



Sustainability Bond 2021

Update of the Allocation and Impact Report

as of 31 December 2023

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1. Allocation Report

On 26 March 2021, VIG successfully placed its EUR 500 million Senior Sustainability Bond with institutional investors in Austria and abroad. The Senior Notes have a tenor of 15 years and bear interest at a fixed rate of 1.00% per annum.

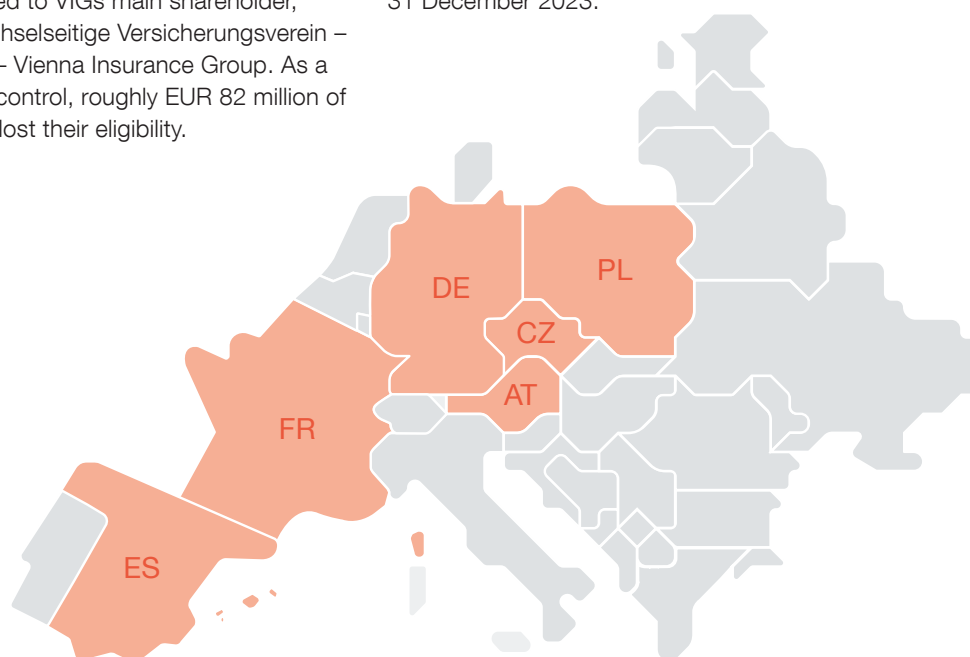
Bond Type	ISIN	Settlement Date	Maturity Date	Instrument Rating	Nominal Amount	Listing
Senior	AT0000A2QL75	26.3.2021	26.3.2036	A (S&P)	EUR 500 Mio.	Vienna Stock Exchange

In the first year of the issue, VIG already succeeded in allocating over EUR 500 million to projects in the fields of renewable energy, green buildings and clean transportation, as well as to social projects for more affordable housing and improved access to basic services such as education and health. As the proceeds were fully allocated, VIG published a detailed Allocation & Impact Report as of 31 December 2021.¹

In March 2023, the control of the Non-Profit Housing Societies was transferred to VIG's main shareholder, Wiener Städtische Wechselseitige Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group. As a result of the change in control, roughly EUR 82 million of allocated social assets lost their eligibility.

After this material change and to ensure full allocation throughout the lifetime of the Sustainability Bond, VIG replaced the no longer eligible assets with new eligible green and social assets. By publishing this update of the Allocation & Impact Report, VIG ensures full transparency of the eligible assets in accordance with its Framework.

This updated report provides information on the new allocation and impact of green and social assets as of 31 December 2023.

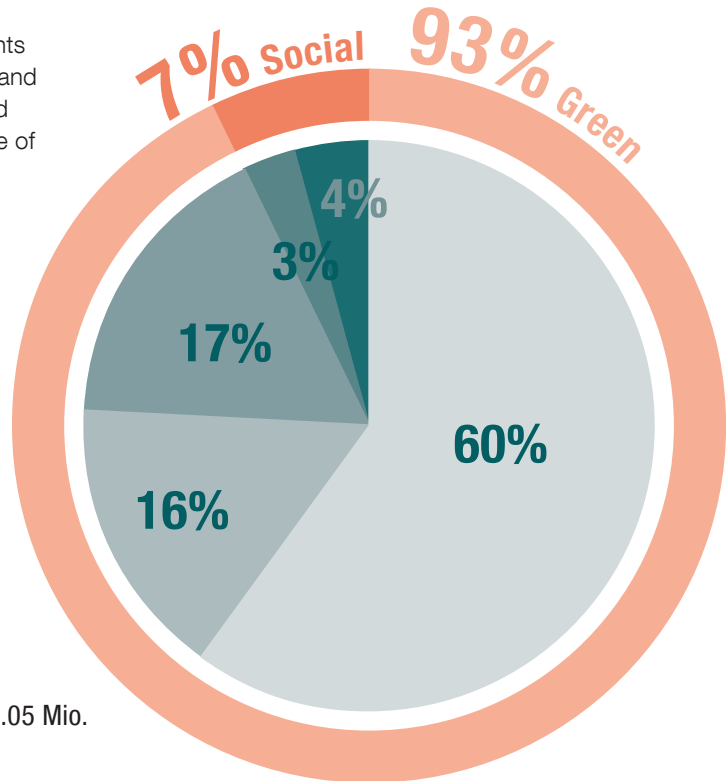


¹ <https://group.vig/investor-relations/anleihen/senior-nachhaltigkeitsanleihe-2021>

The allocation as of 31 December 2023 represents a mixture of around 93% green (YE 2021: 80%) and 7% social (YE 2021: 20%) project categories and of geographical areas, showing a refinancing rate of roughly 28% (YE 2021: 29.6%).

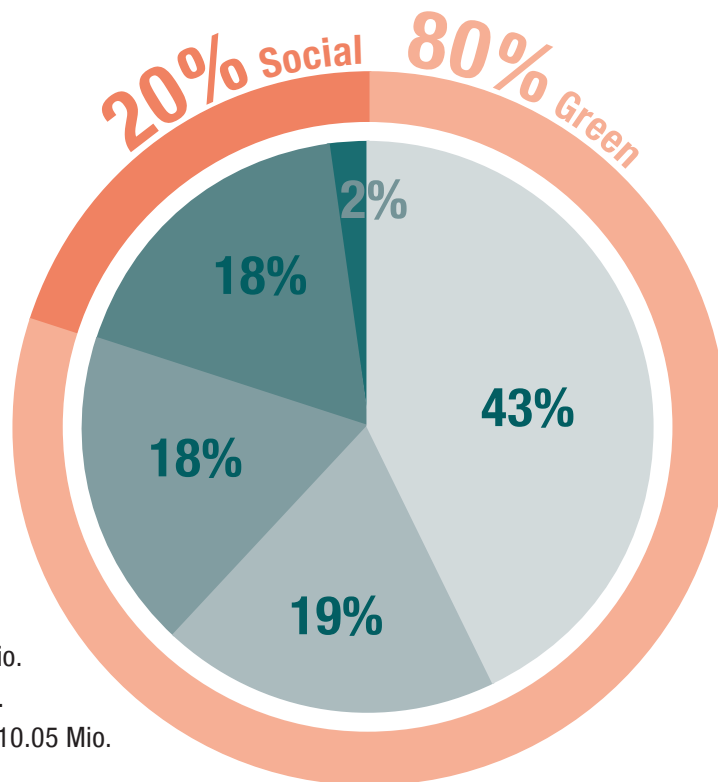
YE 2023

- **Green Buildings** 299.17 Mio.
- **Renewable Energy** 81.30 Mio.
- **Clean Transportation** 86.00 Mio.
- **Affordable Housing** 16.15 Mio.
- **Access to Essential Services** 20.05 Mio.



YE 2021

- **Green Buildings** 215.70 Mio.
- **Renewable Energy** 94.10 Mio.
- **Clean Transportation** 88.60 Mio.
- **Affordable Housing** 91.96 Mio.
- **Access to Essential Services** 10.05 Mio.



2. Impact Report

In line with its Framework, VIG provides information on the positive impacts of the Group's investments in eligible green and social assets, subject to the availability of suitable information and data. Depending on the underlying economic activity financed, the specifics of the relevant investment management contract and the position of VIG Group in the investment chain, the report may show different impacts.

The primary impact metrics which is available for reporting is tons of carbon dioxide equivalent emissions (tCO₂e) avoided, the carbon intensity for passenger transportation and the numbers of affordable housing units made available or upgraded.

The current update of the Allocation & Impact Report covers all impacts calculated for the period from 3 March 2023, the effective date of the structural changes as described above, to 31 December 2023.




Clean Transportation²

Project	Country	Allocated Amount in € (as of 31.12.2023) ³	Maturity Date	Share of project financing	Investment Period	CO ₂ intensity ⁴
High-Speed Electric Rail	France	21,900,000	31.12.2048	0.7%	2019	28.38 g/pkm
Metro System L9 Section 4	Spain	39,100,000	28.6.2038	7.2%	2020	23.7 g/pkm
Metro System L9 Section 1	Spain	25,000,000	31.12.2037	2.1%	2021	23.7 g/pkm


Renewable Energy

Project	Country	Allocated Amount in € (as of 31.12.2023) ⁵	Maturity Date	Share of project financing	Investment Period	Financed tCO ₂ e avoided ⁶	Financed Generation
Off-shore Wind Farm	Germany	28,100,000	30.4.2032	6.8%	2020	40,151	109.70 GWh
Solar (PV)	Spain	32,400,000	30.6.2037	11.1%	2020	2,751	13.42 GWh
Solar (PV)	Spain	20,800,000	30.6.2038	11.4%	2019	1,322	6.45 GWh

² According to the VIG Sustainability Bond Framework the carbon intensity for passenger transportation investments must be less than 75 g CO₂e/passenger km.

³ Due to the amortizing structure of some projects, the amount allocated may differ from the Allocation & Impact Report as of 31.12.2021.

⁴ In 2022, average WLTP CO₂ emissions from all new passenger cars in Europe reached 108.1g CO₂/km (2021: 114.1g CO₂/km). (<https://www.eea.europa.eu/ims/co2-performance-of-new-passenger>).

⁵ Due to the amortizing structure of some projects, the amount allocated may differ from the Allocation & Impact Report as of 31.12.2021.

⁶ The emissions for low or zero carbon technologies (e.g. solar and wind) per generated unit are assumed to be zero. The greenhouse gas emission intensity of electricity generation for the countries where the projects are located serves as baseline. According to the European Environment Agency, the 2022 value for Spain is 205 g CO₂e/kWh and for Germany it is 366 g CO₂e/kWh (<https://www.eea.europa.eu/en/analysis/indicators/greenhouse-gas-emission-intensity-of-1>).


Green Buildings⁸

Project	Country	Allocated Amount in €	Share of project financing	Investment Period	Financed tCO ₂ e avoided ⁷	Certification
Office Building	Austria	87,468,308	94%	2018 – 2020	245.61	ÖGNI Platinum
Office Building	Austria	61,200,000	100%	2021	82.65	Klimaaktiv Gold
Residential Building	Austria	28,700,000	100%	2021	118.09	ÖGNI Gold
Office Building	Poland	21,687,619	100%	2021	38.94	BREEAM Very Good
Office Building	Poland	22,213,000	100%	2021	23.68	BREEAM Excellent LEED Gold
Office Building	Poland	8,826,842	100%	2021	117.11	BREEAM Very Good
Residential Building	Austria	24,800,000	100%	2021 – 2023	107.62	ÖGNI Gold
Office Building	Austria	18,000,000	100%	2021	95.40	ÖGNI Gold
Residential Building	Austria	13,667,247	100%	2022 – 2023	91.53	ÖGNI Gold
Residential Building	Austria	7,569,801	100%	2022 – 2023	60.88	ÖGNI Gold
Office Building	Czech Republic	5,034,288	100%	2021 – 2023	232.26	BREEAM Very Good

⁷ Sustainalytics developed its own methodologies for quantifying GHG avoidance and other metrics, including leveraging publicly available best-in-class methodologies, protocols and frameworks that are currently industry best practice. Sustainalytics estimation practices, general principles, and reporting standards rely on the ICMA Harmonised Framework for Impact Reporting and the GHG Protocol (<https://ghgprotocol.org/>).

⁸ VIG has engaged Sustainalytics to calculate the environmental impacts of the green building projects financed through the sustainability bond.


Access to Essential Services

Project	Country	Allocated Amount in €	Share of project financing	Investment Period	Number of Beneficiaries
School Building	Austria	9,000,000	75%	2020 – 2022	Extension of a primary school benefiting around 120 pupils
School Building	Austria	2,000,000	20%	2023	Extension of a high school benefiting around 120 pupils
Healthcare	Austria	9,054,075.60	4.3%	2020 – 2021	n/a ¹¹


Affordable Housing¹²

Project	Country	Allocated Amount in € ¹³	Investment Period ¹⁴	Financed Affordable Housing Units
Non-Profit Housing	Austria	1,224,300	2023	64
Non-Profit Housing	Austria	2,008,600	2022	51
Non-Profit Housing	Austria	3,171,300	2024	n/a
Non-Profit Housing	Austria	2,973,200	2024	n/a
Non-Profit Housing	Austria	2,734,300	2021	247
Non-Profit Housing	Austria	4,042,159	2022	191

⁹ Potential product candidates are in preclinical or clinical trials (<https://www.apeiron-biologics.com/>).

¹⁰ Building Rights granted to Non-Profit Housing Societies as defined by the Austrian federal law of 8 March 1979 on Charitable Housing (Wohnungsgemeinnützigkeitsetz – WGG), as amended and updated.

¹¹ Acquisition cost of land (net) including incidental costs.

¹² Year in which the Building Rights are granted to Non-Profit Housing Societies as defined by the WGG.

3. Allocation Review



Vienna Insurance Group

Type of Engagement: Allocation Review
Date: 25 March 2024
Engagement Team:
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 Louisa Mandt, louisa.mandt@morningstar.com

Introduction

In 2021, Vienna Insurance Group (VIG) issued the Sustainability Bond to finance projects that promote greener buildings, renewable energy use, cleaner transportation, energy efficiency, increase affordable housing and access to essential services. In 2024, VIG engaged Sustainalytics to review the projects and assets funded with proceeds from the sustainability bond and provide an assessment as to whether the projects and assets met the use of proceeds criteria outlined in the Vienna Insurance Group Sustainability Bond Framework (the "Framework"). Sustainalytics has calculated the estimated impact achieved by the sustainability bond in the green buildings category in a separate report.

Evaluation Criteria

Sustainalytics evaluated the projects and assets funded with proceeds from the 2021 sustainability bond based on whether the projects and programmes met the use of proceeds and eligibility criteria of the Framework.

Table 1: Use of Proceeds, Eligibility Criteria and Associated KPIs

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
Green Buildings	Investments in real estate (including new buildings and renovations), that have received or are expected to receive: <ul style="list-style-type: none"> • BREEM Certification (Outstanding, Excellent, or Very Good) • LEED Certification (Platinum or Gold) • OGNI Certification (Platinum or Gold) • DGNB (Platinum or Gold) • Klimaaktiv (Gold or Silver) 	tCO ₂ e avoided
Renewable Energy	Investments relating to the construction, development, acquisition, maintenance, and operation of renewable energy projects / facilities / companies including solar and wind power, hydropower, and geothermal.	tCO ₂ e avoided
Clean Transportation	Investments relating to the development, construction, acquisition, maintenance, and operation of electric rail infrastructure and electric rolling stock for both passenger and freight transportation: <ul style="list-style-type: none"> • For passenger transportation, where carbon intensity of transportation is less than 75g CO₂e/passenger km • For freight transportation, where such transportation does not involve fossil fuels Investments relating to the development, construction, acquisition, maintenance, and operation of Battery Electric Vehicle infrastructure.	tCO ₂ e avoided

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Vienna Insurance Group

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Resource and Energy Efficiency	Investments which serve to improve the energy efficiency of the electricity grid/energy system, and/or establish additional energy storage capacity.	tCO ₂ e avoided
Affordable Housing	Investments in construction, refurbishment, maintenance and operation of housing meeting the relevant statutory definitions of affordability.	Number of affordable housing units upgraded and added to supply
Access to Essential Services	Investments in health, education and vocational training, healthcare, financing and financial services.	Number of beneficiaries

Issuer's Responsibility

VIG is responsible for providing accurate information and documentation relating to the projects funded, including the description of projects and amounts allocated.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings to investors, conducted the verification of the use of proceeds from the VIG's Sustainability bond. The work undertaken as part of this engagement included collection of documentation from VIG and review of said documentation to assess conformance with the Vienna Insurance Group Sustainability Bond Framework.

Sustainalytics relied on the information and facts presented by VIG with respect to the funded projects. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by VIG.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,¹ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed projects do not meet the use of proceeds criteria outlined in the Vienna Insurance Group Sustainability Bond Framework. VIG has disclosed to Sustainalytics that the proceeds from the sustainability bond were fully allocated on February 2, 2024.

¹ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of projects, including description, estimated and realized costs, and project impact, as provided by the Issuer, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Allocation Review

Vienna Insurance Group

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Detailed Findings

Table 2: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded with proceeds from the sustainability bond in 2021 to determine if the projects meet the use of proceeds criteria outlined in the Vienna Insurance Group Sustainability Bond Framework.	All projects reviewed complied with the use of proceeds criteria.	None
Reporting Criteria	Verification of the projects funded by the sustainability bond in 2021 to determine if impact of projects was reported in line with the Vienna Insurance Group Sustainability Bond Framework.	All projects reviewed reported on at least one KPI per use of proceeds category.	None

Appendices

Appendix 1: Allocation Reporting by Eligibility Criteria

The table below provides a category-wise allocation of use of proceeds in the VIG Sustainability Bond in March 2024:

Use of Proceeds Category	Amount Allocated (M EUR)	Percentage of Use of Proceeds (%)
Green Buildings	299.17	59.5
Renewable Energy	81.30	16.2
Clean Transportation	86.00	17.1
Affordable Housing	16.15	3.2
Access to Essential Services	20.05	4.0
Total Amount of Proceeds Allocated	502.67	100.0

Appendix 2: Impact Reporting by Eligibility Criteria

Use of Proceeds Category	Environmental Impact Reported by Eligibility Criteria ^{2,3}
Renewable Energy	<ul style="list-style-type: none"> 40,151 tCO₂e avoided through offshore wind farm with energy generation of 109.70 GWh 4,073 tCO₂e avoided with 19.87 GWh of electricity generated through solar PV
Clean Transportation	<ul style="list-style-type: none"> Financing of three electric passenger rails with carbon intensity between 23.70 - 28.38 g/pkm
Affordable Housing⁴	<ul style="list-style-type: none"> 553 housing units
Access to Essential Services	<ul style="list-style-type: none"> Extension of a primary and high school benefiting around 240 pupils

² All impacts are calculated for the period from 3 March 2023 to 31 December 2023.

³ The environmental impact created by investment in green buildings has been reported separately by Sustainalytics in the "Import Report for Bonds and Loans".

⁴ Building Rights granted to Non-Profit Housing Societies as defined by the Austrian federal law of 8 March 1979 on Charitable Housing (Wohnungsgemeinnützigkeitgesetz – WGG), as amended and updated.

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