



# Sustainability Bond Framework

March 2025

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# 1. Introduction

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (“VIG”, together with its consolidated subsidiaries, the “VIG Group”), established in 1824 and headquartered in Vienna, is the leading insurance group in Central and Eastern Europe (“CEE”). VIG Group operates in 30 countries, where approximately 33 million customers rely on VIG Group’s insurance solutions. There are around 30,000 employees who work for VIG Group<sup>1</sup> at more than 50 insurance companies and pension funds. In 2024, VIG Group had gross written premiums of EUR 15.2 billion (an increase of 10.5 % compared to 2023).<sup>2</sup>

The core business of VIG Group is concentrated on insurance products with a regional focus on CEE markets. The insurance companies of VIG Group offer a wide range of products in each of the property and casualty insurance, life insurance and health insurance.

VIG Group’s strategy is based on diversity as a key success factor, ensuring that the wealth of different cultures and perspectives is optimally used and contributes to sustainable profitability and continuous earnings growth.

Further information on the Company is available at [group.vig](http://group.vig).



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<sup>1</sup> As of 30.06.2024 (VIG Half Year Financial Report 2024)  
<sup>2</sup> As of 31.12.2024 (Preliminary results for the financial year 2024)

## 2. Sustainability ambition of VIG

The insurance industry provides protection today against risks of tomorrow. Insurance companies help to manage a wide range of risks and are also important providers of capital, thereby supporting the development of national economies and modern society.

The roots of VIG reach back to the 19th century. Now, as then, VIG aims to be a financial service provider for everyone and is guided by a spirit of community. Taking responsibility in the long-term and thinking in terms of generations are core aspects of insurance. VIG relies on forward-looking management and profitable growth to ensure that it can continue to reliably serve its customers in the future. At the same time, an intact social and ecological environment is a prerequisite for economic success. VIG's aim is therefore to create economic value today without doing so at the expense of tomorrow.

In 2024, VIG developed a Transition Plan that is based on the VIG Sustainability Programme<sup>3</sup> to achieve net zero emissions by 2050 for the spheres of impact "underwriting", "asset management", and "operations". Aligned with the Paris Agreement, the plan follows the "net zero 2050" scenario by the Network for Greening the Financial System (NGFS). The Transition Plan sets science-based targets and is currently focused on the corporate portfolio in underwriting, on corporate bonds, shares and other fixed-interest securities in asset management, and on VIG's own operations. With regard to the selected "net zero 2050" scenario, VIG aims to achieve an absolute reduction in greenhouse gas emissions (CO<sub>2</sub>e) of 30 % by 2030 (starting from the base year 2023). The plan is integrated into VIG's governance and significantly impacts its business strategy.



<sup>3</sup> [group.vig/en/sustainability/sustainability-programme](https://group.vig/en/sustainability/sustainability-programme)

The sustainability activities of VIG are bundled in the VIG Sustainability Programme and focus on environmental and social topics along the value chain of VIG. The heart of the programme consists of the "six spheres of impact", namely:

### #01. Asset Management

Insurance companies are important providers of capital for national economies. Therefore, VIG's investment decisions have an impact on society and can help to reduce climate-related risks.

**VIG Objective:** VIG's long-term objective is to reduce greenhouse gas emissions from VIG Group's investment portfolio to net zero by 2050.

Measures such as the application of exclusion criteria, an engagement approach and an increase in the proportion of green investments serve this purpose.

### #02. Underwriting

In addition to investment, underwriting as the core activity of insurance companies is a key lever for contributing to a sustainable future.

**VIG Objective:** VIG's long-term objective is to reduce greenhouse gas emissions from VIG Group's corporate and retail underwriting portfolios to net zero by 2050 and to grow VIG's share of sustainable products.

Furthermore, VIG is focused on helping its customers to better adapt to climate change and increase the proportion of its products and services that are helpful in this regard. In addition to the application of exclusion criteria and engagement activities, the measures also include comprehensive service offerings for corporate customers.

### #03. Operations

When it comes to operations, the focus is on emissions from operating the office infrastructure and from business travel by car and aeroplane.

**VIG Objective:** VIG aims to become climate neutral in its office operations by 2030 and to achieve net zero greenhouse gas emissions by 2050.

VIG envisages achieving these targets through conscious energy consumption, the increased use of renewable energies, or by travelling less frequently and in more environmentally friendly ways with regard to business trips.

### #04. Employees

Employees are a core asset of a company. VIG therefore strives to be an attractive employer promoting equal opportunities, employee centricity and diversity. In September 2024, VIG Holding received the internationally recognised “Great Place To Work” certification for outstanding company culture.<sup>4</sup> With this certification, VIG has successfully achieved its target of using an international index to measure its attractiveness as an employer.

**VIG Objective:** VIG aims to be an attractive equal opportunity employer and to drive employee centricity to foster retention.



### #05. Customers

VIG companies serve approximately 33 million customers in 30 countries<sup>5</sup>. VIG relies on a decentralised management approach and local entrepreneurship to satisfy this large diversity of needs and expectations. A centre of competence for customer experience, established in 2023, focuses on aspects such as creating additional benefits for customers and measuring their satisfaction in a standardised manner with the objective to improve customer satisfaction. Therefore, VIG’s target to establish a competence centre for customer satisfaction has been achieved.

Additionally, the VIG insurance companies want to help to close existing protection gaps, particularly with regard to customers. As part of this, they are concentrating on products that target personal resilience and are evaluating product ranges for under-served or socially disadvantaged customers.

**VIG Objective:** VIG aims to focus on customer satisfaction and to close the protection gap by offering products targeting personal resilience and by developing the proposal of “inclusive products”.

### #06. Society

People can only protect themselves against a risk if they are aware of it, can accurately estimate its relevance, have knowledge about risk management instruments (such as insurance policies) and ultimately take appropriate action – in short, if they are “risk literate”. A key focus in the sphere of “society” impact is therefore the promotion of risk literacy. VIG wants to support the people in its markets in making well-informed decisions when it comes to risk and will bolster its efforts in the area of risk education. Furthermore, as part of VIG’s Corporate Volunteering initiative, thousands of employees dedicate one working day a year to causes that benefit society.

**VIG Objective:** VIG aims to promote risk literacy and to grow corporate volunteering.

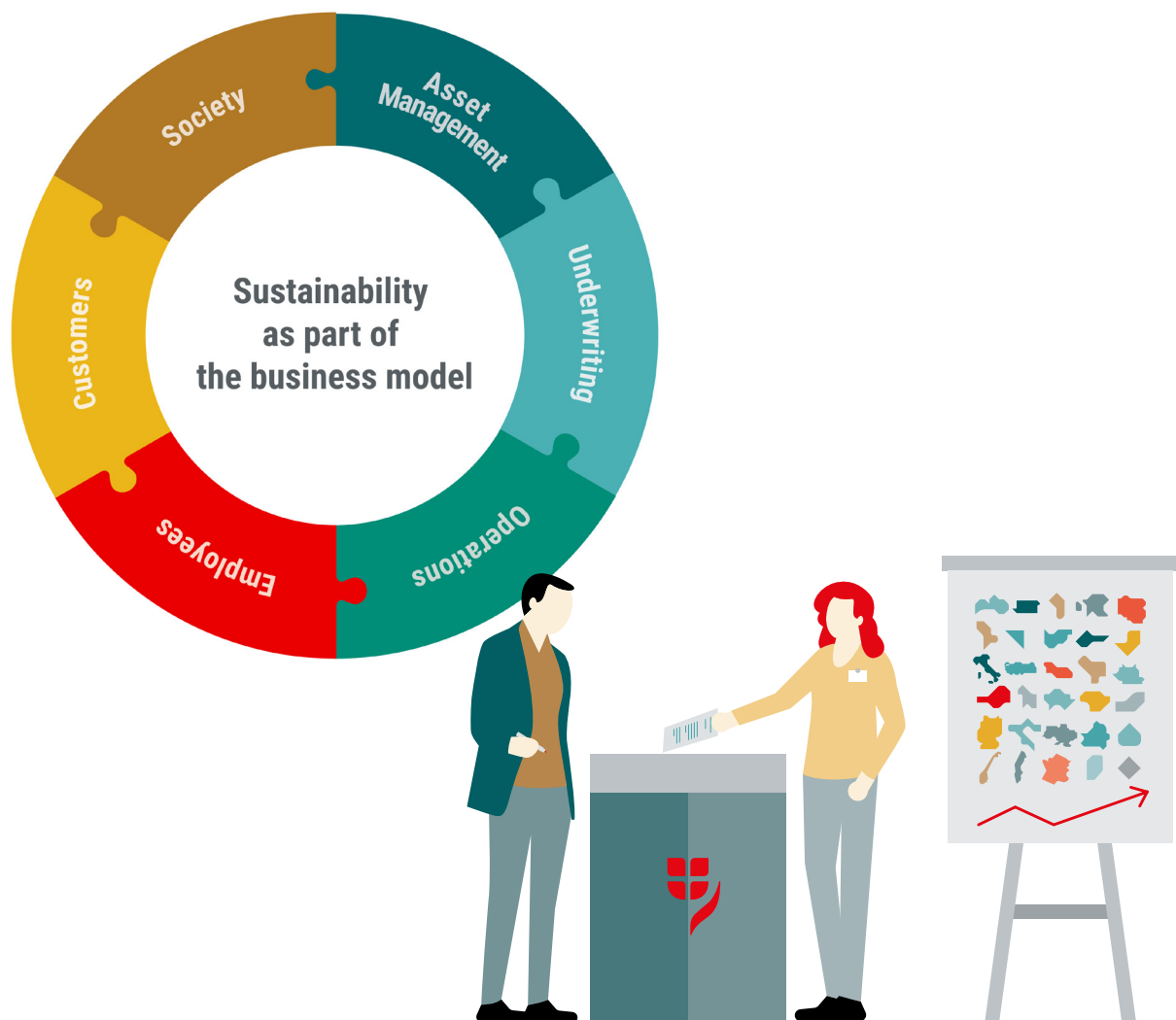
<sup>4</sup> <https://group.vig/en/vig-inside/press-center/press-releases/pr-news/vienna-insurance-group-named-great-place-to-work/>  
<sup>5</sup> As of 30.06.2024 (VIG Half Year Financial Report 2024)

### 3. Sustainability Governance at VIG

#### Supervision of sustainability as a priority from the top of the organisation

The Group Sustainability Office which was set up in 2023 in the Opportunity Management department of VIG actively coordinates VIG Group-wide sustainability tasks. The Head of Opportunity Management and Group Sustainability Officer reports directly to the Chairman of VIG's Managing Board. As sustainability is seen as an integral part of the business model, overall responsibility lies with VIG's Managing Board.

A sustainability committee was also set up in 2023 and meets once a quarter to discuss relevant sustainability topics and developments of VIG Group. This committee is chaired by the Group Sustainability Officer and composed of the Deputy Chairman of VIG's Managing Board, the CFRO, the COO and selected heads of department within VIG – primarily from the six spheres of impact under the sustainability programme. It is an advisory committee that serves as a link between the operational levels of the VIG Group and the Managing Board which has overall responsibility.



## 4. Sustainable Investments and Responsible Insurance in Corporate Business

The way we invest today has an impact on our future. Responsible investments can contribute to the climate and energy transition and help overcoming social challenges. This is why VIG is pursuing the long-term objective of reducing greenhouse gas emissions from the investment portfolio to net zero by 2050. In addition, social aspects such as respect for human rights are also considered. Since 2019, VIG has taken these social and environmental criteria into account in its investment activities and commits to the exit from the coal sector. In 2023, VIG further developed the climate change strategy with two new declarations: “Responsible Investment”<sup>6</sup> and “Responsible Insurance”<sup>7</sup>.

The “Responsible Investment” declaration<sup>8</sup> relates to a combination of multiple strategies. VIG has established exclusion criteria in four areas (related to business in thermal coal, unconventional oil and gas, banned weapons and violations against the UN Global Compact and human rights) and pursues an engagement approach. This sets out the process of actively entering into discourse with companies to encourage them to improve their sustainability performance. To implement this approach, VIG started a cooperation with the internationally renowned external partner ISS ESG<sup>9</sup>.

Moreover, VIG is committed to increase the share of investments to finance the transition. Those investments shall be based on the VIG Sustainability Bond Framework (e.g. renewable energies, environmentally friendly construction methods, renovation of existing buildings by housing associations in the area of affordable housing).

In the “Responsible Insurance”<sup>10</sup> declaration, VIG highlights that since 2019 no insurance has been provided for any new coal mining or coal-fired power plant construction projects. In 2023, the number of coal risks in the corporate business were reduced by 84 % compared to 2019<sup>11</sup>. The declaration also highlights that since 2024 VIG is excluding any risk coverage for the exploration of unconventional oil and gas, including new deep sea mining projects.

Climate change is leading to more damage as a result of natural disasters such as floods, hail and summer storms. For this reason, VIG has greatly expanded its expertise in this area in recent years.

Using scenario analyses, VIG estimates how climate change will affect losses and, therefore, the insurance business. The analyses relating to the consequences of global warming consider both transition risks, which are mainly assessed qualitatively, and physical risks, which are also subject to detailed quantitative analyses. Internal and external experts work together to estimate the probability of natural disasters and calculate the potential impacts in all of VIG’s key markets. As part of this, they consider scenarios with three different temperature increases (1.5°C, 2.0°C and 3.0°C). The risk models used are constantly improved based on new data, facts and findings, such as current scientific studies or newly built flood protection measures. As a result of global warming, preventing losses due to natural hazards is playing an increasingly important role in the underwriting process. Therefore, Risk Consult (a subsidiary of VIG) analyses around 2,000 operating sites every year. The experts develop individually tailored recommendations for further improving the risk situation and preventing losses.

<sup>6</sup> [group.vig/media/noblcmxl/vig\\_responsible-investments\\_en.pdf](https://group.vig/media/noblcmxl/vig_responsible-investments_en.pdf)

<sup>7</sup> [group.vig/media/vxdtbjzp/p24006\\_vig\\_responsible-insurance\\_en\\_170724.pdf](https://group.vig/media/vxdtbjzp/p24006_vig_responsible-insurance_en_170724.pdf)

<sup>8</sup> [group.vig/media/noblcmxl/vig\\_responsible-investments\\_en.pdf](https://group.vig/media/noblcmxl/vig_responsible-investments_en.pdf)

<sup>9</sup> See Engagement Report: [group.vig/en/sustainability/sustainability-programme/asset-management](https://group.vig/en/sustainability/sustainability-programme/asset-management)

<sup>10</sup> [group.vig/media/vxdtbjzp/p24006\\_vig\\_responsible-insurance\\_en\\_170724.pdf](https://group.vig/media/vxdtbjzp/p24006_vig_responsible-insurance_en_170724.pdf)

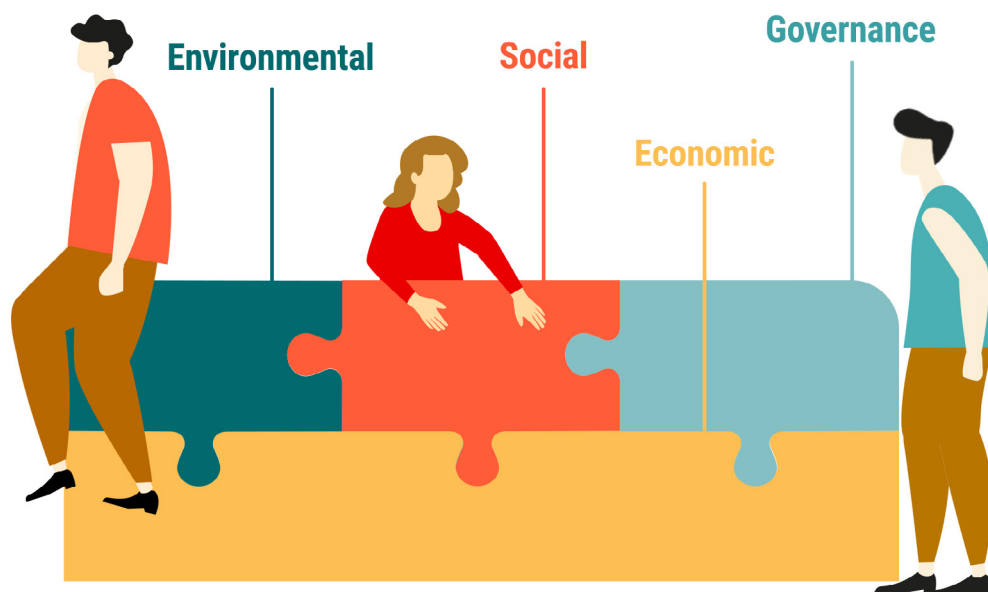
<sup>11</sup> See VIG Sustainability Report 2023, p. 40

## 5. Rationale for Issuance

VIG recognizes that the insurance industry has an important role to play in the transition towards a more sustainable and lower-carbon economy, both through the risk management products and services it provides and the financial assets it manages.

VIG's ambition is to ensure that its investment portfolio has a positive impact on society and the environment, whilst maintaining sound financial quality. VIG believes that there is an opportunity to secure market recognition of its sector's role in the field of responsible investment. With this Sustainability Bond Framework, VIG supports the sustainable finance market by enabling investors in VIG debt instruments to support this vision.

Sustainable bonds create a tangible opportunity to connect sustainable investments with dedicated investor demand and are an effective tool to channel financing to projects that have demonstrated clear environmental and/or social benefits. In this updated Sustainability Bond Framework, VIG has strengthened the eligibility criteria of its sustainable investments to be aligned with current market standards as well as with a view of the evolving EU environmental regulatory landscape.



## 6. Alignment with voluntary market standards

Under this Sustainability Bond Framework (“SBF”), VIG may issue three types of bonds:

1. Green Bonds
2. Social Bonds
3. Sustainability Bonds

The Sustainability Bond Guidelines<sup>12</sup> administered by the International Capital Markets Association (“ICMA”) recommend alignment of Sustainability Bonds with the four core components of both the Green Bond Principles 2021 including the June 2022 Appendix I (“GBP”) <sup>13</sup> and Social Bond Principles 2023 (“SBP”) <sup>14</sup>, collectively known as the “Principles”. The Principles are voluntary process guidelines that recommend transparency, disclosure and promote integrity for best practices when issuing Green, Social and/or Sustainability Bonds. This SBF aligns with the four core components of the GBP and SBP as well as the recommendation for sourcing an External Review on the SBF.

This SBF will apply to any Green, Social and/or Sustainability Bond issued by VIG and will be applied for as long as any such instrument is outstanding. This SBF may be updated from time to time to ensure continued alignment with voluntary market practices, emerging standards and classification systems, including for example the EU Taxonomy. VIG intends to align, on a best effort basis, the eligible green assets with the Technical Screening Criteria of the EU Taxonomy, contributing to the environmental objective of climate change mitigation. Any future version of this SBF will either keep or improve the current levels of transparency and reporting disclosures.

### 6.1 Use of Proceeds



VIG will allocate an amount equal to the net proceeds of any Green Bond to Eligible Green Assets, any Social Bond to Eligible Social Assets and any Sustainability Bond to a combination of Eligible Green Assets and Eligible Social Assets.

VIG will make allocations to Eligible Green and/or Social Assets where the investment has taken place within a maximum of three years prior to the date of any Green, Social and/or Sustainability Bond issuance. On a best effort basis, VIG will aim to allocate an amount at least equal to the net proceeds raised by any bond under this Sustainability Bond Framework within three years from the issuance of each Green, Social and/or Sustainability Bond.

<sup>12</sup> <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Sustainability-Bond-Guidelines-June-2021-140621.pdf>

<sup>13</sup> <https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles-June-2022-060623.pdf>  
<https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

<sup>14</sup> <https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Social-Bond-Principles-SBP-June-2023-220623.pdf>

ICMA GBP Eligible Category	Eligibility Criteria	Alignment with EU Taxonomy activity <sup>15</sup>	Alignment to SDGs
Green Buildings	<p>Investments and financing towards residential and non-residential Green Buildings:</p> <ol style="list-style-type: none"> <li>Buildings built prior to 31 December 2020: <ul style="list-style-type: none"> <li>Existing residential buildings with Energy Performance Certificate (EPC) Class A. Alternatively, buildings that belongs to the top 15 % most energy efficient buildings at the national or regional level in terms of operational primary energy demand (PED), with the corresponding certification.</li> </ul> </li> <li>Buildings built on or after 1 January 2021: <ul style="list-style-type: none"> <li>New or existing residential buildings that have a primary energy demand (PED), which defines the energy performance of a building after construction, is at least 10 % below the national threshold for nearly zero energy buildings (NZEB) and verified by an Energy Performance Certificate (EPC).</li> <li>For residential buildings over 5,000 m<sup>2</sup>: Testing for air tightness and thermal integrity upon completion or, alternatively, verifiable quality control processes during the construction process</li> </ul> </li> <li>Renovations of existing buildings <ul style="list-style-type: none"> <li>Buildings that have undergone refurbishments resulting in an increase in energy efficiency of at least 30 % against a baseline</li> </ul> </li> </ol> <p>Investments in residential and non-residential buildings (including new buildings and renovations), that have received or are expected to receive:</p> <ul style="list-style-type: none"> <li>BREEAM<sup>16</sup> Certification (Outstanding, Excellent, or Very Good)</li> <li>LEED<sup>17</sup> Certification (Platinum or Gold)</li> <li>OGNI<sup>18</sup> Certification (Platinum or Gold))</li> <li>DGNB<sup>19</sup> (Platinum or Gold),</li> <li>Klimaaktiv<sup>20</sup> (Gold or Silver)</li> </ul>	<p>7.1. Construction of new buildings</p> <p>7.2. Renovation of existing buildings</p> <p>7.3. Installation, maintenance and repair of energy efficiency equipment</p> <p>7.7. Acquisition/ownership of buildings</p>	 

<sup>15</sup> [https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1\\_en.pdf](https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf)






<sup>16</sup> <https://www.breeam.com/>

<sup>17</sup> <https://www.usgbc.org/>

<sup>18</sup> <https://www.ogni.at/leistungen/zertifizierung/>. ÖGNI certifies buildings in accordance with the DGNB certification system (<https://www.dgnb-system.de/en/>). DGNB is recognised in the Green Bond Guidelines for the Real Estate Sector, as published by ICMA.

<sup>19</sup> <https://www.dgnb-system.de/en>

<sup>20</sup> <https://www.klimaaktiv.at/>

Renewable Energy	Investments relating to the construction, development, acquisition, maintenance, and operation of renewable energy projects/facilities/companies <sup>21</sup> including solar and wind power, hydropower <sup>22</sup> , and geothermal <sup>23</sup> .	<p>4.1. Electricity generation using solar photovoltaic technology</p> <p>4.3. Electricity generation from wind power</p> <p>4.5. Electricity generation from hydropower</p> <p>4.6. Electricity generation from geothermal energy</p>	<p>7 AFFORDABLE AND CLEAN ENERGY</p> 
Clean Transportation	<p>Investments relating to the development, construction, acquisition, maintenance, and operation of electric rail infrastructure and electric rolling stock for both passenger and freight transportation:</p> <ul style="list-style-type: none"> <li>For passenger and freight<sup>24</sup> transportation, where direct (tailpipe) CO<sub>2</sub> emissions are zero</li> </ul> <p>Investments relating to the development, construction, acquisition, maintenance, and operation of Battery Electric Vehicle infrastructure, such as the purchase, financing, renting, and operation of electric vehicles</p>	<p>6.1. Passenger interurban rail transport</p> <p>6.2. Freight rail transport</p> <p>6.3. (Sub-)Urban transport, road passenger transport</p> <p>6.5. Transport by motorbikes, passenger cars and light commercial vehicles</p> <p>6.14. Infrastructure for rail transport</p> <p>6.15. Infrastructure enabling low-carbon road transport and public transport</p>	<p>3 GOOD HEALTH AND WELL-BEING</p>  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>  <p>13 CLIMATE ACTION</p> 
Energy Efficiency	Investments which serve to improve the energy efficiency of the electricity grid/energy system, and/or establish additional energy storage capacity <sup>25</sup>	<p>4.9. Transmission and distribution of electricity</p> <p>4.10. Storage of electricity</p>	<p>7 AFFORDABLE AND CLEAN ENERGY</p> 

21 Where investments in companies are concerned, only investments in 'pure-play' renewables companies will be eligible, where >90 % of revenues are derived from activities in the renewables industry.




22 Only hydropower assets complying with the following EU taxonomy technical screening criteria are eligible, i.e.:

- the electricity generation facility is a run-of-river plant and does not have an artificial reservoir and;
- the power density of the electricity generation facility is above 5 W/m<sup>2</sup> (10 W/m<sup>2</sup> for facilities that became operational post 2020);
- the life-cycle GHG emissions from the generation of electricity from hydropower, are lower than 100gCO<sub>2</sub>e/kWh (50 gCO<sub>2</sub>e/kWh for facilities that became operational post 2020).

23 Where direct carbon emissions are less than 100g CO<sub>2</sub>e/kWh. Carbon intensity on a life-cycle basis may be taken into account if relevant data and information is made available by project developers.

24 Where such transportation does not involve fossil fuels.

25 Where an eligible project is intended to facilitate increased penetration of renewable energy into the grid via connection and/or reduce the curtailment of renewable energy. Grid projects are deemed eligible if the relevant grid is on a 'transition trajectory'. This is defined as weighted average lifecycle emissions intensity of incremental new generation over the last 5 years being <100 gCO<sub>2</sub>e/kWh.

ICMA SBP Eligible Category	Eligibility Criteria	Alignment to SDGs
Affordable Housing	Investments in construction, refurbishment, maintenance and operation of housing meeting the relevant statutory definitions <sup>26</sup> of affordability.	
Access to Essential Services	Investments in health, education and vocational training facilities and services, retirement and elderly care homes, healthcare facilities and services. <sup>27</sup>	 

### 6.1.1 Exclusions

Allocations relating to Green, Social and/or Sustainability Bonds issued by VIG will be made in accordance with the criteria above and will not be used to finance or refinance the following investments: Fossil Fuels, Alcohol, Gaming, Tobacco, Weapons.

- Reviewing and approving any proposed updates to this Sustainability Bond Framework
- Monitoring environmental and social risks potentially associated with the Eligible Green and/or Social Assets in supporting compliance with national and international legislation

### 6.2 Process for Project Evaluation & Selection

To ensure that allocations of an amount equal to the net proceeds of any Green, Social and/or Sustainability Bond are made to Eligible Green and/or Social Assets as specified above, VIG has established a Sustainability Bond Committee (“SBC”).

The SBC will be comprised of representatives from the following functions:

The SBC will be responsible for:

- Ensuring the proposed pool of Eligible Green and/or Social Assets is aligned with the categories as specified in the Use of Proceeds section above, and approving any proposed changes to the pool in the event that the existing assets no longer meet the eligibility criteria (e.g. following divestment, liquidation, technology switch, concerns regarding alignment of underlying activity with eligibility criteria etc.)
- Reviewing and approving allocation and where relevant, impact reports, where suitable data is available

- Sustainable Finance Expert
- Asset Management incl. Real Estate<sup>28</sup>
- Group Treasury & Capital Management
- Compliance (incl. AML)
- ESG Project Leader and Manager of Proceeds

The SBC may include on an ad-hoc basis a representative of one of its local subsidiaries which is engaged in investment business. The Committee will meet at least 2 times per year, to review proposed allocations and ensure these are made in line with the specified criteria above.

<sup>26</sup> As defined in national or local laws or regulations.

<sup>27</sup> Allocations in this category will be made where such access is provided ‘universally’ as a public service (e.g. schools or hospitals) and where lack of affordability does not restrict access

<sup>28</sup> The Asset Management function will have responsibility for the nomination of eligible assets/projects initiated by subsidiaries as well as by VIG, for consideration by the SBC.

### 6.3 Management of Proceeds

The allocation of an amount equivalent to the net proceeds of any Green, Social and/or Sustainability Bond issued under this Sustainability Bond Framework to the Eligible Green and/or Social Assets will be managed by VIG using a portfolio approach.

The SBC will establish an internal process within its Investment Function to establish a pool of Eligible Assets and will track allocations matched to the bond proceeds. This process will be managed by the appointed VIG ESG Project Leader and Manager of Proceeds, who is a member of the SBC.

Pending full allocation of an amount equivalent to the net proceeds of the Green, Social and/or Sustainability Bond to the Eligible Green and/or Social Assets, the net proceeds will be invested on a temporary basis in accordance with the relevant internal treasury policies as well as with the exclusions defined in the above section 6.1.1, in cash, cash equivalents or similar instruments (including green, social and/or sustainability bonds issued by other issuers, as well as sustainable investment funds which have been awarded the Austrian Eco-label<sup>29</sup>, the FNG-seal<sup>30</sup> or the EU Ecolabel<sup>31</sup> respectively, that are categorized as an 'ESG-investment fund' by Morningstar<sup>32</sup>).

### 6.4 Reporting

Within one year of issuance, and annually thereafter until full allocation of an amount equivalent to the net proceeds of any Green, Social and/or Sustainability Bond as well as in the event of any material changes, VIG will publish (i) an Allocation Report and (ii) an Impact Report, subject to the availability of suitable information and data via the VIG website.

The Allocation Report will include, for example:

- the total amount of proceeds allocated to Eligible Green and/or Social Assets per category;
- a list of the Eligible Green and/or Social Assets in the Eligible Project portfolio, including a description of the projects and allocated amounts, subject to confidentiality considerations;
- the proportion of refinancing vs. financing; and
- the remaining balance of unallocated amounts, if any.

VIG will also publish the Impact Report on selected environmental and social impacts of its Eligible Green and Social Assets, subject to the availability of suitable information and data. Ability to report impact metrics associated with investments in Eligible Assets will depend on the specifics of any relevant investment management contract, the underlying economic activity financed, and the position of VIG in the investment chain. VIG anticipates that the primary impact metrics which may be available for reporting will be tonnes of carbon dioxide equivalent emissions (tCO<sub>2</sub>e) avoided, the number of beneficiaries of health/education projects and numbers of affordable housing units made available.

VIG will align its impact reporting, on a best-efforts basis, with the portfolio approach described in the "Handbook – Harmonized Framework for Impact Reporting for Green Bonds (June 2023)"<sup>33</sup>, and "Handbook – Harmonized Framework for Impact Reporting for Social Bonds (June 2023)"<sup>34</sup>.

<sup>29</sup> <https://www.umweltzeichen.at/en/products/sustainable-finance>

<sup>30</sup> Forum Nachhaltige Geldanlagen (FNG), founded in 2001, is the industry association promoting sustainable investment in Germany, Austria and Switzerland: <https://www.forum-ng.org/en/fng-the/about-us.html>

<sup>31</sup> <https://ec.europa.eu/environment/ecolabel/>

<sup>32</sup> <https://www.morningstar.com/esg>

<sup>33</sup> [Handbook-Harmonised-framework-for-impact-reporting-June-2023-220623.pdf](#)

<sup>34</sup> [Harmonised-framework-for-impact-reporting-for-social-bonds-June-2023-220623.pdf](#)

**Green Eligible Category Potential output and impact reporting indicators at category level**

Green Buildings	<ul style="list-style-type: none"> <li>• Level of certification, if applicable</li> <li>• Level of Energy Performance Certificate (EPC), if applicable</li> <li>• Estimated annual reduced and/or avoided GHG emissions (in TCO<sub>2</sub>eq.)</li> <li>• Estimated annual energy consumption (in KWh/m<sup>2</sup>)</li> </ul>
Renewable Energy	<ul style="list-style-type: none"> <li>• Estimated annual reduced and/or avoided GHG emissions (in TCO<sub>2</sub>eq.)</li> <li>• Installed renewable energy capacity (in MW)</li> <li>• Renewable energy generation (in MWh)</li> </ul>
Energy Efficiency	<ul style="list-style-type: none"> <li>• Estimated annual reduced and/or avoided GHG emissions (in TCO<sub>2</sub>eq.)</li> <li>• Distance of transmission (Km)</li> <li>• Energy transmitted (MWh per year)</li> <li>• Number of smart meters installed, if applicable</li> </ul>
Clean Transportation	<ul style="list-style-type: none"> <li>• Estimated annual reduced and/or avoided GHG emissions (in TCO<sub>2</sub>eq.)</li> <li>• CO<sub>2</sub> intensity</li> <li>• Number of EVs</li> </ul>

**Social Eligible Category Potential output and impact reporting indicators at category level**

Access to Essential Services	<ul style="list-style-type: none"> <li>• Number of beneficiaries from services (healthcare, education)</li> </ul>
Affordable Housing	<ul style="list-style-type: none"> <li>• Number of affordable housing units</li> <li>• Number of residents benefiting</li> </ul>

## 7. External Review

### 7.1 Second Party Opinion

Sustainalytics has provided a Second Party Opinion on VIG's Sustainability Bond Framework. The Second Party Opinion is available on the Sustainalytics website at [www.sustainalytics.com](http://www.sustainalytics.com) as well as on VIG's website.

### 7.2 Compliance Review

VIG also intends to commission a compliance review within one year of issuance and annually thereafter until full allocation of any Green, Social and/or Sustainability bond, with the intention of confirming that proceeds have been allocated in accordance with the Use of Proceeds specified in this Sustainability Bond Framework.



## 8. Disclaimer and Imprint

The information and opinions contained in this Sustainability Bond Framework are provided as at the date of this document and are subject to change without notice.

VIG does not assume any responsibility or obligation to update or revise such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise.

This Sustainability Bond Framework represents current VIG policy and intent, is subject to change and is not intended nor can be relied on, to create legal relations, rights or obligations.

This Sustainability Bond Framework is provided for information purposes only and does not constitute or form part of, and should not be construed as, an offer or invitation to sell VIG Bonds, or the solicitation of an offer to underwrite, subscribe for or otherwise acquire any debt or bonds of VIG, and nothing contained herein shall form the basis of or be relied on in connection with any contract or commitment whatsoever.

Any decision to purchase any VIG Bonds should be made solely on the basis of the information to be contained in any offering document produced in connection with the offering of such bonds.

Prospective investors are required to make their own independent investment decisions. No representation is made as to the suitability of any VIG Bonds to fulfil environmental and sustainability criteria required by prospective investors. Each potential purchaser of VIG Bonds should determine for itself the relevance of the information contained or referred to in this Sustainability Bond Framework or the relevant bond documentation for such VIG Bonds regarding the use of proceeds and its purchase of VIG Bonds should be based upon such investigation as it deems necessary. VIG has set out its intended policy and actions in this Sustainability Bond Framework in respect of use of proceeds, project evaluation and selection, management of proceeds and investor reporting, in connection with VIG Bonds.

However, it will not be an event of default or breach of contractual obligations under the terms and conditions of any VIG Bonds if the VIG fails to adhere to this Sustainability Bond Framework, whether by failing to fund or complete Eligible Green Projects or to ensure that proceeds do not contribute directly or indirectly to the financing of the excluded activities as specified in this Sustainability Bond Framework, or by failing (due to a lack of reliable information and/or data or otherwise) to provide investors with reports on uses of proceeds and environmental impacts

as anticipated by this Sustainability Bond Framework, or otherwise.

In addition, it should be noted that all of the expected benefits of the Projects as described in this Sustainability Bond Framework may not be achieved. Factors including (but not limited to) market, political and economic conditions, changes in Government policy (whether with a continuity of the Government or on a change in the composition of the Government), changes in laws, rules or regulations, the lack of available suitable projects being initiated, failure to complete or implement projects and other challenges, could limit the ability to achieve some or all of the expected benefits of these initiatives.

In addition, each environmentally-focused potential purchaser of VIG Bonds should be aware that Eligible Green Assets and/or Eligible Green Insurance Risks may not deliver the environmental or sustainability benefits anticipated, and may result in adverse impacts. On this basis, all and any liability, whether arising in tort, contract or otherwise which any purchaser of VIG Bonds or any other person might otherwise have in respect of this Sustainability Bond Framework or any VIG Bonds as a result of any failure to adhere to or comply with this Sustainability Bond Framework is hereby disclaimed.

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