Association of Volksbanks 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 determined 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 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 the Association of Volksbanks.

Based on the General Instruction on Outsourcing, all outsourcing activities of the Association of Volksbanks 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.

SOCIAL INFORMATION

REGIONALITY

Short distances through regional focus.

Sustainability in communication

In order to consolidate its positioning as a sustainable regional bank, the Association of Volksbanks 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 the Association of Volksbanks 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, the Association of Volksbanks is able to establish the connection between Austria and regionality. As regards business conducted with companies, the Association of Volksbanks 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 Volksbank 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. The Association of Volksbanks considers it important for a regional bank that employees live in the region and also come from the region.

The initiative to bring the Volksbanks closer to the region on social media as well was launched at the end of 2022. A joint workshop to develop the strategy gave the go-ahead for each affiliated bank's own social media channel, where they specifically address their customers at a regional level, conveying a sense of proximity.

SOCIAL INFORMATION

REGIONALITY

BEST PRACTICE

Volksbank Oberösterreich AG: Decades of partnership with DIE FORUM Gallery/ Wels Artists' Guild



For decades, Volksbank Oberösterreich has been the main sponsor of the DIE FORUM Gallery, which was founded in 1951 as "Künstlergilde Wels", or Wels Artists' Guild. The Wels Artists' Guild currently brings together more than 60 visual artists from all over Upper Austria. At least nine exhibitions (solo and group exhibitions) of contemporary visual art are held each year. This partnership offers Volksbank Oberösterreich the opportunity to assume cultural and social responsibility and to live up to its responsibility as a sponsor in the region. In addition, works by artists represented in the DIE FORUM Gallery are regularly purchased and displayed at the headquarters of Volksbank Oberösterreich.

VOLKSIPEDIA – the unique dictionary from Volksbank Kärnten in the charming Carinthian dialect



With VOLKSIPEDIA, Volksbank Kärnten intends to entertain and make a contribution to ensuring that the Carinthian dialect is increasingly respected, cultivated and preserved. In addition to explanations of general Carinthian dialect expressions, "Bankish" technical terms are also translated into Carinthian. Carinthian ski-jumping aces Martin Koch, Hannah Wiegele and Thomas Morgenstern participated in the project and explained their favourite Carinthian dialect words in a video and in the booklet. Carinthians were asked to send in and explain their most original dialect words. In the meantime, Antenne Kärnten has created its own programme, the "Hitversteh", which translates international songs into Carinthian. The VOLKSIPEDIA collection and reference work is available online on the Volksbank Kärnten website and as a printed booklet in all retail branches.

VOLKSIPEDIA | Volksbank Kärnten eG
(volksbank-kaernten.at)

VOLKSBANK VORARLBERG e. Gen.: Sustainable renovation of the head office in Rankweil



The award-winning architectural firm Marte.Marte Architekten from Feldkirch was awarded the contract for the renovation of the Rankweil branch of Volksbank Vorarlberg following a tender process. The building from the 1970s is being redesigned based on the original room structure and adapted to today's needs – a sustainable, resource-saving process that contributes to climate protection. The compactness of the building structure, optimisation of surfaces, energy efficiency, and the use of modern heating and ventilation technology are a matter of course. During the planning process, a great deal of attention is paid to qualities such as a sense of space, light and emotion in order to offer customers the best possible experience in a bank branch and to emphasize the importance of regionality for Volksbank Vorarlberg.

OUTLOOK

In 2024, various measures will again emphasize the topic of regionality throughout the Association of Volksbanks. This may concern the promotion of the positioning of the Association of Volksbanks 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 within the Association of Volksbanks:

- » 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 the Association of Volksbanks with respect to customer service quality were:

- » 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 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 customers 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, 15,000 people aged 15 and over in Vienna are selected and interviewed as representative of the population. Due to the big sample, results can also be analysed on a regional basis as well as by the customers of individual banks.

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, the data collected in 2022 show the following picture:

- » Stable share as main bank
- » Slightly declining customer share (presumably due to the elimination of secondary bank connections)
- » 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 partners of the Association of Volksbanks

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 obtained by the Association of Volksbanks

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, the Association of Volksbanks 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. For this reason, customer satisfaction in the private and corporate customer business will continue to be measured on a regular basis in the future and further steps to improve customer services will be derived from this. 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 within the Association of Volksbanks:

- » 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 Austria 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 the Association of Volksbanks with respect to social commitment were:

- » 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 the Association of Volksbanks. 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 the Association of Volksbanks are precisely defined and were laid down in guidelines for regional and sustainable sponsorships.

One important concern of the Association of Volksbanks 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. The Association of Volksbanks 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.



280

YOUNG ATHLETES PARTICIPATE
IN THE GOLDI CUP 2023.

SOCIAL INFORMATION

SOCIAL COMMITMENT

In 2023, the Association of Volksbanks 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 Volksbanks position themselves 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 and reinforce it. This is achieved on a supra-regional level through a long-term partnership with Austrian testimonials who represent the values of the Association of Volksbanks, as well as on a regional level through activities that transport the Volksbank values in a sustainable manner.

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. The Volksbank 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 Talents Cup

Andreas Goldberger, one of 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 the Association of Volksbanks, 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 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.



Pixi booklet "Hanna lacht, die Natur ist aus Vielfalt gemacht"

For World Savings Day, Volksbank gave away the Pixi booklet "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](#).

SOCIAL INFORMATION

SOCIAL COMMITMENT

BEST PRACTICE

Volksbank Tirol supports regional aid organisations

Volksbank Tirol AG supports the “Zusammen in Tirol” (in Tyrol together) project of the Tyrolean Youth Red Cross. This initiative promotes solidarity and cooperation in the region by enabling children and young people to participate in society even in times of crisis – regardless of their family’s income, their nationality or native language. Supporting organisations such as the “Evita Frauen- und Mädchenberatungsstelle” (women’s and girls’ advice centre), the “Tirol hilft” (Tyrol helps) network and the “Imster helfen Imster Familien” (citizens of Imst help Imst families) campaign group underlines Volksbank Tirol AG’s commitment to strengthening local communities and supporting people in need. A donation was also made to “Club 21”, an association for networking Tyrolean families with children with Down syndrome.



A special trip to Graz made possible by Volksbank Salzburg

Many people with disabilities have one big goal: to lead a self-determined life. What most people take for granted can be a challenge for others, for example a simple trip to Graz. Female members of the “knack:punkt – Selbstbestimmt Leben Salzburg” society wanted to go on a trip like this; women who have to cope with a disability and were hoping to make this journey together in a group. It turned out that this was indeed possible, but due to the special services required, for instance a special coach, it was beyond the society’s financial means. Volksbank Salzburg stepped in and provided the missing money.



Volksbank Oberösterreich as a partner of the BezirksRundSchau Christkindlauf

This year again, Volksbank Oberösterreich was delighted to be the main sponsor of the BezirksRundSchau Christkindlauf (Christmas Run) for the third time that took place at the beginning of January this year, under the motto “Virtual running, real help”. Around 1,300 highly motivated participants registered for the virtual run. The net proceeds from the entry fees in the amount of euro 18,387 went directly to people in need in Upper Austrian districts. The great importance of regional responsibility in the social sector was also demonstrated by the commitment of Volksbank Oberösterreich employees, many of whom participated in the run once again, providing additional support to the Christkindlauf.

OUTLOOK

Next year, Volksbank’s cooperation with Österreichische Sporthilfe will be continued 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. The Association of Volksbanks clearly demonstrates that long-term partnerships ensure success. As part of its social media strategy, the Association of Volksbanks 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 within the Association of Volksbanks:

- » 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
- » Publication of a 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 the Association of Volksbanks with respect to Code of Conduct and compliance were:

- » 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 the Association of Volksbanks 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 within the Association of Volksbanks and is taken into account in all units involved in the organisation's core business.

The Code of Conduct was established in each bank of the Association of Volksbanks by the respective supervisory board and documents the values of the Association of Volksbanks 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 the Association of Volksbanks, 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.



99.2 %

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

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 December 2023, 87.5 % (126) 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 organisation are instructed about the Code of Conduct of the Association of Volksbanks by Compliance 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 98.4 % 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 the Association of Volksbanks: Trust – Integrity – Respect – Confidentiality.

In addition, the Code of Conduct addresses selected compliance issues which also document the integrity of the Association of Volksbanks in its external relations.

The Code of Conduct is established by the Supervisory Board and is part of the working instruction "Compliance Manual"; any amendments are subject to approval involving the Managing Board.

Respect for human rights

The Code of Conduct explicitly states that the Association of Volksbanks respects human rights and opposes child labour. This commitment is supplemented by 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 424.16 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

The Association of Volksbanks reserves the right not to enter into any business relationships or financing transactions with sectors or in business areas that are in conflict with the core values of the bank. 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 within the Association of Volksbanks 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

at any time. 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 intranet 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 boards of the Association of Volksbanks have already committed themselves 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

The Association of Volksbanks 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 4,080 times. Hence, 98.6 % of the employees who were required to attend these training courses have completed them.

As in the previous year, the Association of Volksbanks did not have to pay any substantial fines or penalties in 2023, nor were there any major 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

The Association of Volksbanks 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 organisation 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 the Association of Volksbanks. Without a culture of sponsorship, any business strategy would be affected by reputational risk that might negatively impact on the company.

Lobbying

The Association of Volksbanks 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 companies within the Association of Volksbanks 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 the Association of Volksbanks. In this way, the Association of Volksbanks demonstrates its commitment to acting sustainably.

Information, communication and public relations

The companies within the Association of Volksbanks set great store by the accuracy and completeness of the information prepared and documented by them. All matters that the Association of Volksbanks gets to know about within the scope of its activity will be treated as confidential in accordance with statutory requirements.

Awareness raising

In 2023, the Association of Volksbanks and its customers were again increasingly exposed to various forms of cybercrime. 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

Data protection

In the area of customer data protection, there were no substantiated complaints from external parties or from regulatory authorities. In the 2023 reporting year, the Association received 69 data protection-related inquiries. All inquiries were processed by the data protection team in a timely manner.

Inquiries break down as follows:

- » 49 requests for information under Art. 15 GDPR
- » 11 requests for erasure under Art. 17 GDPR
- » 8 reports to the Austrian Data Protection Agency regarding data protection breaches under Art. 33 GDPR
- » 1 objection

All proceedings relating to privacy breaches were discontinued by the authority. In none of the reported privacy breaches were the rights and freedoms of the data subjects put at risk.

With regard to responsible corporate behaviour with a focus on human rights, a number of guidelines have been established throughout the Association. 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. Within the scope of ICS controls, monitoring is effected on an ongoing basis, and a qualitative/quantitative risk assessment is prepared quarterly.

The Data Protection Officer of the Association of Volksbanks, Herbert Kühne, can be reached at:
datenschutz@volksbankwien.at

Management of complaints

Complaint management is controlled centrally by the Compliance department within the Association of Volksbanks. This ensures that any 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.

*We assume
responsibility and
create trust.*

Within the Association of Volksbanks, complaints are considered as an opportunity to improve existing processes. The companies within the Association of Volksbanks also attach great importance to the rapid and transparent handling of all complaints to further strengthen customer loyalty.

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

Within the Association of Volksbanks, 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 customers feel that this is not expedient, they may also contact the ombudsperson's office: 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 in the Association of Volksbanks, especially within credit risk.



IMPORTANT SUCCESSES AND RESULTS

In 2023, important successes and results were achieved within the Association of Volksbanks:

- » 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 account of transitory and physical environmental risks. 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 June 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 credit 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.

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 within the Association of Volksbanks:

- » Data security issues were reported by the CISO (Chief Information Security Officer) in managing board and supervisory board meetings of the affiliated banks.
- » Security measures were adapted to new threats.
- » The training content was adapted to new circumstances.



GOALS

In 2023, the goals of the Association of Volksbanks with respect to data security were:

- » Report of the CISO on data security in managing board and supervisory board meetings
- » Maintaining and improving the defined level of security
- » 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 the Association of Volksbanks. With a security strategy adapted to today's threats, the Association of Volksbanks is fit for the future. The Association of Volksbanks 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

The 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 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 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 every year. All employees are aware of the confidentiality of customer data and have signed a non-disclosure agreement.

Information security training	Unit	2023	2022	2021
Proportion of employees who have been trained in information security	%	98.9	99.8	98.7

These training measures lead to enhanced IT security skills among employees, 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. Both business partners and employees 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, 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 within the Association of Volksbanks:

- » Increase in online product transactions in "hausbanking" (+195 %)
- » Increase in mobile payment (pay app): +77 % use of digital cards and introduction of LAKS PAY (contactless payment)
- » Increase in digital signatures (qualified electronic signature) by +47 %, and use in selected transactions in the customer sphere



GOALS

In 2023, the goals of the Association of Volksbanks with respect to digitisation were:

- » 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
- » Provision of a modern key performance indicator dashboard for digitisation



MEASURES

Measure	Time horizon	Status
Increase of product and service orders in "hausbanking" (optimisation and new service orders, saving time and paper)	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
Expansion of application of video consultancy	2023	completed
Conversion of key figures dashboard to PowerBI reports (access authorisations for regional banks)	2023	completed
Expansion of robotics processes for affiliated banks	2023	completed

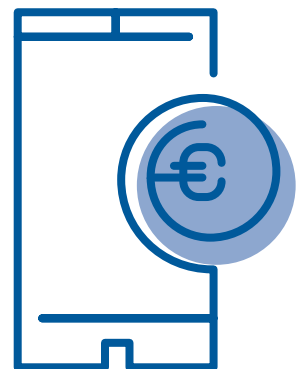
GOVERNANCE INFORMATION

DIGITISATION

The Digitisation department of VOLKSBANK WIEN AG as central organisation 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. Within the bank, 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 +195 % in 2023. Customers were particularly impressed by the ease and speed with which online fixed-term deposits can be taken out in “hausbanking”.

The use of “hausbanking” (internet banking of the Volksbanks) was further expanded in 2023. The number of mobile logins has increased by around 14 %. In total, the use of “hausbanking” service orders saved 3,752 days of customer time (travel time, call duration, processing) within the Association of Volksbanks (+38 %). The handling of these processes was further automated (RPA) and the proportion of robotics increased by 114 % compared to the previous year.



+195 %

INCREASE IN ONLINE
PRODUCT TRANSACTIONS
IN “HAUSBANKING”.

GOVERNANCE INFORMATION

DIGITISATION



+ 47 %

INCREASE IN
QUALIFIED ELECTRONIC
SIGNATURE (QES).

The use of digital signatures by means of ID app signing has been a well-known and widely used procedure in "hausbanking" for service orders and product transactions for many years. In addition to the use of this advanced electronic signature (FES), a further signature procedure was introduced in 2023 through the use of the qualified electronic signature (QES) for selected business processes in the customer area. As a result, QES usage increased by a further 47 % overall.

To strengthen employees' awareness of digital topics, 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, in 2023, of the infrastructure and modernisation of the necessary interfaces as well as the provision of additional services and tools (around M365). The expansion of online processes (for existing and new customers) is being pursued consistently, 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 retail branches with the digital channels ("hausbanking", websites, etc.) and to measure their effectiveness using defined key figures.



Ski Austria



ANNEX / APPENDIX
GOVERNANCE BODIES

Management structure and composition of the highest governance bodies

Österreichische Ärzte- und Apothekerbank AG

Name	Initial appointment	Position	Current mandate		Independent	
			from	to	yes	no
Bahr Gottfried	2017	1st Deputy	2022	2027		x
Borns Rainer	2009	Chairman	2023	2028		x
Ebm Walter	2015	Member	2020	2025		x
Gratzl Alexander	2021	Member	2021	2026		x
Grüssinger Helmut	2017	Member	*	*		x
Hochegger Stefanie	2021	Member	*	*		x
Hörhager Christiane	2016	Member	*	*		x
Krainhöfner Jörg	2016	Member	2021	2026		x
Lindner Herwig	2015	2nd Deputy	2020	2025		x
Madzarevic Suzana	2020	Member	2022	2027		x
Rigl Elisabeth	2019	Member	*	*		x
Saiko Philipp	2022	Member	2022	2027		x
Schmudermaier Leopold	2017	3rd Deputy	2022	2027		x
Schobesberger Gerhard	2007	Member	2022	2027		x
Schwabegger-Wager Irina	2022	Member	2022	2027		x
Steindl Johann	2017	Member	2022	2027		x

ANNEX / APPENDIX GOVERNANCE BODIES

Volksbank Kärnten eG

Name	Initial appointment	Position	Current mandate		Independent	
			from	to	yes	no
Aichinger Wilfried	2013	Chairman	2021	2024	x	
Buchleitner Christian	2020	Member	2020	2024	x	
Egger Marco	2019	Member	2022	2025	x	
Fleischmann Gerald	2016	Member	2022	2025		x
Kröll Andreas	2020	Member	2020	2024		x
Laggner Martin	2016	Member	2023	2026	x	
Mikula Florian	2016	Member	2020	2024	x	
Müller Konrad	2017	Member	2020	2024	x	
Plasch Lorenz	2016	2nd Deputy	2022	2025	x	
Rainer-Harbach Gerald	2016	3rd Deputy	2023	2026		x
Rutter Wolfgang	2016	Member	2020	2024	x	
Schliefni Michaela	2022	Member	2023	2026		x
Taferner Ingrid	2016	1st Deputy	2021	2024	x	
Wrann Anton	2013	Member	2021	2024		x

Volksbank Niederösterreich AG

Name	Initial appointment	Position	Current mandate ¹⁾		Independent	
			from	to	yes	no
Chocholka Andreas	2015	Member	2020	baw	x	
Donnerbauer Heribert	2015	Member	2020	baw	x	
Gerstl Karl	2016	Member	2021	baw	x	
Gindl Dietmar	2022	Member	2022	baw		x
Gugerell Herbert	2014	Member	2019	baw		x
Halmer Ernst	2023	Member	2023	baw	x	
Hammerl Eduard	2019	Member	2019	baw	x	
Hofbauer Thomas	1992	Member	2014	baw	x	
Hubmayer Peter	2019	Member	2019	baw	x	
Kainz Christian	2019	Member	2019	baw	x	
Köhler Andreas	2019	Member	2019	baw	x	
Poinstingl Erwin	2018	Member	2018	baw		x
Prachner Doris	2015	2nd Deputy	2020	baw		x
Pum Andreas	2021	Member	2021	baw		x
Riel Frank E.	2022	Member	2022	baw		x
Stangl Herbert	2021	Member	2021	baw		x
Stoll Daniela	2023	Member	2023	baw		x
Übelacker Walter	2015	Chairman	2020	baw		x
Unterberger Claudia	2014	1st Deputy	2019	baw		x
Welser Andreas	2021	Member	2021	baw		x

1) baw = until further notice

ANNEX / APPENDIX

GOVERNANCE BODIES

Volksbank Oberösterreich AG

Name	Initial appointment	Position	Current mandate		Independent	
			from	to	yes	no
Berger Franz-Xaver	2015	Member	2023	2027		x
Braun Martin	2016	Member	2020	2024	x	
Bruckner Johann	2015	Chairman	2023	2027	x	
Buchroithner Gerhard	2016	Member	2020	2024	x	
Dim Thomas	2015	Member	2023	2027	x	
Enser Johann	2016	Member	2020	2025	x	
Holzhey Wolf-Dieter	2010	Member	2023	2027		x
Kliemstein Jürgen	2022	Member	2022	2027	x	
Oberbauer Manfred	2010	1st Deputy	2023	2027		x
Palser Klemens	2015	Member	2020	2025	x	
Reisecker Ludwig	2015	2nd Deputy	2023	2027	x	
Schuster Gerhard	2015	Member	2023	2027	x	
Schwarz Doris	2015	Member	2020	2025	x	
Sommer Christiana	2017	Member	2021	2025	x	
Uher Thomas	2021	Member	2021	2025		x
Wahlmüller Michael	2015	Member	2020	2025	x	
Wiedenhofer Ralf	2015	Member	2020	2025	x	

Volksbank Salzburg eG

Name	Initial appointment	Position	Current mandate ¹⁾		Independent	
			from	to	yes	no
Fischer Anton	2007	Member	2022	2025		x
Grill Alois	2022	Member	2022	2025		x
Lirk Stefan	2021	2nd Deputy	2021	2024	x	
Lugstein Josef Christian	2021	Member	2021	2024		x
Mayr Gerhard	2020	Member	2020	baw	x	
Rautner Gerald	2022	Member	2022	baw	x	
Reichl Roland	2009	Chairman	2021	2024		x
Spatzenegger Christina	2020	Member	2023	2026	x	
Weinberger Anita	2021	Member	2021	baw	x	
Winner Martin	2009	1st Deputy	2021	2024		x
Wintersteller Bettina	2014	Member	2014	baw	x	

ANNEX / APPENDIX GOVERNANCE BODIES

Volksbank Steiermark AG

Name	Initial appointment	Position	Current mandate		Independent	
			from	to	yes	no
Allmer Reinhard	2021	Member	2021	2025	x	
Doppler Beatrix	2023	Member	2023	2025	x	
Fleischmann Gerald	2015	Member	2020	2025		x
Friedl Renate	2014	Member	2020	2025	x	
Hinterleitner Claudia	2015	Member	2020	2025	x	
Jelenik Johannes	2014	Member	2020	2025		x
Pilz Gerald	2014	Chairman	2020	2025		x
Schriebl Josef	2014	2nd Deputy	2020	2025		x
Schwaiger Karl	2015	Member	2020	2025	x	
Stipanitz-Schreiner Annemarie	2014	1st Deputy	2020	2025		x
Veitschegger Edith	2020	Member	2020	2025		x

Volksbank Tirol AG

Name	Initial appointment	Position	Current mandate		Independent	
			from	to	yes	no
Ager Andrea	2016	Member	2020	2025	x	
Ellinger Maximilian	2016	Member	2021	2026	x	
Gaim Walter	2016	1st Deputy	2021	2026	x	
Huter Claus	2018	Member	2018	2028		x
Kneringer Thomas	2018	Member	2018	2028		x
Nöbl Christoph	2016	Member	2020	2025	x	
Oberhollenzer-Praschberger Birgit	2023	Member	2023	2028	x	
Oelinger Robert	2008	Chairman	2018	2028		x
Reiter Anni	2004	Member	2020	2025		x
Roilo Johannes	2008	Member	2018	2024		x
Singer Martin	2009	2nd Deputy	2019	2024		x
Stock Harald	2020	Member	2021	2025		x

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GOVERNANCE BODIES

VOLKSBANK VORARLBERG e. Gen.

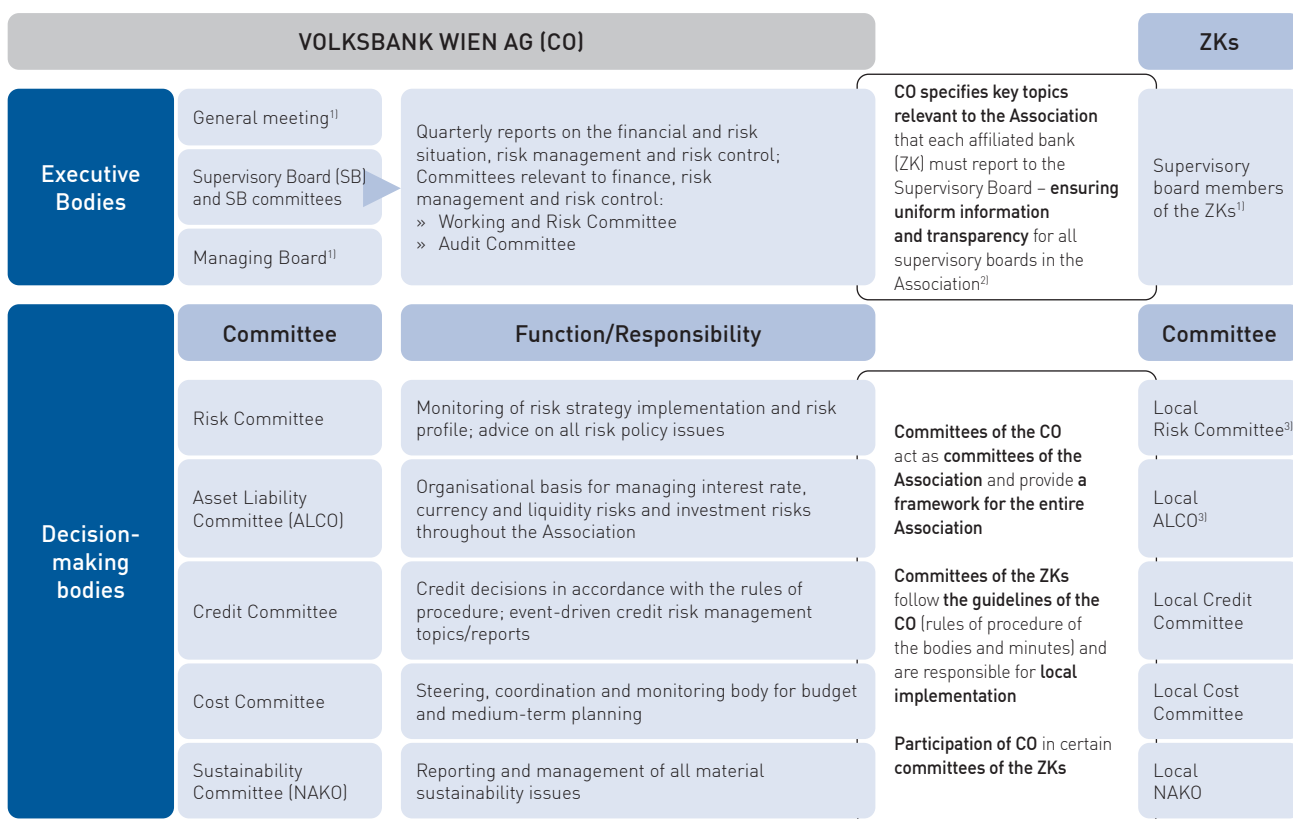
Name	Initial appointment	Position	Current mandate		Independent	
			from	to	yes	no
Doshi Sanjay	2023	Member	2023	2026	x	
Egle Heinz	2017	1st Deputy	2023	2026	x	
Kramer Christa	2021	Member	2021	2024	x	
Längle Dietmar	2012	Chairman	2021	2024		x
Loacker Sabine	2019	Member	2022	2025	x	
Loos Herbert	2021	Member	2021	2024	x	

VOLKSBANK WIEN AG

Name	Initial appointment	Position	Current mandate		Independent	
			from	to	yes	no
Aichinger Wilfried	2023	Member	2023	2028	x	
Althaler Susanne	2015	Member	2023	2028	x	
Baier Andrea	2022	Member	2023	2025	x	
Berger Harald	2023	Member	2023	2028	x	
Bruckner Johann	2023	Member	2023	2028	x	
Burtscher Birte	2023	Member	2023	2028	x	
Donnerbauer Heribert	2015	1st Deputy	2023	2028	x	
Ehinger Hermann	2015	Member	2023	2023	x	
Hegen Helmut	2018	2nd Deputy	2023	2028	x	
Herzeg Christoph	2023	Member	2023	2028	x	
Oelinger Robert	2018	Chairman	2023	2028	x	
Ovesny-Straka Regina	2023	Member	2023	2028		x
Rittmann-Müller Martina	2023	Member	2023	2028	x	
Rudorfer Christian	2020	Member	2023	2025	x	
Spiegl Christiane	2022	Member	2023	2025	x	
Übelacker Walter	2023	Member	2023	2028	x	
Weber Iris	2023	Member	2023	2025	x	
Wicha Bettina	2020	Member	2023	2025	x	

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.

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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,
- » wilful 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 within the Association:

- » 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 activities of the Association of Volksbanks

Sustainability topic	Important risks	Measures	Opportunities
Regionality	<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 the Association of Volksbanks 	<ul style="list-style-type: none"> » Positioning the Association of Volksbanks 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"> » 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"> » 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 the core business » Creating customer awareness regarding ESG risks and opportunities

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SIGNIFICANT NON-FINANCIAL RISKS

Sustainability topic	Important risks	Measures	Opportunities
Digitisation	<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"> » 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"> » 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 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"> » 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

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SIGNIFICANT NON-FINANCIAL RISKS

Sustainability topic	Important risks	Measures	Opportunities
Energy and climate	<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 and 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"> » Data theft » Loss of customer data 	<ul style="list-style-type: none"> » State-of-the-art IT security systems » Training regarding 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"> » 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"> » 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

COMPANIES INCLUDED/FULLY CONSOLIDATED AFFILIATED COMPANIES

Companies included	Employees FTE	Share in capital
Österreichische Ärzte- und Apothekerbank AG	76.00	100.00
Volksbank Kärnten eG	163.92	100.00
Volksbank Niederösterreich AG	326.37	100.00
Volksbank Oberösterreich AG	225.26	100.00
Volksbank Salzburg eG	300.40	100.00
Volksbank Steiermark AG	234.20	100.00
Volksbank Tirol AG	310.38	100.00
VOLKSBANK VORARLBERG e. Gen.	180.57	100.00
VOLKSBANK WIEN AG	921.56	100.00
Fully consolidated affiliated companies	Employees FTE	Share in capital
3V-Immobilien Errichtungs-GmbH	0.00	100.00
BBG Beratungs- und Beteiligungsgesellschaft m.b.H.	0.00	100.00
Domus IC Leasinggesellschaft m.b.H.	0.00	100.00
VB Aktivmanagement GmbH	0.00	100.00
VB Buchführung GmbH	14.91	100.00
VB Infrastruktur und Immobilien GmbH	53.53	100.00
VB Kärnten Leasing GmbH	4.00	100.00
VB Services für Banken Ges.m.b.H.	289.91	100.00
VB-Immobilienverwaltungs- und -vermittlungs GmbH	0.00	100.00
VOBA Vermietungs- und Verpachtungsges.m.b.H.	0.00	100.00
Volksbank Salzburg Leasing Gesellschaft m.b.H.	2.75	100.00
Volksbank Vorarlberg Leasing GmbH	4.56	100.00
Volksbank Vorarlberg Marketing- und Beteiligungs GmbH	0.00	100.00

ANNEX / APPENDIX GRI CONTENT INDEX

Statement of application

The report provided by the Association of Volksbanks, in accordance with the GRI standards, covers the period from 1 January 2022 to 31 December 2022.

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, 146				
2-2 Entities included in the sustainability reporting of the organisation	8, 135				
2-3 Reporting period, frequency and contact point	8				The reporting periods for the financial reporting of the institutions of the Association of Volksbanks coincide with those applicable to sustainability reporting.
2-4 Restatements of information	8				
2-5 External assurance	-				There is no external audit.
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, 30-39, 66-72, 90-91				
2-7 Employees	77	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.	

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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	20-21, 124-129	2-7 c. iv., vii.	Information not available/incomplete	Information on the number of performance and supervisory functions, effective mandates and competencies is not yet available for evaluation.	<p>2-9 a. The management structure, including that of the committees of the highest governance body, can be found in the Annex under Governance 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, the environment and people, can be found in the chapter Sustainability management.</p> <p>2-9 c.i. pursuant to the Austrian Stock Corporation Act (AktG), supervisory board members cannot be managing board members 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.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. viii. both internal (e.g. works council) and external stakeholders are represented on the Supervisory Board, see Annex under Governance bodies.</p> <p>See also: www.volksbank.at/volksbanken-verbund/verbund-offenlegung</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 the Association of Volksbanks 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 the Association of Volksbanks 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 the Association of Volksbanks.
2-12 Role of the highest governance body in overseeing the management of impacts	18-21, 24				GRI 2-12 b.i. Currently, the exchange focuses on internal stakeholders.

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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	18-21				
2-14 Role of the highest governance body in sustainability reporting	19				
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	109				In 2023, 1,694 complaints were recorded [e-business: 124; retail branches: 386; financing: 271; investments/pensions/savings products: 134; securities: 138; payment transactions: 641]. These are reported to the Managing Board on a quarterly basis and for each cluster. The supervisory board of the affiliated banks is informed annually.
2-17 Collective knowledge of the highest governance body	19-20, 79-80				
2-18 Evaluation of the performance of the highest governance body	18-21				
2-19 Remuneration policies	130-131				See Annex under Remuneration policy and process for determining remuneration
2-20 Process to determine remuneration	130-131				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.	

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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	17, 26				<p>The Code of Conduct of VOLKSBANK WIEN AG is publicly available at: www.volksbankwien.at/hausbank/das-unternehmen/code-of-conduct</p> <p>The Codes of Conduct of the other affiliated banks are only available internally. The Diversity Policy is publicly available at: karriere.volksbankwien.at/wp-content/uploads/2023/01/Diversitaetspolicy.pdf</p> <p>The data protection policies are publicly available on the respective website of the affiliated banks.</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. The establishment of further due diligence processes for sustainability takes place as part of the CSRD preparations.</p> <p>The Policy Statement of the Managing Board of VOLKSBANK WIEN AG (as central organisation of the Association) on the Protection of Human Rights is publicly available at: www.volksbankwien.at/m101/volksbank/zib/downloads/nachhaltigkeit/230717_vb_grundsatzerklaerung_menschenrechte_fin.pdf</p>
2-24 Embedding policy commitments	26, 105-106, 108				
2-25 Processes to remediate negative impacts	-				<p>Within the Association of Volksbanks, 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 109. Stakeholders are currently not involved in the development of processes.</p>
2-26 Mechanisms for seeking advice and raising concerns	107				
2-27 Compliance with laws and regulations	108				
2-28 Membership associations	Cover				
Stakeholder engagement					
GRI standard/other source: GRI 2: General Disclosures 2021					
2-29 Approach to stakeholder engagement	24-25				
2-30 Collective bargaining agreements	77				

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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	24-25				
3-2 List of material topics	24				
Regionality					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	88-95				
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 the Association of Volksbanks. The Association of Volksbanks itself does not build any infrastructure for the public.	
203-2 Significant indirect economic impacts	72, 88-95				It was identified as a significant impact that the Association of Volksbanks operates regionally and finances energy cooperatives, which constitute exclusively renewable energy financings, in the sense of the Green Deal to reduce CO ₂ emissions.
GRI standard/other source: Own indicator					
Share of regional financing	90				
Sustainable investment					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	31-34, 66-72				
GRI standard/other source: GRI 305: Emissions 2016					
305-3 Other indirect (Scope 3) GHG emissions	33				
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	31-34				
GRI standard/other source: Own indicator					
Share of sustainable funds	32				

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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	35-37, 66-72				
GRI standard/other source: GRI 203: GRI 305: Emissions 2016					
305-3 Other indirect (Scope 3) GHG emissions	60-62				
Customer satisfaction					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	96-99				
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 labelling	108				
417-3 Incidents of non-compliance concerning marketing and communications	108				
GRI standard/other source: Own indicator					
Customer satisfaction awards	96-99				
Digitisation					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	120-122				
GRI standard/other source: Own indicator					
Use of "hausbanking"	121				

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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	74-75, 83-85				
GRI standard/other source: GRI 403: Occupational health and safety 2018					
403-1 Occupational health and safety management system	83-85				
403-2 Hazard identification, risk assessment, and incident investigation	83-85				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	83-85				
403-4 Worker participation, consultation and communication on occupational health and safety	83-85				
403-5 Worker training on occupational health and safety	83-85				
403-6 Promotion of worker health	83-87				
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				
Training and education					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	74-75, 80-83				
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	80-81, 86-87				
404-3 Percentage of employees receiving regular performance and career development reviews	83				

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MATERIAL TOPICS

Information	Position	Requirements omitted	Reason for omission	Statement on omission	More information
Employee satisfaction					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	74-75, 82-83				
GRI standard/other source: GRI 401: Employment 2016					
401-1 New employee hires and employee turnover	-	401-1	Information not available/incomplete	Employee turnover 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.	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	-				In terms of company benefits, the Association of Volksbanks does not differentiate between different employee relationships. All company benefits are presented on the respective careers pages.
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	74-75, 78-79				
GRI standard/other source: GRI 405: Diversity and equal opportunity 2016					
405-1 Diversity of governance bodies and employees	79	405-1 a. ii.; b. ii.	Information not available/incomplete	A breakdown by age group 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.	
405-2 Ratio of basic salary and remuneration of women to men	79	405-2 a.	Information not available/incomplete	No information is available for the 2023 business year. 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: GRI 406: Non-discrimination 2016					
406-1 Incidents of discrimination and corrective actions taken	78-79, 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 according to European Sustainability Reporting Standards starting with the 2024 report.	

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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	54-65				
GRI standard/other source: GRI 302: Energy 2016					
302-1 Energy consumption within the organisation	58-59				The total power consumption within the Association of Volksbanks is covered by renewable energy sources.
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	58-59				
302-4 Reduction of energy consumption	63	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	54-65				
GRI standard/other source: GRI 305: Emissions 2016					
305-1 Direct (Scope 1) GHG emissions	56-57				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 Ecolvent, 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	56-57				
305-4 GHG emissions intensity	57				All greenhouse gases pursuant to the Kyoto Protocol were included in the calculations.
305-5 Reduction of GHG emissions	56, 63	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.	
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	60				
Waste generation	60				
Data protection and security					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	109, 116-118				
GRI standard/other source: GRI 418: Customer Privacy 2016					
418-1 Substantiated complaints concerning breaches of customer privacy or losses of customer data	109, 117				

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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	106				
GRI standard/other source: Own indicator					
Training hours for employees on human rights policies	106				
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	106, 108	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	108				
GRI standard/other source: GRI 206: Anti-competitive behaviour 2016					
206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	108				
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 retail branch operations. Indirect impact is analysed.	
304-2 Significant impacts of activities, products, and services on biodiversity	68-69, 112				
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.	

LEGAL NOTICE

The Managing Board

Vienna, 6 March 2024

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