Responsible Investment

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Long-term responsibility and a generational perspective are fundamental principles of the insurance industry. VIG is committed to forward-looking management and sustainable, profitable growth to remain a reliable partner for its customers in the future. At the same time, a stable social and ecological environment is essential for lasting economic success. The objective is to create economic value today without compromising the opportunities of future generations.

Sustainability is therefore being integrated more explicitly into the core business strategy, with capital investment playing a central role. Since 2019, social and environmental criteria have been systematically incorporated into the investment process. In 2023, this approach was comprehensively revised: existing criteria were tightened and additional criteria introduced. In 2026, due to changing geopolitical conditions, an adjustment was made to the strategy for implementing the banned weapon criteria. The current self-imposed commitments are outlined below.

VIG
VIENNA INSURANCE GROUP

How does VIG incorporate ESG (Environment, Social, Governance) criteria into investment decisions?

1. Which investments are within the scope?

The implementation of the following criteria applies to direct investments into securities (excluding issues by states, countries, municipalities and supranational organizations) including such investments in consolidated investment funds of all VIG insurance and reinsurance companies.

2. Which investments are excluded?

VIG excludes companies from investment if any of the following criteria apply:

2.1 Thermal coal

The burning of thermal coal is one of the biggest causes of greenhouse gases and thus of global climate change. The World Climate Summit in Paris 2015 has set the goal of limiting global warming to a level of no more than 1.5°–2° Celsius. Based on this objective, companies are evaluated regarding their involvement in the following areas:

- **mining and trading of thermal coal**
- **electricity generation from thermal coal**
- **production of fuels from coal**

The share of the total business of the reviewed companies is measured. For the operation of coal mines and the conversion of coal into other fuels, the share of its sales is measured. Coal production is measured by the share of coal in the total electricity production of the companies. New direct investments in companies are excluded if one of the following thresholds is exceeded:

- **more than 5% share of sales from thermal coal mining**
- **yearly production of more than 10 million tons of thermal coal**
- **generation of more than 5% of total power generation from thermal coal**
- **yearly generation of more than 10 GWh energy out of thermal coal**

Existing investments have been reduced by more than 50% by the end of 2025 compared with the 2019 base year and are subject to a complete phase-out by the end of 2035 at the latest.

2.2 Unconventional oil and gas

New direct investments in companies with more than 5% of sales from unconventional oil and gas will be excluded. This includes sales from oil sands, oil shale (kerogen-rich deposits), shale gas, shale oil, coal seam gas, and coal bed methane.

Existing maturing investments can be kept until their individual maturity dates while investments without a defined maturity have already been divested.

2.3 Banned weapons

VIG does not invest in companies involved in the production or trade of banned weapons. VIG defines banned weapons as defence equipment whose use and production cause significant human suffering and are regulated by various international conventions, such as the Convention on Cluster Munitions, the Ottawa Convention, the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), or the Biological and Chemical Weapons Conventions.

Based on this, companies regarding (potential) involvement in the following areas are evaluated:

- **biological and chemical weapons**
- **cluster munition**
- **anti-personnel mines**
- **nuclear weapons**
- **blinding laser weapons**
- **non detectable weapons**
- **white phosphorus weapons**

To minimize the risks resulting from involvements no threshold for sales of banned weapons is defined. Involved companies are excluded in any case. This also applies to retailing partners. In terms of nuclear weapons, companies are eligible, if they contribute to the nuclear weapons programs of the three NATO member states, recognized as nuclear-weapon states under the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and do not violate any other applicable exclusion criteria.

For states, countries, municipalities and supranational organisations, this applies as well (regardless of the general exemption of the issuers from the scope) if the UN Security Council has imposed international sanctions on these issuers for a violation of any of the above agreements.

2.4 Violations against the UN Global Compact and Human Rights

New direct investments in companies that severely violate human rights or violate the principles of the UN Global Compact are excluded. These principles include human rights and labour rights, environmental as well as anti-corruption measures:

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

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3. Which investments should be increased?

VIG aims to increase the share of investments based on the VIG Sustainability Bond Framework (e.g. renewable energies, environmentally friendly construction methods, renovation of existing buildings).

4. Engagement

In addition to the application of exclusion criteria, an engagement approach is employed. This involves structured dialogues with companies to encourage improvements in their ESG performance. The objective of engagement is not to exclude companies, but rather to promote positive change through constructive dialogue. In terms of the Norm-Based Engagement VIG started a cooperation with the internationally known engagement provider ISS ESG in September 2023. Thematic engagement, on the other hand, focuses on individually selected companies that have not launched sufficient emission reduction initiatives. The engagement activities will be disclosed in a yearly report.

5. What is the scope?

These requirements have been in effect since January 2026 and are mandatory for all VIG insurance and reinsurance companies.