

Sustainability at Volksbank Wien („VBW“)

August 2025



Part 1 – ESG Overview

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Part 3 - Allocation & Impact Report March 2025 – Summary

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Sustainability is in our roots and forms a strong foundation for the future



Sustainability has been an integral part of the business model of the cooperative Association of Volksbanks for 170 years, “**trust, regionality and customer proximity**” are the core values of the Association



The Volksbanks operate within their respective regions with the statutory goal of **supporting economic development in their region**



Volksbank Wien and the Association aim at a **further increase of sustainable products and services** offered



Early engagement in **international initiatives** (UN Global Compact, UN's SDGs, TCFD)



Volksbank Wien has established a Sustainability Bond Framework and issued its **first green bond in 2023**



The Association of Volksbanks aims at **GHG-neutral operations by 2030** (Scope 1+2)
Implementation of a **Decarbonisation Strategy for credit portfolio** (Scope 3.15)

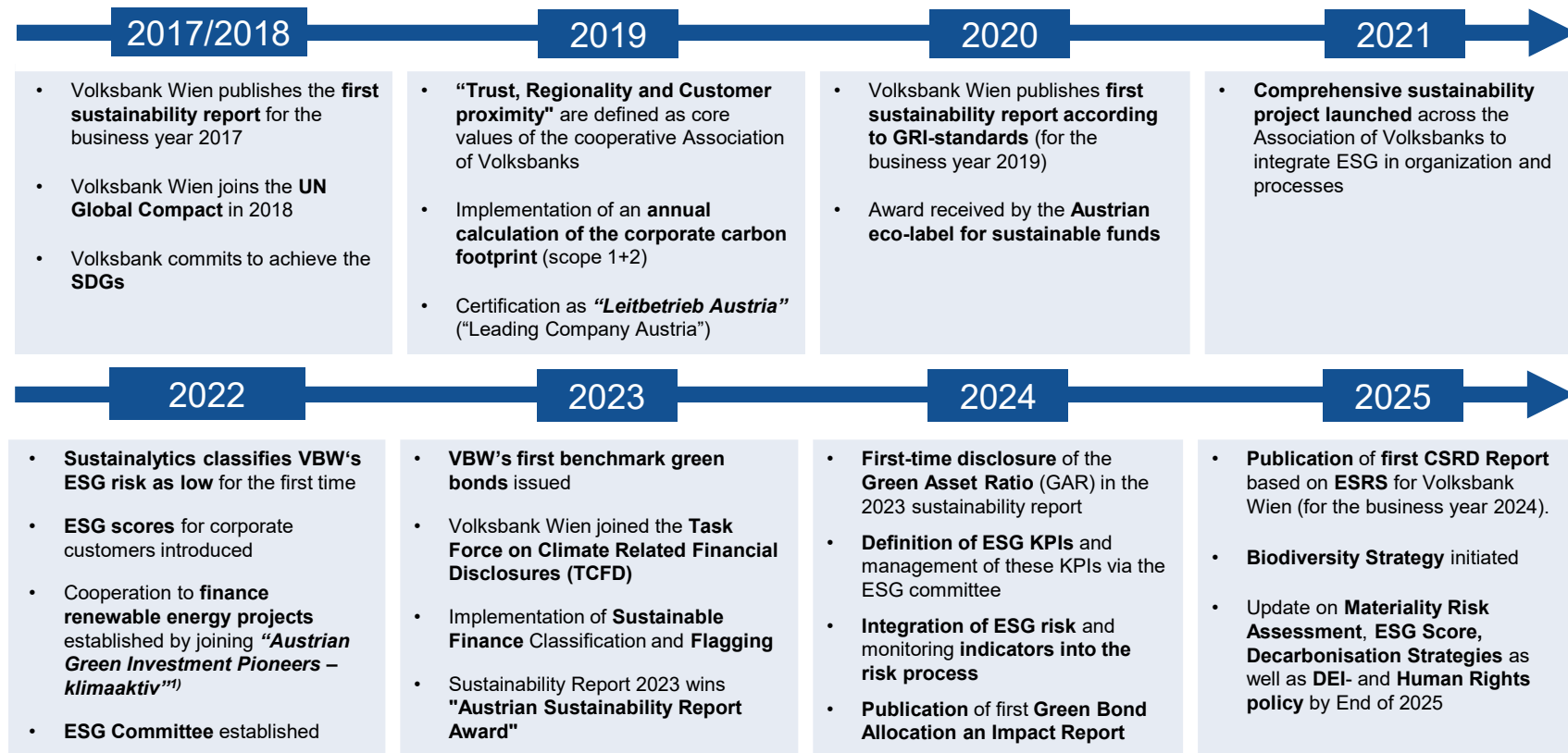


ESG rating of “**Low ESG Risk**” from Sustainalytics

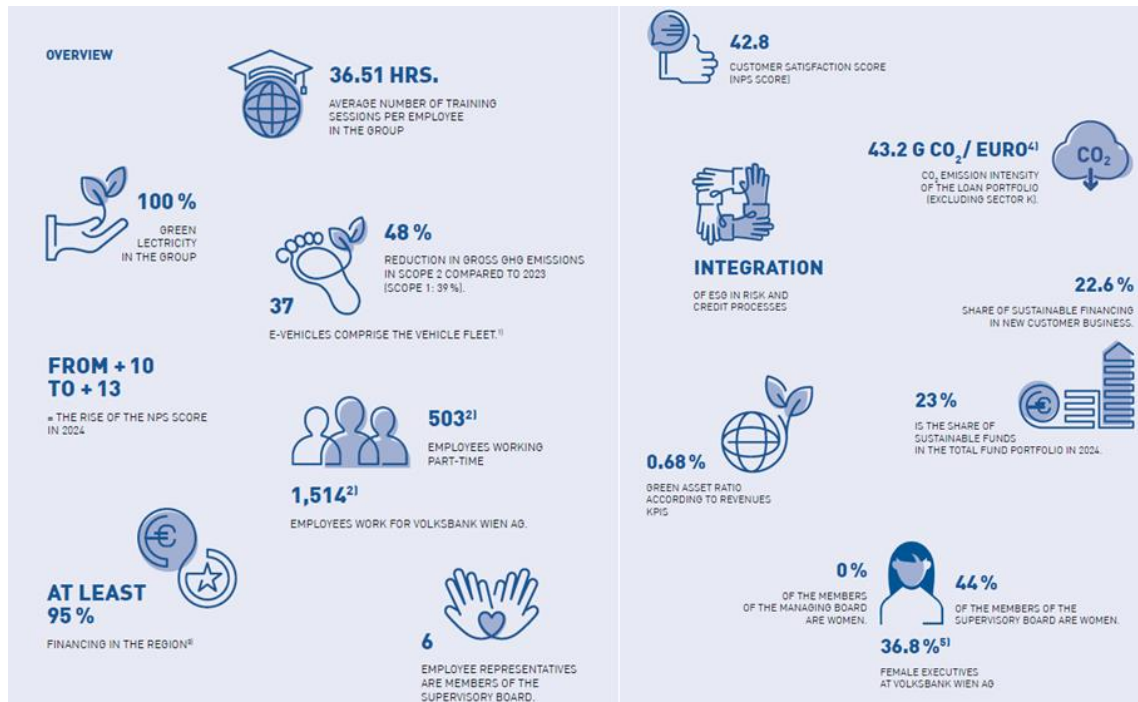


Integration of ESG risks into Volksbank Wien's risk management, especially in the lending business and in project financing

ESG Management – Milestones



Highlights - CSR Report Volksbank Wien 2024



All Sustainability Reports are available at:
<https://www.volksbankwien.at>

1) As at: 31 Dec 2024
 2) in the Group
 3) maximum 5 % of customer exposure in neighbouring countries
 4) excluding Scope 3
 5) in the Group

ESG ratings, certifications, memberships



Volksbank Wien is rated „Low Risk“ by Sustainalytics with an ESG risk rating score of 13.9

ESG risk exposure – 39.5 (medium):

„The company's overall exposure is medium and is moderately above subindustry average. Product Governance, Data Privacy and Cybersecurity and ESG Integration-Financials are notable material ESG issues.“

ESG risk management – 69.7 (strong):

“Volksbank Wien's ESG-related issues are overseen by the board and its overall ESG-related disclosure follows best practice. Furthermore, the company has put in place strong measures to promote responsible product offerings. On a similar note, its whistleblower programme is backed by strong measures. In addition, the company has an adequate environmental policy in place. The company's overall management of material ESG issues is strong.”

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Certifications

Audit "work and family" for family-friendly measures taken in HR



“der faire Credit”: further award for service and advisory quality



Volksbank Wien recertified as “Leading Company”



Memberships in ESG-related initiatives





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Rationale and Key Features



As part of its broader sustainability strategy, VBW has established a Sustainability Bond Framework (“Framework”) with the aim of focusing on assets with a positive environmental and social impact in order to support the necessary transition to a sustainable future.

- The Framework allows VBW to issue Green, Social, or Sustainability Bonds aligned with the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines, administered by the International Capital Market Association (“ICMA”). Any new Green, Social or Sustainability Bonds shall be aligned with the most recent version of the Framework.



- The four pillars of the Framework are:

Use of Proceeds

*5 Green categories and
3 Social categories*

Process Evaluation and Selection









Management of Proceeds

Reporting

- Eligible Loans can be loans originated by VBW, the sole issuing entity within the organisation, or other members of the Association.
- The Sustainability Bond Framework has been certified by Sustainalytics, an external Second Party Opinion (SPO) provider, and is qualified as credible and impactful.





Use of Proceeds – Part 1/2



Green category	UN SDGs	Overview of Eligibility Criteria
Green Buildings	 	<ul style="list-style-type: none"> Construction, acquisition and ownership or renovation of commercial or residential buildings which meet at least one of the following criteria: <ul style="list-style-type: none"> building has a certification with a minimum certification level of LEED Gold, BREEAM Excellent, DGNB/ ÖGNI Gold building belongs to the top 15% of low-carbon buildings at national level refurbishments leading to the reduction of primary energy demand or carbon emissions of at least 30% refurbishments which comply with the applicable requirements for major renovations Individual renovation measures including installation, maintenance or repair of energy efficiency equipment, charging stations for electric vehicles in buildings, instruments and devices for measuring, regulation and controlling energy performance of buildings, on-site renewable energy technologies
Renewable Energy	 	<ul style="list-style-type: none"> Wind power Solar power Run-of-river hydropower without artificial reservoir or low storage capacity and subject to an Environmental Impact Assessment for new projects Energy from biomass: generation of bioenergy from anaerobic digestion, composting or cogeneration of heat/cool and power from agricultural and forestry residues, sewage sludge and biowaste such as biosolids, fats and oils that will not be derived from livestock operations farming Geothermal energy: with emissions <100gCO₂/kWh according to GHG lifecycle assessment
Energy Efficiency	 	<ul style="list-style-type: none"> Projects improving the energy efficiency of production process in a factory aiming to achieve at least 30% improvement in energy efficiency Energy efficient equipment and appliances (e.g. energy efficient industrial equipment); Fiber-optic networks with minimal environmental impact to replace more energy intensive alternative networks
Clean Transportation		<ul style="list-style-type: none"> Manufacturing, acquisition, and modernization of zero direct emission vehicles (including public transportation and freight vehicles) as well as related infrastructure (e.g., charging stations for electric vehicles; bicycle paths) and key components
Sustainable Agriculture		<ul style="list-style-type: none"> Certified agricultural practices under sustainable certification schemes, such as EU Organic and/ or equivalent national certification schemes

Use of Proceeds – Part 2/2



Social category	UN SDGs	Overview of Eligibility Criteria
Access to essential services	 	<ul style="list-style-type: none"> Construction, renovation, expansion, equipment purchase, or maintenance of health care facilities for provision of free or subsidized health care services. For example: hospitals, diagnostic and other laboratory services, rehabilitation centers, assisted living, homes for the elderly Access to public and publicly subsidized educational services (e.g., for the youth, unemployed and elderly) as well as investments that support childhood development (e.g. Kindergartens) through the provision of loans for construction/ upgrading of facilities and/ or equipment
Affordable Housing		<ul style="list-style-type: none"> Construction, renovation or maintenance of social and affordable housing through co-operative housing associations, building societies, non-profit organizations and public utility housing enterprises, with the aim of providing suitable homes for individuals and families. In compliance with the Federal Act on Charitable Housing
Inclusive Finance		<ul style="list-style-type: none"> Financial inclusion for persons who might otherwise be excluded or marginalized, such as those with physical or mental disabilities. Examples of financing in this category include non-profit cooperations that employ disabled people, infrastructure for disabled people, etc. In compliance with the Disabled Persons Employment Act

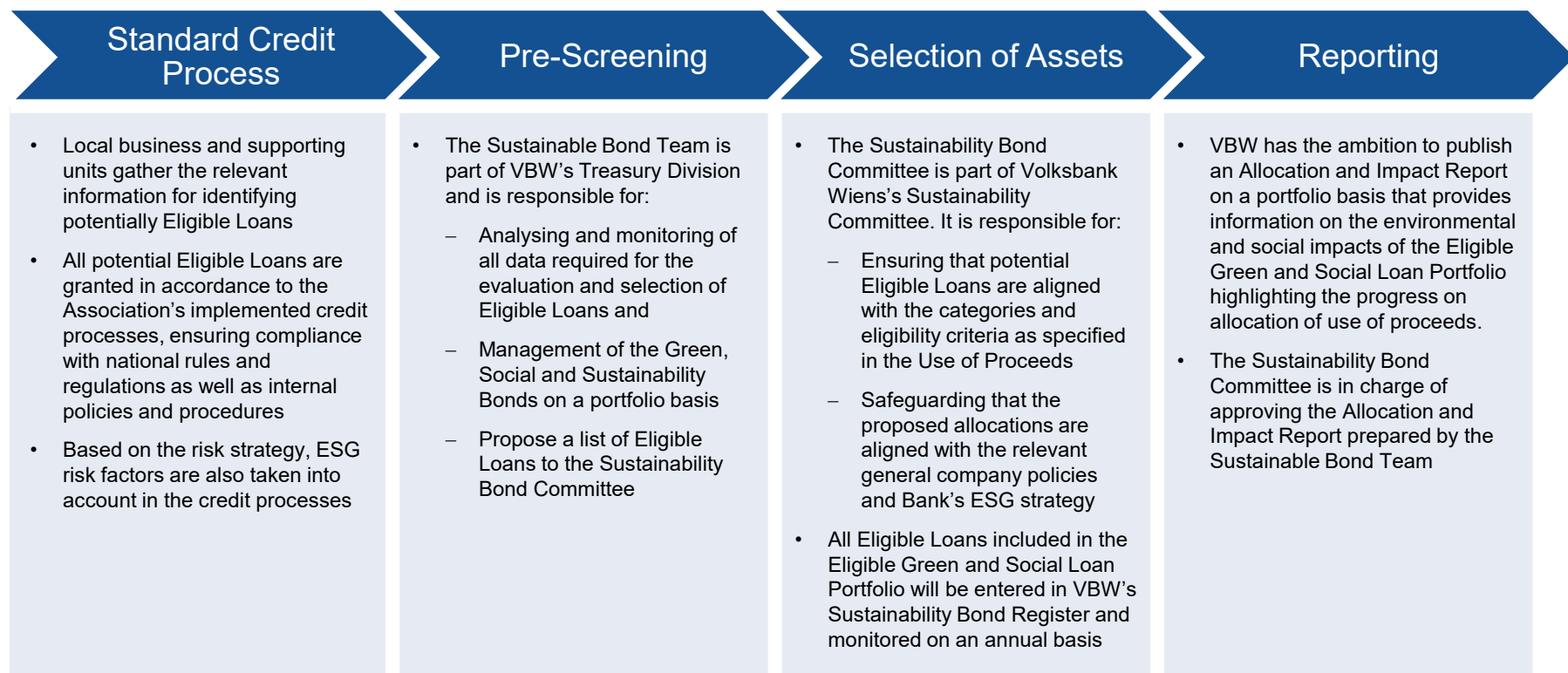
Exclusion Criteria

VBW will not allocate proceeds received from the issuance of Green, Social or Sustainability Bonds to loans for companies operating in the following sectors: Defense and Weapons, Nuclear Energy, Fossil Fuel Energy, Mining, Alcohol, Tobacco, Gambling

Remark on EU-Taxonomy

In formulating VBW's Framework care was also taken to, on a best effort basis comply with the substantial contribution criteria of the EU Taxonomy requirements for sustainable economic activities.

Sustainable Bond Management Process





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March 2025 - Issued Bonds







The issuance of the first Green Bond in March 2023, a benchmark-size EUR 500 million Senior Preferred Bond was a significant milestone in VBW's sustainability journey. The bond was issued under the Framework, Version January 2022. In 2024 a Senior Preferred Green Bond mainly for retail investors was issued under the Framework, Version January 2024.

Issuing Bank	Eligible Categories	ISIN	Currency	Amount in EUR Mio.	Issuance Date	Maturity
VOLKSBANK WIEN AG	Green	AT000B122155	EUR	500.0	03/15/2023	03/15/2027
VOLKSBANK WIEN AG	Green	AT000B122312	EUR	40.0	10/30/2024	01/30/2029
TOTAL			EUR	540.0		

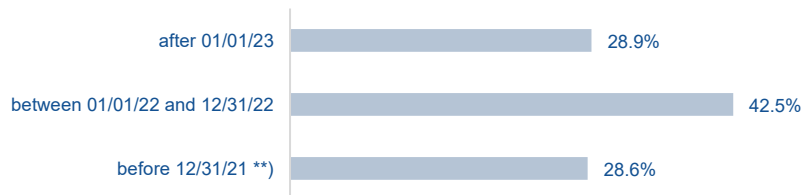
Allocation & Impact 03/25 – Overview



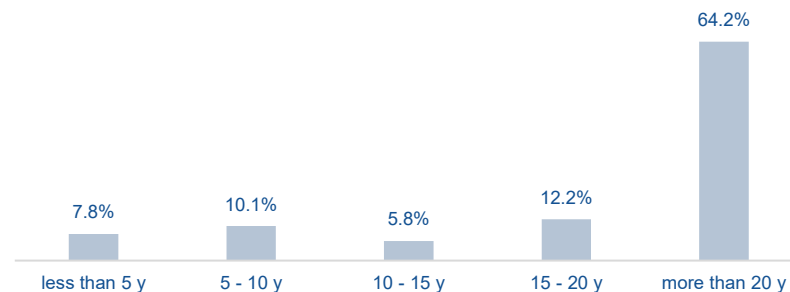
As of the current Reporting Period, the proceeds have been fully allocated towards Eligible Loans as defined in the Framework. The identified Eligible Loans are financings in the Framework Categories Green Buildings and Renewable Energy and contain the customer segments Private Customers, SME and Corporates incl. special financing. The key impact measurements for the Green Bond is the avoidance of carbon emissions. The financed projects are 100% based in Austria.

SDGs	Category	Volume in EUR Mio. *)	Number of Loans	CO ₂ e Emissions avoided in Tonnes p.a.
 	Green Buildings	499.5	1,137	5,773
 	Renewable Energy	94.3	111	22,850
Total		593.8	1,248	28,623

Loan Origination Timeframe



Loan Maturity Profile



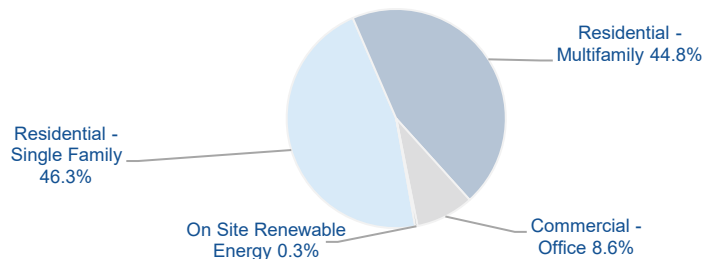
*) Outstanding loan amount as of 12/31/2024

**) Min. Origination Date of Allocated Loans is March 2021

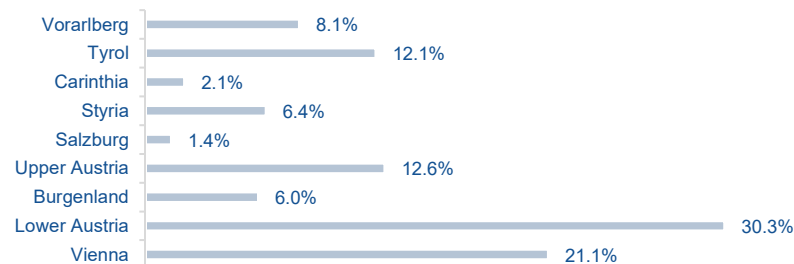
Allocation & Impact 03/25 – Detail Green Buildings



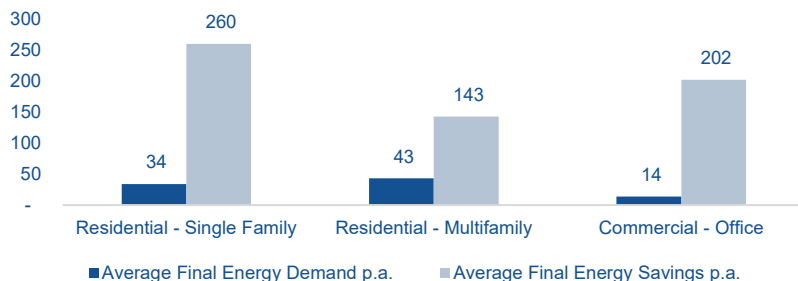
Subcategory in % of Volume



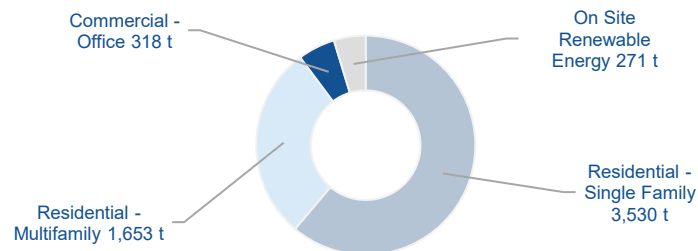
Property Region *)



Final Energy Demand & Savings**)



CO₂e Avoided Emissions in Tonnes p.a.



*) Excluding On Site Renewable Energy

**) in kWh/m² for Heating, Hot Water, Cooling; Excluding On Site Renewable Energy

Allocation & Impact 03/25 – Detail Renewable Energy

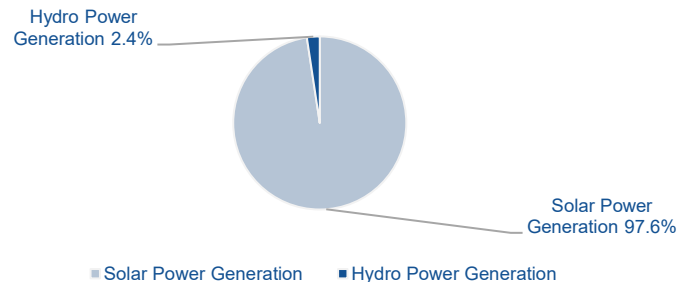


The focus on the allocation was put towards photovoltaic facilities.

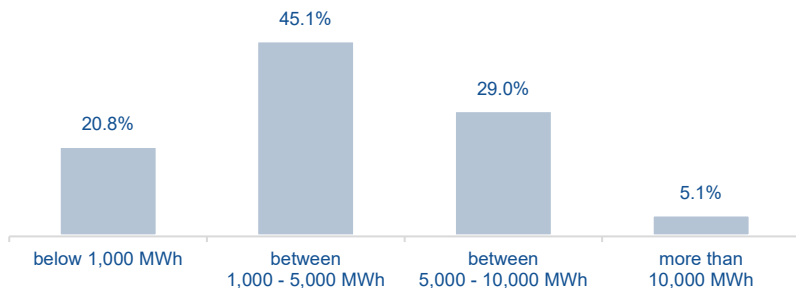
The financed hydropower facilities are small run-of-river plants.

Estimated power generation in GWh p.a.: 169

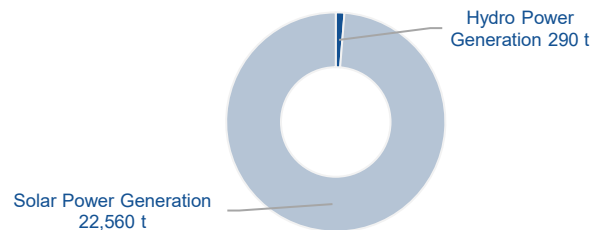
Renewable Energy Technology



Estimated MWh Generation p.a.



CO₂e Avoided Emissions in Tonnes p.a.



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