

SUS TAIN ABILITY REPORT 2022

OVERVIEW



2022

SUSTAINABILITY IS INTEGRATED INTO ALL AREAS OF THE BANK.



98.4 %

WAS THE PARTICIPATION RATE IN THE MANDATORY COMPLIANCE TRAINING COURSES IN THE YEAR UNDER REVIEW.



Ø 7.4 T CO₂E/EURO MILLION SALES¹⁾

CO₂ FOOTPRINT OF THE BANKING BOOK

17 %

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



46 %

OF THE VEHICLE FLEET ARE E-CARS.²⁾



24

ELECTED WORKS COUNCIL MEMBERS REPRESENT THE INTERESTS OF EMPLOYEES WITHIN THE VOLKSBANK WIEN AG GROUP.

27,448

JOINT CUSTOMERS ARE SERVED BY VOLKSBANK WIEN AG AND ITS PARTNER ERGO.²⁾

10 %

IS THE PERCENTAGE BY WHICH THE PROPORTION OF FEMALE MANAGERS IS TO BE INCREASED BETWEEN 31 DECEMBER 2021 AND 31 DECEMBER 2023.



1,383

EMPLOYEES COMPLETED SUSTAINABILITY TRAINING COURSE 2.

1,473 EMPLOYEES

WORK FOR VOLKSBANK WIEN AG.³⁾

COLLECTION CAMPAIGN OF DONATIONS IN KIND

EMPLOYEES OF VOLKSBANK WIEN AG DONATE HYGIENE ARTICLES TO THE VINZIDORF CHARITY.



1) These are Scope 1 and 2 values, as many companies do not yet provide Scope 3 values. Companies that do not yet supply any CO₂ figures were not included in the calculation.

2) As at 31 Dec. 2022

3) Employees as at 31 Dec. 2022



75 %

HIGH ONLINE BANKING AFFINITY OF CUSTOMERS.

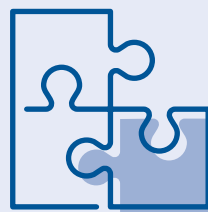
12TH DISTINCTION

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



3 STRONG PARTNERS

ASSIST THE ACCOUNT MANAGERS OF VOLKSBANK WIEN AG IN PROVIDING OPTIMAL SERVICES TO THEIR CUSTOMERS.



98.3 %

OF FINANCING TRANSACTIONS WITHIN THE REGION



BY SPECIFICALLY SELECTING THE ORGANISATIONS IT JOINS, VOLKSBANK WIEN AG DEMONSTRATES ITS DEDICATION AND COMMITMENT.

EURO 122.4 BILLION

ARE MANAGED BY UNION INVESTMENT IN PRODUCTS UNDER ARTICLE 8 OR ARTICLE 9 OF THE EU SFDR.²⁾



45 %

IS THE SHARE OF SUSTAINABLE FUNDS IN 2022 FUND SALES.



1) see page 48

2) as at 31 Dec. 2022, source: Union Investment

3) participation in Committee 251 "Corporate Social Responsibility" at Austrian Standards

SUSTAINABILITY REPORT 2022

*Many little forces
unite to make
one big force.¹⁾*



2022

SUSTAINABILITY IS
INTEGRATED INTO ALL
AREAS OF THE BANK.

SUSTAINABILITY REPORT 2022

**6 FOREWORD BY THE CHAIRMAN OF THE MANAGING BOARD
GERALD FLEISCHMANN**

8 ABOUT THE REPORT

10 COOPERATIVE

16 SUSTAINABILITY MANAGEMENT

34 CORPORATE VALUES

34 CODE OF CONDUCT AND COMPLIANCE

40 DATA SECURITY

44 CUSTOMER SERVICE QUALITY

50 ECONOMY

50 SUSTAINABLE PRODUCTS AND SERVICES

58 DIGRESSION

58 PRODUCT PARTNERS OF VOLKSBANK WIEN AG

59 UNION INVESTMENT

63 TEAMBANK AG

66 ERGO VERSICHERUNG AG

70 REGIONALITY

78 RISK MANAGEMENT

82 DIGITISATION

86 ECOLOGY

86 ENERGY AND CLIMATE

94 SOCIAL MATTERS

94 EMPLOYEES

114 SOCIAL COMMITMENT

120 ANNEX

120 SIGNIFICANT NON-FINANCIAL RISKS

123 FULLY CONSOLIDATED COMPANIES OF
VOLKSBANK WIEN AG

124 GRI CONTENT INDEX

137 AUDIT REPORT OF KPMG

140 LEGAL NOTICE

EXCERPT FROM THE KEY INDICATORS

2022

Sustainability management	Unit	Separate ¹⁾	Group ¹⁾	Page
Taxonomy-eligible total assets	Euro million	2,277	2,277	26
Financed emissions (Scope 3) – Corporates	t CO ₂ e	203,097	203,113	30
Financed emissions (Scope 3) – Real Estate	t CO ₂ e	98,627	98,627	30
Compliance				
Confirmed cases of corruption	Number	0	0	37
Total financial penalties of all kinds	Euro	0	0	37
Data security				
Proportion of employees who have been trained in information security	%	100	100	42
Sustainable products and services				
Subsidised projects	Number	72	72	54
Volume of subsidised projects	Euro million	152.1	152.1	54
Share of sustainable funds in Union Investment gross sales	%	45	45	55
Digression / product partners				
VBW volume in Union Investment funds	kEUR	1,241,059	1,241,059	60
Share of sustainable funds in Union Investment volume (portfolio)	%	40.03	40.03	60
Volume of 'der faire Credit' TeamBank VBW customers	kEUR	232,098	232,098	63
Joint customers TeamBank VBW	Number	15,170	15,170	63
New ERGO insurance contracts VBW customers	Number	3,655	3,655	66
New business volume ERGO insurance contracts of VBW customers	kEUR	7,887	7,887	66

EXCERPT FROM THE KEY INDICATORS 2022

Regionality	Unit	Separate ¹⁾	Group ¹⁾	Page
Share of regional financing in all financing transactions	%	-	98.3	72
Share of regional financing in all savings deposits and other deposits	%	-	81.7	72
Energy and climate				
Total Scope 1 + 2 emissions (market-based)	kg CO ₂ e	819,892	890,274	88
Total Scope 1 + 2 emissions (location-based)	kg CO ₂ e	1,248,244	1,347,397	88
Specific power consumption headquarters ²⁾	kWh per m ²	41	41	89
Specific heat consumption total	kWh per m ²	82	82	90
Printing and copying paper	kg per FTE	16.3	16.3	91
Employees³⁾				
Headcount	Number	1,019	1,473	97
Employees by full-time equivalents	FTE	880	1,237	97
Employees in positions with managerial responsibility [F] ⁴⁾	%	24.8	30.5	101
Employees in positions with managerial responsibility [M] ⁴⁾	%	75.2	69.5	101
Works council members	Number	14	24	113

1) The key indicators of the parent company (Separate) are shown separately from the key indicators of the Group (Group) (cf. page 8).

2) The calculation of the consumption data per m² is based on the total floor space of the Group of 14,252 m² and a pro-rata floor space of 10,138 m² for VOLKSBANK WIEN AG Separate.

3) as at the reporting date 31 Dec. 2022

4) F = female, M = male

FOREWORD



Dear readers,

We have had a turbulent year with many challenges. At the beginning of the year, we still had to deal with the last wave of the COVID-19 pandemic and the resulting organisational and economic consequences. During the pandemic, VOLKSBANK WIEN AG managed to maintain stable current operations at all times, with all retail branches remaining open throughout the year. As of February 2022, the war in Ukraine marked the beginning of a new crisis situation. Although not directly involved in activities in the embattled region, VOLKSBANK WIEN AG was indirectly affected by the impact on national economies, the financial industry and the customers. The rise in energy prices and inflation, in particular, impacted businesses and private customers to varying degrees.

But despite these challenging circumstances, the entire Association of Volksbanks was able to continue the transformation of the organisation and the corporate culture towards a sustainable company. Extensive steps were taken to integrate sustainability aspects into the bank's core business and to further expand its sustainability management. The "Sustainability Project", launched in 2020, was completed in mid-2022 following the successful integration of sustainability into the core business and processes.

As a result of the project, a decision-making committee of the Joint Managing Board on sustainability was established early in 2022: the Sustainability Committee. This Committee decides on, reports on and manages sustainable issues. These issues are managed based on sustainability goals. A sustainability ambassador was appointed for each division of VOLKSBANK WIEN AG, who serves as a multiplier and contributes ideas to the bank. The ambassadors are responsible for ESG issues in their respective divisions and support their colleagues in case they have questions. Topics from the Sustainability Committee are regularly submitted to the Supervisory Board.

We are particularly proud that our sustainability efforts are also reflected in an improved external sustainability rating. The Sustainalytics ESG Risk Rating Score of VOLKSBANK WIEN AG was raised from category "Medium ESG Risk" to category "Low ESG Risk".

The year 2022 was characterised by the transfer of tasks from the "Sustainability Project" to the respective departments. A particular focus was on integrating ESG¹⁾ issues into risk management and credit processes as well as supporting the sustainable transformation of our customers by providing products, high-quality advisory services and information. It is particularly noteworthy that the cooperation between Volksbank, the Austrian Genossenschaftsverband (Cooperative Association) and "PowerSolution Errichtung und Betrieb" participates in the Austrian Green Investment Pioneers Programme of klimaaktiv²⁾ and finances renewable energy plants as a cooperatively organised model. Steps towards environmental protection within the company were maintained and training on sustainability was continued at all hierarchical levels. Sustainability goals were set with regard to customer satisfaction, employee satisfaction and diversity.

1) ESG refers to the consideration of criteria from the environmental (Environmental = E), social (Social = S) and responsible corporate management (Governance = G) spheres.

2) Klimaaktiv is a large-scale climate protection initiative of the Austrian Ministry for Climate Action.

FOREWORD

VOLKSBANK WIEN AG is also well on the way to implementing applicable regulatory requirements. The implementation of the Taxonomy Regulation, various guidelines and other requirements was driven forward this year as well.

And it is precisely in these turbulent times that VOLKSBANK WIEN AG deliberately chooses to remain a regional bank. In this way, the bank supports the long-term economic success of its customers in the region. The core elements of the activities of VOLKSBANK WIEN AG are trust, customer focus and regionality, making it a sustainable “relationship bank” in the truest sense of the word – from the region for the region.

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. The fight against corruption is of high priority at VOLKSBANK WIEN AG. These basic principles are set down in the “Code of Conduct” and complied with by all our employees within the scope of our corporate activities. One of our main concerns is the conscientious management of available resources and the protection of the environment. Owing to its business model, VOLKSBANK WIEN AG 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.

VOLKSBANK WIEN AG is a purely Austrian bank 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. In this way, cost reductions can be achieved that our customers benefit from.

VOLKSBANK WIEN AG 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. In all divisions, customers may rely on comprehensively trained account managers. This is emphasised 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.

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 were concluded with reliable product partners. Our product partners also 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, VOLKSBANK WIEN AG 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 VOLKSBANK WIEN AG 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
Chairman of the Managing Board of VOLKSBANK WIEN AG

ABOUT THE REPORT

Sustainability Report 2022

The report provided by VOLKSBANK WIEN AG, in accordance with the GRI standards, covers the period from 1 January 2022 to 31 December 2022. The GRI standards (Global Reporting Initiative) constitute the de facto benchmark in sustainability reporting, the application of which ensures continuous and standardised reporting for VOLKSBANK WIEN AG. The GRI Index is contained in the Annex. The Sustainability Report 2022 also represents the annual progress report in accordance with the UN Global Compact.

In 2022, there have been no substantial changes in reporting. No changes occurred in the year under review 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 relationships. There was a restatement of the CCF as well as the heating data due to an update of the database of the previous years. The scope of organisations covered in the report is the same as in the financial reporting. As with financial reporting, the reporting period covers the period from 1 January 2022 until 31 December 2022. The last report was published on 31 March 2022, the reporting cycle of VOLKSBANK WIEN AG is once a year.

At group level, VOLKSBANK WIEN AG is obliged to prepare a consolidated non-financial statement / non-financial report under section 267a of the Austrian Business Code (UGB). Moreover, as a parent company VOLKSBANK WIEN AG is equally obliged to prepare a consolidated non-financial statement under section 243b of the Austrian Business Code. The present report summarises the required information about concepts, results and risks relating to environmental, social and employee matters, the respect of human rights as well as the fight against corruption and bribery. In an overview table in the chapter on sustainability management, the main topics and chapters in the report are classified according to the topics set out in the Austrian Sustainability and Diversity Improvement Act (NaDiVeG)¹⁾. The information provided applies to both the Group and the parent company in equal measure. The performance indicators are shown separately in the tables of key indicators (Separate and Group). VOLKSBANK WIEN AG, as parent company, has a headcount of 880 FTE (2021: 892); the Group has 1,237 FTE (2021: 1,270); for exact details regarding the fully consolidated companies please refer to the Annex.

ABOUT THE REPORT

In operational terms, the following material topics and the associated key indicators are dealt with only in the banking operation of the parent company VOLKSBANK WIEN AG; therefore the key indicators of the parent company (Separate) correspond to the key indicators of the Group (Group): [Subsidised Real Estate Financing](#), [Product Partners](#), [Digitisation](#).

As for the material topic of [Energy and Climate](#), an allocation key is applied based on full-time equivalents (FTE), since no clear breakdown on the basis of ACTUAL values is possible. The [Ethics and Compliance](#) topic is dealt with at group level only. The key indicators for topics regarding [Employees](#) are reported based on actual figures for the parent company (Separate) and the Group (Group), to the extent possible and reasonable. As for the topic of [Data Protection and Data Security](#), actual figures have been determined for Separate and Group. The key indicators for the material topic of [Regionality](#) are reported at group level only.

With a view to implementing the Taxonomy Regulation, companies subject to the NFRD¹⁾ must report their eligibility for taxonomy. In the course of this disclosure for the business year 2022, VOLKSBANK WIEN AG is still subject to a simplified disclosure obligation. VOLKSBANK WIEN AG discloses a scientifically-based estimate on financed emissions (Scope 3) in addition to the legal minimum of eligibility for taxonomy.

The results of the due diligence process regarding the inside-out risks²⁾ of the individual material topics are contained in the respective chapters. They were revised within the scope of a project meeting and summarised in a table for better convenience. This table is included in the Annex to the sustainability report for the year under review 2022.

The e-mail address nachhaltigkeit@volksbankwien.at is available for questions regarding the sustainability report of VOLKSBANK WIEN AG.

The publication date of the Sustainability Report 2022 is 29 March 2023.

VOLKSBANK WIEN AG 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.

The designations Separate and Group are abbreviated in the following tables in the report (Separate = S, Group = G).

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.

2) Inside-out risks are sustainability risks caused by the institution's actions, in its own business operations and during its business activities on non-financial matters.

COOPERATIVE



IMPORTANT SUCCESSES AND RESULTS

In 2022, important successes and results were achieved at VOLKSBANK WIEN AG:

- » More regional offices implement the Volksbank Owners' Club, the new programme for cooperative members
- » Creation of a homepage for members of the Owners' Club
- » Cooperation for Energy Cooperatives joins klimaaktiv's Austrian Green Investment Pioneers Programme
- » Publication of the second edition of the brochure for SMEs and cooperatives together with the ÖGV¹⁾



GOALS

In 2022, VOLKSBANK WIEN AG's goals with respect to cooperatives were:

- » Roll-out of the Volksbank Owners' Club for cooperative members
- » Continuation of Financial Literacy project of the ÖGV
- » Expansion of cooperative activities (events, brochures, etc.)
- » Distribution of regional debit cards to the members of the Owners' Club



MEASURES

Measure	Time horizon	Status
Roll-out of the concept for financing energy cooperatives	since 2021	ongoing
Expansion of the Owners' Club for cooperative members	since 2021	ongoing
Continue Owners' Dialogue	since 2017	ongoing
Continuation of Financial Literacy project, ÖGV	since 2021	ongoing
Renewed edition of the Guide for SMEs and cooperatives with the ÖGV	since 2021	ongoing
150th anniversary of the ÖGV	2022	completed

¹⁾ The Austrian Cooperative Association (ÖGV) is the service and auditing association of the Association of Volksbanks.

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 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 Volksbank’s DNA.

VOLKSBANK WIEN AG is part of the Association of Volksbanks, an association of credit institutions organised as a cooperative according to Schulze-Delitzsch, pursuant to section 30a of the Austrian Banking Act (BWG). The Association 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.

With 54 locations¹⁾ in the Vienna, Burgenland, Weinviertel, Waldviertel and Industrieviertel regions, as well as with the cross-regional SPARDA-BANK brand, VOLKSBANK WIEN AG is the biggest among Austrian Volksbanks. The focus of the regional bank is on sustainable partnerships with customers and continuous improvement of customer service – VOLKSBANK WIEN AG is the sustainable relationship bank of customers from the region.

Cooperative principles

VOLKSBANK WIEN AG 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 enhance the earnings of their

1) As at December 2022

COOPERATIVE

members and to benefit the economy as a whole, 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.¹⁾

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.

Cooperative system of VOLKSBANK WIEN AG

There are nine management cooperatives (Verwaltungsgenossenschaften) and holding cooperatives (Beteiligungsgenossenschaften) that have contributed their banking operations to VOLKSBANK WIEN AG. Like all banks in the Association of Volksbanks, VOLKSBANK WIEN AG has a cooperative ownership structure. The cooperatives realise their mission together with VOLKSBANK WIEN AG. They hold general meetings, promoting a sense of community within the region concerned, and supporting the success and independence of VOLKSBANK WIEN AG. One of the measures to strengthen the cooperatives is to win even more customers as members by actively selling shares in cooperatives.

Currently, the holding cooperatives of VOLKSBANK WIEN AG have a total of 172,000 members – the same number as last year.

Establishing and financing energy cooperatives

The ‘Erneuerbaren-Ausbau-Gesetz’ (act on the expansion of renewable energies) regulates the establishment and benefits of energy communities. Municipalities, SMEs and citizens can establish energy cooperatives that produce, consume, store and market electricity and heat from renewable energy sources on a regional basis, thus actively shaping the energy transition.

Together with PowerSolution Energieberatung GmbH and the ÖGV, VOLKSBANK WIEN AG joined the Austrian Green Investment Pioneers Programme of the Federal Ministry for Climate Action with “Enabling Facility” PowerSolution Errichtung und Betrieb GmbH. This is meant to underscore the efforts of the Association of Volksbanks to accelerate the construction of “green” energy generation facilities, and the establishment of energy cooperatives, and to contribute to a faster increase in the readiness to finance such facilities. The cooperation was officially acknowledged by Federal Minister Leonore Gewessler at the Climate Conference 2022.



In cooperation with the ÖGV and energy consulting companies, communities are approached and advised on the topic of energy cooperatives. For this purpose, the ÖGV offers a service package ranging from legal advice on formation to the drafting of the optimal articles of association. Questions about the installation of PV systems, the optimal use of the electricity generated by them, about subsidies and the required contracts with grid operators, as well as permits from authorities, are covered by energy consultants. Volksbank uses its contacts with community leaders

1) <https://beta.op.europa.eu/en/publication-detail/-/publication/b6f7a49d-67cd-11e9-9f05-01aa75ed71a1/language-en/format-PDF/> quote, page 56

to organise a large number of consultation appointments as quickly as possible and to accelerate the establishment of energy cooperatives. The goal of Volksbank is to promote regionality and provide support for the energy cooperative, from account management to financing the energy generation facilities. In 2022, numerous municipalities in the pilot region of Baden were provided with advice by VOLKSBANK WIEN AG together with the ÖGV and PowerSolution, while the ÖGV was able to support 17 new energy cooperatives during their establishment, and more are already in the pipeline for 2023.

At events organised by the cooperation partners, the benefits of membership in energy cooperatives are demonstrated, thus addressing a large number of potential members. The first events for municipalities, companies and private customers were held in Jennersdorf and Oberwart, southern Burgenland, in 2022. In September 2022, Volksbank, PowerSolution and the ÖGV organised a Grätzlfest in Vienna's 23rd district, where the Grätzl Energiegenossenschaft Liesing, founded by PowerSolution together with the ÖGV, was promoted and numerous commercial businesses from the neighbourhood were able to present themselves. More than 400 persons interested in the topic attended the event.

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 the current membership and officer base, to increase member satisfaction, and to attract new members and new customers. In addition, the aim is to promote the emotional attachment of customers to Volksbank and the creation of a network to promote business in the region. Members of this Owners' Club are provided with

their own regional debit cards with special layouts to redeem benefits in the region. These are sustainable cards made from recycled PVC, and the aim is also to use sustainable printed matter when sending out mail.

There are already Owners' Clubs at VOLKSBANK WIEN AG for the management cooperatives VB Weinviertel Verwaltung eG, VB Niederösterreich Süd eG and VB Wien Beteiligung eG. The latter started in 2021 after the split of VB WIEN Beteiligungsgenossenschaft. 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/eigentuemersclub

150th anniversary of the ÖGV

150 years ago, the General Association of Austrian Self-help Cooperatives (Allgemeiner Verband der auf Selbsthilfe beruhenden Österreichischen Erwerbs- und Wirtschaftsgenossenschaften) – today the Austrian Cooperative Association (Österreichischer Genossenschaftsverband) – was founded in Vienna. The 150th anniversary was officially celebrated at a big party on 15 September at the Kursalon Wien.

COOPERATIVE

BEST PRACTICE

Financial Literacy

With the support of cooperative associations – including the ÖGV – the first student cooperatives were launched in 2021. The idea behind it: 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.



*Pioneering project:
NXT hak:zwei GENERATION*

In 2022, the first student cooperative founded with ÖGV support started operations: NXT hak:zwei GENERATION is an inter-class project at the BHAK II in Salzburg. Volksbank Salzburg and the Malag painters' cooperation act as sponsors and supporters for the young cooperative. The students have set themselves the primary goal of preventing waste at the school. This will be implemented by introducing sustainably produced, personalised cups that can be used instead of plastic cups at the school's

coffee machines. The cooperative is planning to hand out starter kits for those starting school, to make it easier for them to get started. Sustainably produced sportswear showing the school logo is to complement the range of products offered by the student cooperative. Another business area identified by the students is event organisation – from school festivals to career days.

Volksbank and ÖGV publish a second sustainability guide for SMEs and cooperatives

Under the heading "Sustainability for SMEs and Cooperatives", the Association of Volksbanks and the ÖGV have published the first guide to help interested companies on their way to a sustainable future in 2021. The need for action in the area of sustainability is constantly increasing, even for smaller companies. The brochure for SMEs and cooperatives explains why sustainability concerns everyone and, above all, why it is associated with opportunities. It supports businesses in implementing sustainability even more strongly in the core business of customers and cooperatives. In 2022, a second edition was published that focused on the topic of the energy transition. The free guide is available for download at www.volksbankwien.at/nachhaltigkeitsbroschuere. In addition, the ÖGV has summarised the most important subsidies and tax relief on the topic of sustainability and published them on its homepage.

COOPERATIVE

*We are committed
to a sustainable
corporate culture.*

OUTLOOK

Together with PowerSolution and the ÖGV, further events and consultation appointments at municipalities and companies are planned for 2023. Both the financing of renewable energy systems offered by Volksbank and the topic of energy cooperatives will continue to be promoted in various media in order to accelerate the achievement of climate targets.

In addition, the expansion of the "Owners' Club" for cooperative members is driven forward in the business territory of VOLKSBANK WIEN AG. Within the Association of Volksbanks, the club has already been successfully implemented at a number of Volksbanks. The "Owners' Dialogue" event, in which the Managing Board of the bank informs the officers of the associated cooperatives about objectives, strategies and planned measures, is going to be continued. Also, a third edition of the brochure for SMEs and cooperatives is planned together with the ÖGV.

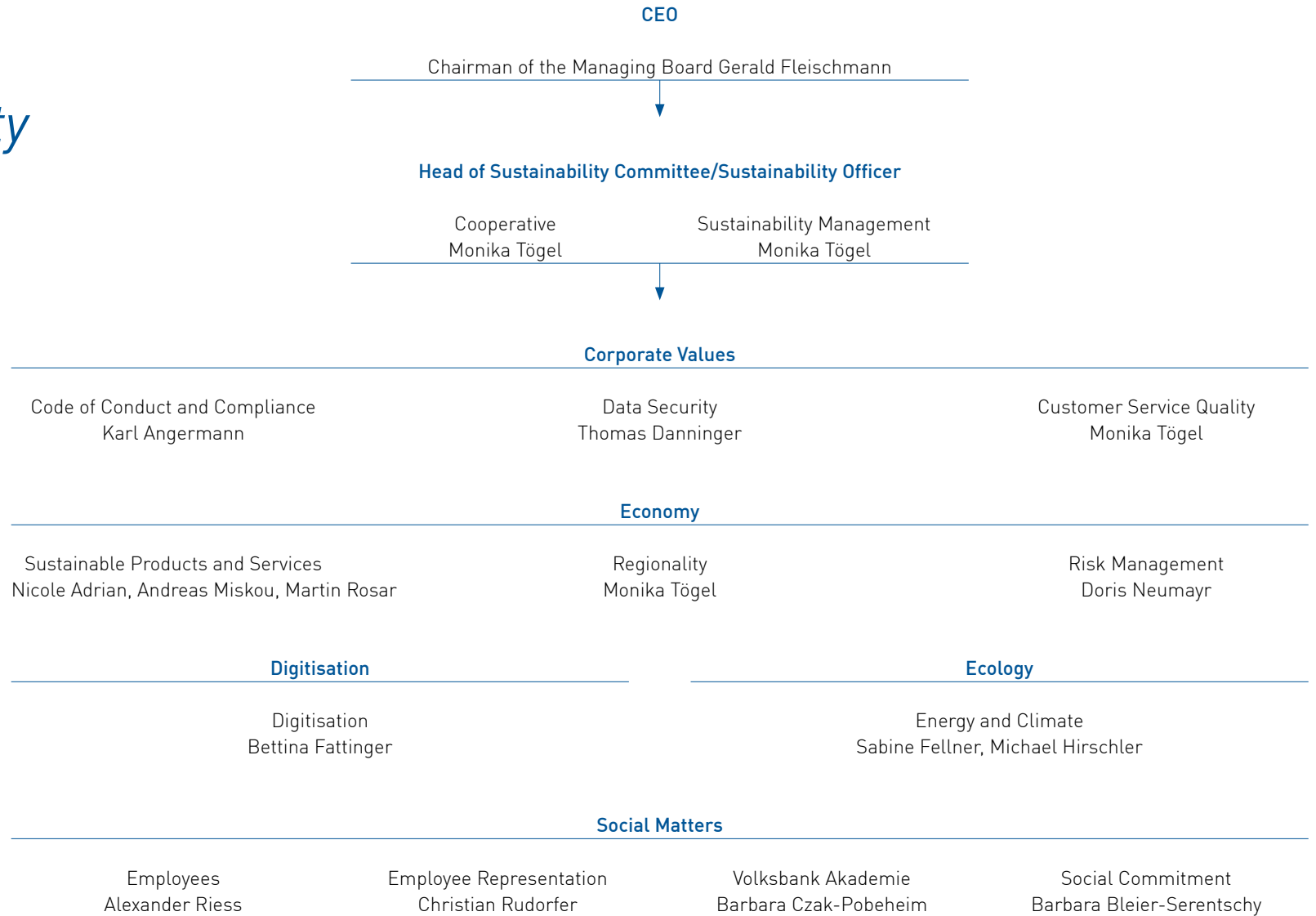
A new project deals with the long-term perspectives for the cooperatives in the Association of Volksbanks.

Within the scope of the initiative "#mehrwert2025", the ÖGV is going to develop new offers and services in the years to come. As a first step, the cooperative system in the Volksbanks is to be strengthened and made fit for the challenges of the future. The project was launched in spring 2022. First, a wide-ranging IMAS survey was conducted among all officers. Based on their results, regional future workshops were held to develop a vision for the future orientation as well as a modern interpretation of the cooperative development principle together with the representatives of the Volksbank cooperatives. Subsequently, an activity plan and specific implementation steps will be derived from the numerous creative inputs and ideas.

The introduction of the "Hermann Award" for regional SMEs that was planned for 2022 is still being evaluated.

SUSTAINABILITY MANAGEMENT

Sustainability Report Team



SUSTAINABILITY MANAGEMENT

VOLKSBANK WIEN AG's understanding of sustainability is based on a sustainable development model: this can only be achieved through the simultaneous and equal implementation of environmental, economic and social goals. This is the only way to ensure and improve a society's ecological, economic and social performance. The three aspects are interdependent and are integrated into the strategy of Volksbank.

In 2019, the values "trust, regionality and customer proximity" were defined as core values for VOLKSBANK WIEN AG, involving the Managing Board members within the Association, and all employees were trained on these values. Especially in these very turbulent times, which are marked by special social and economic challenges and clearly noticeable climate changes, these values are becoming increasingly important. In 2020, they were expanded to include the following mission:

Volksbank

- » operates sustainably in the region on the basis of cooperative values.
- » assumes responsibility for the long-term well-being of customers and employees.
- » acts in an eco-minded and climate-conscious manner.

Sustainability principles of VOLKSBANK WIEN AG

VOLKSBANK WIEN AG

- » 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, emphasises 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.
- » 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 is carried out on an ongoing basis in workshops with employees and the Managing Board members of the Volksbanks. In 2021, a stakeholder survey was conducted for the first time, not only for VOLKSBANK WIEN AG but also for the entire Association of Volksbanks, followed by a materiality analysis.

SUSTAINABILITY MANAGEMENT

Materiality analysis

In 2021, the materiality analysis was completely redesigned. Together with external sustainability experts, all sustainability topics were analysed with regard to their potential environmental, social and societal impacts, in accordance with the GRI standards. Together with the prioritisation of sustainability topics from the stakeholders' perspective, this analysis forms the basis for the selection of the material sustainability topics. VOLKSBANK WIEN AG 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 the material topics.

Stakeholder survey

By means of an online tool, stakeholders were asked about the sustainability topics they consider important in relation to VOLKSBANK WIEN AG.

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 VOLKSBANK WIEN AG to sustainability topics. To improve comprehensibility, each topic was described in greater detail in the questionnaire. The survey was also 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 Cooperative Association (ÖGV), the media, politicians, suppliers and capital market participants took part in the survey, of which almost 3,000 can be attributed to VOLKSBANK WIEN AG. This provided important input from stakeholders in determining the main topics of the report.

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 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

SUSTAINABILITY MANAGEMENT

Outlook regarding the materiality analysis based on the CSRD

In 2023, the materiality analysis will be revised according to the requirements of the CSRD, including the inclusion of financial materiality.

UN Global Compact

The UNGC (United Nations Global Compact) 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 United Nations Global Compact based on the "Signatory" status. The present sustainability report of VOLKSBANK WIEN AG equally represents the annual progress report in line with UNGC requirements.

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. Politics, civil society and business are working together to implement the SDGs, which explains the importance of the SDGs.

Based on the materiality analysis updated in 2021, VOLKSBANK WIEN AG has allocated the material topics to specific SDGs.

The SDGs most relevant to VOLKSBANK WIEN AG are:



SUSTAINABILITY MANAGEMENT

Description of the SDGs relevant to VOLKSBANK WIEN AG:



Good health and well-being

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

VOLKSBANK WIEN AG 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 checks by the company physician, vaccinations, the Volksbank-Aktiv courses, and sports groups are only some of the preventive measures to promote employees' health that are being offered. During the COVID-19 pandemic, numerous protective measures were put in place for customers and employees. An industrial psychologist as well as the "Keep Balance" coaching programme in cooperation with Hilfswerk Österreich provide support to employees in case of pandemic-related stress.



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, VOLKSBANK WIEN AG 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.

The promotion of female high potentials includes lectures by experts, a talent training course and the so-called WoMentoring programme, in which all of the bank's division managers and Managing Board members are available as mentors. Options regarding more flexible working hours and an improved compatibility of family and career contribute to achieving this goal. Diversity is one of the sustainability goals in the Association and is measured using a KPI¹⁾. Moreover, in the works council, the position of Women's Affairs Officer was established on a permanent basis.



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, VOLKSBANK WIEN AG 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 VOLKSBANK WIEN AG as an attractive, strong and authentic employer brand. Almost 100 % unlimited employment contracts, flexible organisation of the workplace, especially through remote working during the COVID-19 pandemic, and constructive communication with the works council are only some of the pillars of promoting favourable working conditions.

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.

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

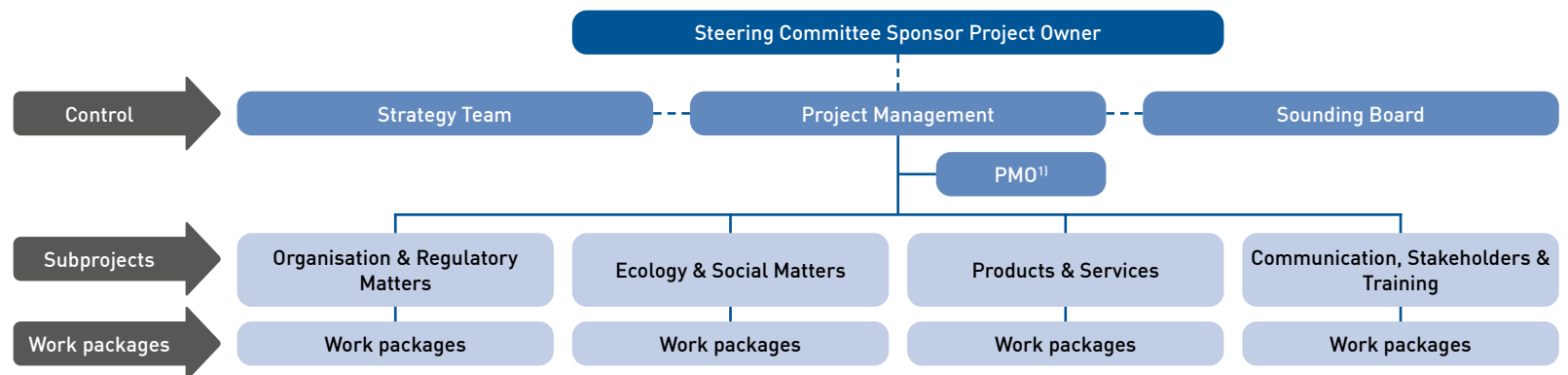
SUSTAINABILITY MANAGEMENT

Sustainability governance

VOLKSBANK WIEN AG has taken extensive steps to integrate sustainability aspects into its core business and to further expand its sustainability management. For this purpose, a comprehensive “Sustainability Project” was launched in 2020 and completed as scheduled in mid-2022 following the successful integration of sustainability into the core business and processes.

The structure of the project was aligned with the ESG factors. In addition to the further development into a sustainable company, legal requirements are being worked through, the ecological footprint of the bank itself is being reduced, Volksbank is being strengthened as an attractive employer, and products and services are being expanded to include sustainability aspects. Another essential aspect is the communication with stakeholders and the training of employees, which are also covered by the project. A communication platform was set up on the intranet for the entire Association, where all information relating to sustainability is available.

Overview of the project structure:



SUSTAINABILITY MANAGEMENT

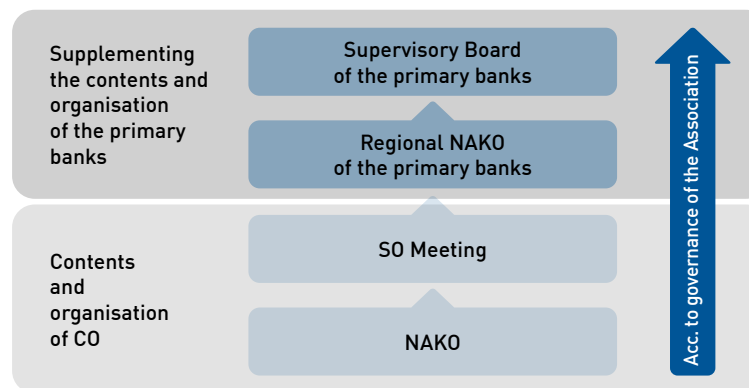
As a result of the project, a decision-making committee of the Joint Managing Board on sustainability was established early in 2022: the Sustainability Committee (NAKO). This Committee decides on, reports on and manages sustainable issues, and rules of procedure have been drawn up. The steering and control of the Managing Board is based on sustainability goals, which also include the monitoring of ESG risks. The primary banks are also managed and controlled on the basis of these sustainability goals. Sustainability Officers (SO) have been appointed at the primary banks, who serve as multipliers and contribute ideas from the banks. They are responsible for ESG issues 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.

All divisions of VOLKSBANK WIEN AG (as the central organisation) are involved in implementation 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 2022 as well as an outlook on further plans with regard to the material topics of VOLKSBANK WIEN AG.

The Joint Managing Board has ultimate responsibility, within the scope of its management function, for implementing sustainability aspects in internal governance structures, in the risk management framework and in relevant guidelines of VOLKSBANK WIEN AG, which are subject to regular reviews. Members of the Supervisory Board and the Managing Board regularly attend fit & proper trainings on sustainability.

In 2021, a sustainability strategy was created for the first time, and sustainability was included in all chapters of the business strategy. 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 Supervisory Board is committed to sustainability in all areas of the company and, as part of its monitoring of the Joint Managing Board, checks whether the latter takes comprehensive account of the principles of sustainability in its management of the company. Topics from the NAKO are regularly reported to the Supervisory Board, and via the Sustainability Officers in the Volksbanks also to the Supervisory Boards of the primary banks. The consideration of sustainability aspects is anchored in the rules of procedure of the Managing Board and the Supervisory Board. Based on all nine Supervisory Board meetings in 2022, the attendance rate is around 95 %.



1) The SWOT analysis is a strategic planning tool.

2) Outside-in risks are sustainability risks that affect the bank from outside (see "Risk management" chapter).

SUSTAINABILITY MANAGEMENT

The Joint Managing Board has nominated a Sustainability Officer for the Association of Volksbanks whose task, in addition to organising and determining the contents of the NAKO, is to prepare the sustainability strategy in coordination with the Managing Board and to prepare the sustainability reports for VOLKSBANK WIEN AG and the Association of Volksbanks; the Managing Board approves the report.

Sustainability goals

VOLKSBANK WIEN AG is committed to a sustainable corporate culture and to integrating ESG criteria into its core business. The measures and targets expected by the regulatory authorities in the areas of social affairs, governance and the environment are extended.

Qualitative goals were defined at the beginning of 2021:

- » We pursue a sustainable business model/have a sustainable business strategy.
- » We operate regionally on the basis of cooperative principles.
- » We take sustainability risks into account in our risk management.
- » We are expanding the range of sustainable products and services we offer.
- » We implement sustainability in the spheres of real estate, mobility and procurement.
- » We are a reliable and attractive employer.
- » We ensure transparent and clear communication with all stakeholders.

As of 2022, in addition to the existing qualitative goals for VOLKSBANK WIEN AG, additional goals have been quantified and included in the planning for the individual areas.

VOLKSBANK WIEN AG's sustainability goals for 2022¹⁾:

- » Volksbank has a "low risk" sustainability rating and would like to maintain it.
- » Sustainability criteria are to be taken into account in lending.
- » A high proportion of products should have a sustainable background.
- » The Volksbanks' operations will become CO₂ neutral.
- » Customer and employee satisfaction is to be increased.
- » Diversity is to be increased.
- » Sustainable projects in the region are supported through the cooperative dividend cycle.
- » Creation of transparency through disclosure and premium system regarding sustainability
- » Establishment of a sustainability committee
- » Implementation of ESG aspects in the "Three Lines of Defence"²⁾

Calculation of the carbon footprint and climate strategy in the portfolio

In 2022, further steps were taken to survey and improve the carbon footprint of Volksbank's portfolio (Scope 3.15). In doing so, Volksbank again followed the calculation standard of the "Partnership for Carbon Accounting Financials" (PCAF). The data required to calculate the carbon footprint was communicated to the relevant departments within Volksbank and further preliminary calculations were carried out for selected asset classes with a low data score.

1) Summary of the quantitative targets of VOLKSBANK WIEN AG for 2022

2) The Three-Lines-of-Defence model is a model for systematically approaching risks that may occur in companies and organisations.

SUSTAINABILITY MANAGEMENT

In addition, steps were taken with external support to establish a climate strategy and specific climate targets in the areas of financing and treasury, which will be further refined in the coming year and integrated into Volksbank's overall climate strategy.

The ambitions in the area of carbon footprint calculation as well as climate target setting are to be complemented next year by examining the possibility of joining initiatives. Specifically, it is being evaluated whether joining PCAF or the Science Based Target Initiative (SBTi) will be able to further support Volksbank's climate ambitions.

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 Sustainability ESG Risk Rating Score has improved from 26.7 to 17.4 in spring 2022. It is particularly encouraging that there has been a significant improvement from the "Medium ESG Risk" category to the "Low ESG Risk" category. The aim is to continue to be rated "low risk" by Sustainability with a maximum rating score of 20.

Loss of biodiversity and preservation of species

Biodiversity is the basis for life and enables adaptation to changing environmental conditions, such as the climate crisis. Nature provides us humans with food, medication, building materials and helps to improve our well-being, health and the economy. Therefore, VOLKSBANK WIEN AG incorporates the topics of loss of biodiversity and preservation of species into its processes. For regulatory reasons, the main focus of integration is still on the topic of climate.

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 and preservation of species, are described and evaluated. See "Risk management" chapter.

Based on the General Instruction on Risk Assessment of Outsourcing, all outsourcing activities of VOLKSBANK WIEN AG 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 preservation of species.

Loss of biodiversity and preservation of species have also already been considered as a risk for investments by one product partner. See digression on Union Investment. Union Investment wanted to know, for example, how well companies in the agricultural and food industries, as well as manufacturers of personal and household care products, are prepared for the planned regulatory measures against deforestation and what the companies are already doing voluntarily to combat it.

SUSTAINABILITY MANAGEMENT

Disclosures

Following publication of the Taxonomy Regulation, companies subject to the NFRD¹⁾ must report their eligibility for taxonomy for the first time. VOLKSBANK WIEN AG, based on its self-image as a sustainably responsible bank, will disclose a scientifically based estimate on the financed emissions (Scope 3) of the customer portfolio, in addition to the legal minimum of taxonomy eligibility. Although VOLKSBANK WIEN AG is aware of the fact that a perfectly well-founded determination of Scope 3 requires information from customers about the financing in question, it would like to underpin its commitment to the accelerated development into a sustainable institution by creating a basis for a future strategy (e.g. a climate strategy) with corresponding targets and measures.

Statutory disclosure

Eligibility for taxonomy

Art. 10	Gross carrying amount (in euro million)		% of coverage (of total assets) ²⁾	
	S	G	S	G
2a Total assets	14,243	14,467	100.00 %	100.00 %
CAPEX-based				
of which taxonomy-eligible	2,277	2,277	15.99 %	15.74 %
of which non-taxonomy-eligible	11,965	12,190	84.01 %	84.26 %
KPI-based turnover				
of which taxonomy-eligible	2,275	2,275	15.97 %	15.72 %
of which non-taxonomy-eligible	11,968	12,192	84.03 %	84.28 %
2b Exposures to sovereigns, central banks and supranational issuers	3,972	3,972	27.89 %	27.45 %
2c Exposures to entities not subject to the NFRD	3,748	3,748	26.32 %	25.91 %
Trading book	1	1	0.00 %	0.00 %
Short-term interbank loans	793	793	5.57 %	5.48 %
Exposures in derivatives	298	298	2.09 %	2.06 %

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

2) % of assets covered by KPIs of the bank's total assets.

SUSTAINABILITY MANAGEMENT

Art. 10

Implementation at VOLKSBANK WIEN AG

2d Annex XI Disclosures

Background information to support the quantitative indicators, including the scope of assets and activities covered for the KPI¹⁾, information on data sources, and limitations

For the determination of the indicators under 2a, which refer to the taxonomy-eligible and non-taxonomy-eligible economic activities, a tool-based calculation was developed, starting from the data basis of the FinRep²⁾ report as at 31 Dec. 2022. The basis for the preparation of the key indicators is the data of the consolidated FinRep. For the VOLKSBANK WIEN AG Group as well as for VOLKSBANK WIEN AG as a separate bank. These data are enriched by several characteristics (subject to the NFRD, transactions listed in the trading book, interbank transactions, etc.). The 2a key indicators presented relate exclusively to the first two environmental goals (climate protection and adaptation to climate change) of the EU Taxonomy Regulation. As companies subject to the NFRD increasingly publish their taxonomy reporting, their exposures can already be taken over as taxonomy-eligible exposures with a weighting of the individual CAPEX and turnover KPIs. The disclosure of taxonomy-eligible exposure therefore relates to private households for which a link to activities covered by the Taxonomy Regulation could be established via the purpose of the transaction or the type of collateralisation, or to companies subject to the NFRD with KPI weighting. In addition to information on taxonomy eligibility of economic activities and the share of sovereigns, central banks, supranational issuers (key indicator 2b), information on derivatives as well as the trading portfolio and short-term interbank loans must also be provided. In order to determine key indicator 2c, which represents the share of exposure to entities not subject to NFRD reporting in total assets, the volumes of exposure with regard to entities subject to NFRD reporting were first determined and then deducted from VOLKSBANK WIEN AG's total exposure.

Considering the reporting form "Assets for calculating the GAR" in Annex 6, it becomes clear that an exposure can only be assigned to one category, as otherwise the total assets would not add up. VOLKSBANK WIEN AG concludes from this that double counting is not desirable. Art. 7 (4) last sentence of the Delegated Regulation on Art. 8 of the Taxonomy Regulation also indicates that double counting is not desirable. Overall, it is evident that exposures should not be reported in several categories for the purposes of Art. 10 of the Delegated Regulation. Therefore, the following procedure should be followed successively: any items previously identified should no longer be listed in the population for the subsequent steps.

The disclosure obligation arising from the Delegated Act is to be presented as follows, from the perspective of VOLKSBANK WIEN AG:

1. Identification and isolation of central governments, central banks and supranational issuers (what is important here is that only central governments such as the Republic of Austria, Germany, France, etc. are included and not also federal states, municipalities, cities and enterprises with government links). Subsequently disclosed under Art. 10 (3) (b)
2. Identification and isolation of derivatives, subsequently disclosed under Art. 10 (3) (b) (from the point of view of VOLKSBANK WIEN AG as separate ratio, since the item is not comparable with central governments etc.)
3. Identification and isolation of the trading portfolio, subsequently disclosed as separate ratio
4. Identification and isolation of overnight interbank loans, subsequently disclosed as separate ratio
5. Identification and isolation of companies subject to the NFRD, companies subject to the NFRD are to be classified in terms of taxonomy-eligible/non-taxonomy-eligible, based on the KPIs published. The listed loans to households are taxonomy-eligible per se. If the relevant criteria are met, financing provided to municipalities is to be classified on the basis of the financed property.
6. From the remainder, the exposures as compared to companies not subject to the NFRD (for the purpose of the Accounting Directive, companies include only AGs, GmbHs and capital-based partnerships or their corresponding corporate forms in the other member states) are to be isolated and reported under (c).
7. In total, this leaves a number of residual items consisting of the non-included financing to households, partnerships, sole traders, other assets, tangible assets, cash holdings, etc.

When the individual amounts in the numerator of the ratios of Art. 10 (3) (b) and (c) of the Delegated Regulation on taxonomy and the two additional ratios are added together, this value should be below the value of the non-taxonomy-eligible exposures, as the assets under item 7 cannot be assigned to any required category.

1) Key performance indicator or performance indicator

2) FinRep is the abbreviation for Financial Reporting and, in German banking, the English term for a part of the reporting system.

SUSTAINABILITY MANAGEMENT

Art. 10	Implementation at VOLKSBANK WIEN AG
2d Annex XI Disclosures	
<p>Explanations of the nature, 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</p>	<p>Information on the scope of taxonomy-compliant economic activities is to be reported as of 1 January 2024 (year under review: 2023). Explanations on the nature and objectives of taxonomy-compliant economic activities will be made as of 1 January 2024. Explanations of their development over time will start with the second year of implementation, thus as of 1 January 2025 (year under review: 2024).</p>
<p>Description of compliance with Regulation (EU) No. 2020/852 in terms of the business strategy of the financial company, their product design processes, and in terms of cooperation with customers and counterparties</p>	<p>In its business and sustainability strategy and in its daily actions, VOLKSBANK WIEN AG is committed to a sustainable business policy and to taking sustainability into account in all divisions. Regulation (EU) No. 2020/852 (EU Environmental Taxonomy) is of very high importance for VOLKSBANK WIEN AG. For the year under review 2022, the most important asset items were analysed with regard to taxonomy eligibility. In the future, assets will also be analysed with regard to their taxonomy compliance. In the future, VOLKSBANK WIEN AG will observe the EU Taxonomy Regulation in its business strategy, product design processes and cooperation with customers and counterparties. This does not mean that non-taxonomy-compliant economic activities will no longer be financed, because customers also need an opportunity for transformation financing. However, great importance is attached to the taxonomy compliance of economic activities. Many aspects of the modern understanding of sustainability are a given for VOLKSBANK WIEN AG and are reflected in its entire business activities as well as in its self-image.</p>
<p>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</p>	<p>The trading strategy is based on a conservative risk strategy and only takes place in the CO¹¹ segment of VOLKSBANK WIEN AG within the limits set by Risk Control. The added value of the trading activities lies in the maximisation of earnings from customer and own-account transactions within the Association of credit institutions. VOLKSBANK WIEN AG does not maintain a large trading book and does not engage in proprietary trading. Based on this framework, ESG principles are well represented. Activities on the securities trading book are limited to secondary market management of own sector issues and a small number of domestic corporate issuers. The holding period is short, corresponding to that of the trading book. Issuer limits and holding period limits are implemented. Activities in the sphere of Austrian Corporates will be engaged in when a customer need is identified. In total, the business area is small, in line with the size of the Austrian Corporate issuer market. The ESG criteria are included in the application process for the approval of issuer limits. Consideration in the business process is thus already given at an early stage.</p>

SUSTAINABILITY MANAGEMENT

Voluntary disclosure

Financed emissions (Scope 3)

As in the previous year, VOLKSBANK WIEN AG calculated financed emissions [Scope 3] also in 2022. The calculation logics used here are based on the PCAF (Partnership for Carbon Accounting Financials) standard. The PCAF standard aims to support financial institutions in the assessment and disclosure of greenhouse gas emissions arising from their financial transactions.

The following calculation approach was chosen for transactions allocated to the asset classes “listed participations and corporate bonds”, “corporate loans and non-listed participations” and “project financing” where the company-specific Scope 1-3 emissions are available:
 Financed emissions = Scope 1-3 x (on-balance sheet exposures/ total assets

For transactions where no company-specific Scope 1-3 emissions are available, the calculation approach followed the formula below:
 Financed emissions = on-balance sheet exposures x CO₂e emission intensity by sector

The emission data used for greenhouse gases (in CO₂e) for the corporate sectors come from the Statistical Office of the European Commission (Eurostat) and are publicly available there per country and per NACE¹⁾ code. For countries outside the European Union, the data source World Input-Output Database was used.

For real estate loans, average CO₂e per square metre is multiplied by the average size of the respective building type based on the building type or the year of construction of the respective building type. To obtain the financed emissions, the absolute emissions are multiplied by the attribution factor per transaction. The attribution factor is calculated by dividing the on-balance sheet exposure by the respective building value.

For the average size and emission intensity of the respective building type, data from the Hotmaps project is used.

Transactions in the trading portfolio and derivatives in general are not included in the population, as in the PCAF framework, and are therefore also not included in the calculation of financed emissions.

Overall, the VOLKSBANK WIEN AG Group can be attributed approx. 302 kilotons of CO₂e through the business portfolio according to the method presented. This figure covers approx. 79 % of the total assets at VOLKSBANK WIEN AG.

1) Statistical classification of economic activities in the European Union

SUSTAINABILITY MANAGEMENT

Category	Amount outstanding (in euro million)		Financed emissions (in t CO ₂ e)	
	S	G	S	G
Corporates	6,595	6,607	203,097	203,113
of which				
A Agriculture, forestry and fishing	98	98	88,928	88,928
B Mining and quarrying	1	1	660	660
C Manufacturing	71	71	16,736	16,736
D Energy supply	20	20	11,591	11,591
E Water supply; sewerage, waste management and remediation services	17	17	11,395	11,395
F Construction	76	76	4,575	4,575
G Wholesale and retail trade; maintenance and repair of motor vehicles	136	136	9,040	9,040
H Transport and warehousing	46	46	4,873	4,873
I Accommodation and catering	98	98	3,164	3,164
J Information and communication	57	57	450	450
K Provision of financial and insurance services	4,749	4,749	10,805	10,805
L Real estate and housing	198	211	4,003	4,019
M Provision of professional, scientific and technical services	178	178	2,283	2,283
N Provision of other economic services	22	22	1,289	1,289
O Public administration, defence, social security	779	779	30,826	30,826
P Education and teaching	2	2	62	62
Q Health and social services	17	17	603	603
R Arts, entertainment and recreation	11	11	880	880
S Provision of other services	21	21	935	935
Real estate	4,855	4,855	98,627	98,627
Total	11,449	11,461	301,724	301,740
Coverage of total assets	80.39 %	79.22 %		

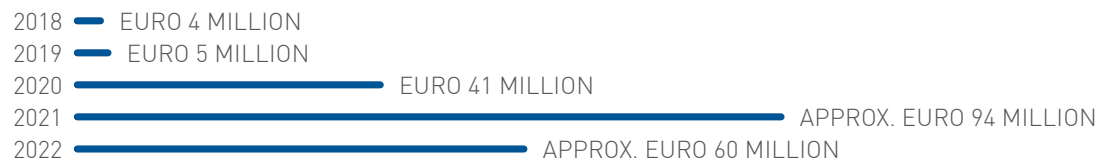
SKI AUSTRIA



SUSTAINABILITY MANAGEMENT



ESG INVESTMENTS 2018-2022



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 for the investment in sustainable bonds is determined. This investment, defined as an active implementation strategy, recorded around euro 210 million in ESG bonds by the end of 2022.

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, “green-washing” is avoided.

In order to keep up the successful course, a minimum share of approx. euro 60 million in ESG bonds is planned for 2023 as part of the planned new investments.

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, VOLKSBANK WIEN AG is in a very good starting position for the coming years. Hardly any CO₂-intensive industries are included in the portfolio. This results in an already very low carbon footprint of 7.4 t CO₂e/euro million sales¹⁾ on average.

The calculation logic is as follows:

CO₂e emissions in total: Total emissions of carbon dioxide (CO₂) and CO₂ equivalents in tonnes. This key indicator is calculated from the sum total of Scope 1 CO₂e emissions and Scope 2 CO₂e emissions.

Scope 1 CO₂e emissions: Direct emission of CO₂ and CO₂ equivalents in tonnes.

Scope 2 CO₂e emissions: Indirect emissions of CO₂ and CO₂ equivalents in tonnes: indirect emissions from the consumption of purchased electricity, heat or steam generated at the facility where electricity, steam or heat are produced.

The following gases are relevant: carbon dioxide (CO₂), methane (CH₄), dinitrogen monoxide (N₂O), hydrofluorocarbons (HFCS), perfluorinated compounds (PFCS), sulphur hexafluoride (SF₆), nitrogen trifluoride (NF₃). All emissions are calculated based on the GHG protocol.

Green Bond

VOLKSBANK WIEN AG, as the central organisation for the Association of Volksbanks, prepared a framework for issuing sustainable bonds in accordance with the ICMA Sustainable Bond Standards and had it certified by an external expert, thus creating the 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.

Stakeholder information

Within the scope of the materiality analysis and stakeholder survey, the following stakeholder groups were classified as most relevant to VOLKSBANK WIEN AG: private customers, corporate customers, employees,

1) These are Scope 1 and 2 values, as many companies do not yet provide Scope 3 values. Companies that do not yet supply any CO₂ figures were not included in the calculation.

SUSTAINABILITY MANAGEMENT

owners, shareholders, members, Supervisory Board members, product partners, NGOs, the Austrian Cooperative Association, the media, politicians, suppliers and capital market participants.

Public relations

In order to inform the stakeholders of VOLKSBANK WIEN AG about news from the bank, VOLKSBANK WIEN AG conducts PR activities on a regular basis, in the form of interviews with the Chairman of the Managing Board or press officer, advertorials or press releases.

“Newsroom”

Press releases containing all relevant corporate news, personnel information or interesting topics from sales are issued at regular intervals and published on the website of VOLKSBANK WIEN AG.

A separate “newsroom” has been set up for journalists and all other interested stakeholders, where information about the Managing Board of VOLKSBANK WIEN AG, press releases, dates, annual and sustainability reports, market news and information about sponsorships is announced (www.volksbankwien.at/presse).

Owners’ Dialogue

VOLKSBANK WIEN AG approached the officers of the associated cooperatives with a new event format already in 2017. Within the scope of the Owners’ Dialogue, the bank’s Managing Board provides information about goals, strategies and planned measures. But also ideas and suggestions from the owners’ representatives are welcome. The Owners’ Dialogue was held as face-to-face events in March and September 2022.

Investor Relations

The VOLKSBANK WIEN AG Group has set up a web page for investors (www.volksbankwien.at/investor-relations), where, in addition to all information subject to publication, a wide range of other information – such as investor presentations, prospectuses, the Code of Conduct, the financial calendar or information on ratings and the ownership structure of VOLKSBANK WIEN AG – can be found. In addition, the Investor Relations web page also describes the topic of sustainability in detail.

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.

DIGRESSION: COVID-19 MANAGEMENT AT VOLKSBANK WIEN AG

The focus of VOLKSBANK WIEN AG, as a retail bank, continued to be on customer business in these challenging times, supported in particular by increasing its commitment to the digitisation of sales processes, one of the major opportunities of the COVID-19 pandemic. Not least because of the change in customer behaviour and its impact on sales, this is a key focus within VOLKSBANK WIEN AG. This provides an opportunity to offer faster services to our customers, thus strengthening the customer relationship. It is gratifying to note that VOLKSBANK WIEN AG has a very competitive product on the market now in the form of the “hausbanking” app. The consequences of COVID-19 on social and employee matters can be found in the “Employees” chapter.



IMPORTANT SUCCESSES AND RESULTS

In 2022, important successes and results were achieved at VOLKSBANK WIEN AG:

- » No fines and penalties
- » Use of robotics in compliance processes
- » Permanent establishment of hybrid training courses (face-to-face/ virtual)
- » Expansion of industries and business areas where the bank will not enter into business relationships
- » Expansion of the Code of Conduct and training materials to include the topic of an equal/gender-appropriate working environment

GOALS

In 2022, the goals of VOLKSBANK WIEN AG with regard to Code of Conduct and compliance were the following:

- » 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
Monitoring of the preparation of a human rights policy	2023	being planned
Further development of fraud detection through technology	by 2024	ongoing
Alignment of whistle-blowing system with new legal requirements	2023	being planned

CORPORATE VALUES CODE OF CONDUCT AND COMPLIANCE

Actively exemplifying the values of VOLKSBANK WIEN AG and the commitment to modern compliance are the mandate of the Managing Board and part of the permanent management mission across all hierarchical levels. The issue of human rights also has a high priority at VOLKSBANK WIEN AG and is taken into account in all units involved in the company's core business.

The Code of Conduct was established by the Supervisory Board and documents the values of VOLKSBANK WIEN AG 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 VOLKSBANK WIEN AG, 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 2022, the preventive measures taken again led to a high level of awareness of compliance issues and made a significant contribution to counter-acting accidental violations.

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 personally exemplifies this approach and communicates this expectation very clearly on various

98.4 %

WAS THE PARTICIPATION
RATE IN THE MANDATORY
COMPLIANCE TRAINING COURSES
IN THE YEAR UNDER REVIEW.



CORPORATE VALUES

CODE OF CONDUCT AND COMPLIANCE

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.

Since 2019, all new employees joining the bank are instructed about the Code of Conduct of VOLKSBANK WIEN AG by the Compliance function in the course of an introduction event. In 2022, the training package was expanded to include a module on diversity and gender equality. In the year under review, training courses on the Code of Conduct were completed by 97.7% 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 VOLKSBANK WIEN AG: Trust – Integrity – Respect – Confidentiality.

Moreover, the Code of Conduct deals with selected compliance issues which also document the integrity of VOLKSBANK WIEN AG in its external relations.

The Code of Conduct is the introduction to the working instruction “Compliance Manual” and is the responsibility of the Compliance department. With regard to responsible corporate behaviour with a focus on human rights, VOLKSBANK WIEN AG has two further guidelines, the Data Protection Policy and the Diversity Policy (see “Data protection” and “Employees” chapter). All policies are subject to an approval process, regular risk assessments and are approved by the Managing Board.

Respect for human rights

The Code of Conduct explicitly states that VOLKSBANK WIEN AG respects human rights and opposes child labour. 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 151.6 hours were spent on human rights policy training as part of compliance training in the year under review.

Undesirable branches of industry and business areas

VOLKSBANK WIEN AG reserves the right not to enter into business relationships or financing with industries or in business areas that contradict the bank’s fundamental values. 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

CORPORATE VALUES

CODE OF CONDUCT AND COMPLIANCE

In case of doubt, a special approval process will be 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.

Whistle-blowing

By means of the Business Keeper Monitoring System (BKMS®), which has been implemented at VOLKSBANK WIEN AG 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/fraudulent conversion/embezzlement

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 whistle-blower and the persons mentioned in the complaint. Information on the BKMS® and access data is available to all employees on the Compliance intranet site and is communicated in numerous training sessions.

The whistle-blower protection act announced in 2021 was not yet available in 2022; implementation of the legal changes will take place after the law is presented (probably in 2023).

Preventing corruption

VOLKSBANK WIEN AG pays great attention to actively fighting corruption. 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 identified in 2022.

Employees are made aware of the regulations through compliance training and circulars. In the 2022 business year, 98.4 % of employees completed the compliance training mandatory for them.

As in the previous year, the bank (Group perspective) did not have to pay any fines or penalties in 2022, nor were there any violations of product information and advertising standards. The measures implemented for 2023 are also aimed at avoiding fines and penalties and thus also keeping the associated reputational risk as low as possible.

Sponsorships

VOLKSBANK WIEN AG 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 company 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 VOLKSBANK WIEN AG. Without a culture of sponsorship, any business strategy would be affected by reputational risk that might negatively impact on the company.

CORPORATE VALUES

CODE OF CONDUCT AND COMPLIANCE

Lobbying

VOLKSBANK WIEN AG 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 VOLKSBANK WIEN AG 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 VOLKSBANK WIEN AG. In this way, VOLKSBANK WIEN AG manifests its commitment to acting sustainably.

Information, communication and public relations

VOLKSBANK WIEN AG sets great store by the accuracy and completeness of the information prepared and documented by it. All matters that VOLKSBANK WIEN AG gets to know about within the scope of its activity will be treated as confidential in accordance with statutory requirements.

Awareness building

In 2022, VOLKSBANK WIEN AG 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.

Data protection

In the area of customer data protection, there were no substantiated complaints from external parties or from supervisory authorities. In the year under review 2022, VOLKSBANK WIEN AG received 54 data protection-related enquiries, considerably more than in the previous year, which are, however, due to increased enquiries by adult representatives. All enquiries were processed by the data protection team in a timely manner.

Enquiries break down as follows:

- » 46 requests for information under Art. 15 GDPR
- » 5 requests for erasure under Art. 17 GDPR
- » 1 report to the Austrian Data Protection Agency regarding data protection breaches pursuant to Art. 33 GDPR
- » 2 contradictions

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, VOLKSBANK WIEN AG has established a number of guidelines. As regards data protection which is a human right, a data protection policy is in place. The Data Protection Officer is responsible for this policy. The policy is subject to an approval process and was approved by the Managing Board.

The Data Protection Officer of VOLKSBANK WIEN AG can be reached at datenschutz@volksbankwien.at

CORPORATE VALUES

CODE OF CONDUCT AND COMPLIANCE

Complaint management

Complaint management is controlled centrally by the Compliance department. This ensures that an 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.

VOLKSBANK WIEN AG considers complaints as an opportunity to improve existing processes. The bank also attaches great importance to the rapid and transparent handling of all complaints to further strengthen customer loyalty.

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

At VOLKSBANK WIEN AG 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 the customers feel that this is not expedient, it is also possible to contact the ombudsperson's office of VOLKSBANK WIEN AG:

ombudsstelle@volksbankwien.at

*We assume
responsibility and
create trust.*

BEST PRACTICE

In 2022, the focus was on the digitisation of processes and the defence against criminal acts in order to protect customers and the bank from losses in a targeted manner.

OUTLOOK

In 2023, further measures will be elaborated to prevent white-collar crime. With regard to the list of undesirable branches of industry and business areas, a re-evaluation will be made jointly with the Managing Board of VOLKSBANK WIEN AG in the course of the year. In addition, a human rights policy will be drawn up in 2023.



GOALS

In 2022, the goals of VOLKSBANK WIEN AG with regard to data security were the following:

- » Report of the CISO (Chief Information Security Officer) 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



IMPORTANT SUCCESSES AND RESULTS

In 2022, important successes and results were achieved at VOLKSBANK WIEN AG:

- » Data security issues were reported by the CISO in Managing Board and Supervisory Board meetings.
- » Security measures were adapted to new threats.
- » The training content was adapted to new circumstances.

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 VOLKSBANK WIEN AG. With a security strategy adapted to today's threats, the bank is fit for the future. VOLKSBANK WIEN AG considers the following to be key aspects of data security and the fight against cybercrime:

- » a secure IT landscape,
- » an optimum response to incidents,
- » comprehensive training of employees and
- » stringent contracts with business partners.

IT security

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 VOLKSBANK WIEN AG 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.

CORPORATE VALUES

DATA SECURITY

Training of employees

Another important aspect is awareness raising among employees and customers of VOLKSBANK WIEN AG 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 of VOLKSBANK WIEN AG every year. All employees are aware of the confidentiality of customer data and have signed a non-disclosure agreement.

	Unit	2022		2021		2020	
		S	G	S	G	S	G
Information security training	%	100	100	99	98	98	98
Proportion of employees who have been trained in information security							

These training measures lead to enhanced IT security skills among employees of VOLKSBANK WIEN AG, 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 to business partners 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. Business partners and also employees of VOLKSBANK WIEN AG 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.

SKI AUSTRIA



CORPORATE VALUES CUSTOMER SERVICE QUALITY



IMPORTANT SUCCESSES AND RESULTS

In 2022, important successes and results were achieved at VOLKSBANK WIEN AG:

- » Volksbanks won "Industry Champion 2022" award in the Customer Service area of the "Retail Banks" category
- » SPARDA-BANK distinguished as "Industry Champion 2022" in the Best Value for Money area of the "Retail Bank" category
- » ÖGVS study on "Corporate Accounts 2021": VOLKSBANK WIEN AG achieved first place in the regional evaluation by city in the "Transparency" category
- » IMAS study regarding corporate customers: reliability in terms of payment transactions was increased compared to competitors, improvement in the accessibility of account managers, improvements in the product range compared to competitors
- » INTEGRAL study on brand awareness
- » "Unternehmer-Studie" (survey of entrepreneurs) conducted for the fifth time



GOALS

In 2022, the goals of VOLKSBANK WIEN AG with regard to customer service quality were the following:

- » Feedback from customers on products and services on a regular basis
- » Good customer advice and ease of use in the digital world of finance
- » Customer surveys on the subject of sustainability
- » 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 Corporate Customers	since 2018	ongoing
Further cooperation with highly qualified product partners	periodical	ongoing

CORPORATE VALUES

CUSTOMER SERVICE QUALITY

Good customer advice and ease of use in the digital world of finance are essential with a view to retaining customers at Volksbank in the long term and ensuring a positive user experience. Therefore, it is important to VOLKSBANK WIEN AG to receive direct customer feedback on a regular basis and also obtain studies from external sources on its products and services. Surveys and studies are commissioned for this purpose. The results are incorporated into strategic considerations and used for planning measures.

Together with the company's reputation, the quality of customer service has a significant influence on the decision whether or not to choose Volksbank.

Customer surveys

As the "relationship bank of the future", Volksbank has always been interested in improving its services together with and for its customers. 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 deriving measures from this to further improve customer service. Basically, studies are commissioned for quality assurance and improvement.

The results from the studies are presented and made available internally at VOLKSBANK WIEN AG and 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 2021 study, IMAS conducted 2,478 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, reliability in terms of payment transactions had increased during the survey period, by comparison with competitors. Similarly, compared to 2020, satisfaction had improved in terms of electronic banking, the mobile banking app, and the product range in general. Particular mention should also be made, as in the previous year, of the further improvement in the accessibility of account managers in the retail branches and prompt responses to enquiries.

In the categories

- » prompt response to enquiries,
 - » availability in person and by phone,
 - » convenient accessibility of the retail branches,
 - » advisory skills and
 - » economic strength
- in the SME segment examined, Volksbank was able to improve by 1–3 % year-on-year in each case.

CORPORATE VALUES

CUSTOMER SERVICE QUALITY

Austrian Society for Consumer Studies (ÖGVS)

First place Customer Service Retail Banks

In cooperation with the News magazine, ÖGVS, the Austrian Society for Consumer Studies, published the "Industry Monitor 2022" in February 2022. As in 2021, the Volksbanks won the "Industry Champion" award in the Customer Service area of the "Retail Banks" category.

First place Best Value for Money Retail Banks

In February 2022, ÖGVS, the Austrian Society for Consumer Studies, awarded SPARDA-BANK the title of "Industry Champion" in the "Best Value for Money" area of the "Retail Banks" category in the context of the "Industry Monitor 2022".

First place in Transparency

According to a study conducted in 2021 by ÖGVS, the Austrian Society for Consumer Studies, on the topic of "Corporate Accounts", where fourteen corporate accounts were compared in the categories of Terms and Transparency, VOLKSBANK WIEN AG was able to achieve first place in the regional ranking for "Vienna" in the category of Transparency, among others.

INTEGRAL Study Retail Banking Report 2022

Since 2017, INTEGRAL has been conducting a representative survey in the retail segment on behalf of the largest banking groups in Austria. Each year, 3,200 people aged 15 and over in Vienna are selected and interviewed as representative of the population.

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 product and channel use.

For VOLKSBANK WIEN AG, the data collected in 2022 show the following picture:

- » Stable share as main bank
- » Stable customer share
- » Stable situation with regard to the willingness to choose the bank as alternative main bank
- » Slight decline in customer satisfaction as compared to 2021, but the values are still at a high level: Volksbank ranks among the top three banks also in 2022.
- » Stable situation in terms of product customer share
- » Volksbank customers are more frequently "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.

OGM special evaluation: trust in Volksbank

In a representative survey of the entire population¹⁾ conducted in November 2022, a trust index was calculated for Volksbank. In a comparison of the 17 banks surveyed in total, Volksbank is in fourth place with a trust balance of +19 and thus in the top range. Volksbank's level of awareness is also the fourth highest of all the banks surveyed. Compared to the trust balance of March 2013, Volksbank is one of the few banks that has been able to noticeably gain trust since then.



Volksbank Unternehmer-Studie

In 2022, Volksbank's Unternehmer-Studie, or survey of entrepreneurs, addressed the issues of sustainability, liquidity and satisfaction with being an entrepreneur. 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 sustainability has many facets and is firmly anchored in the corporate culture of female self-employed people in particular.

Product partner of VOLKSBANK WIEN AG

ERGO

ERGO

First place "Service Champion 2022"

The analytics company Service Value, together with the Goethe University Frankfurt am Main, conducted a survey involving 194,000 customers. ERGO was able to assert itself as the industry winner in the insurance segment for the eighth year in a row and was thus also the "Service Champion" in 2022. With a service experience score of 77.1 %, ERGO Versicherung AG clearly exceeds the industry average of 68.1 % and ranks first within the industry. In addition, ERGO continued to secure the "gold" rank in the overall ranking of all companies. Overall, customer reviews on 26 Austrian insurance companies were considered in the ranking.

Best customer service in the motor insurance segment

ÖGVS, the Society for Consumer Studies, has closely examined various insurance companies again in 2022. In the context of the "Industry Monitor 2022", ERGO was named "Industry Champion" in the category of motor insurers in the area of customer service.

1) Sample sizes: 1,087 Austrians entitled to vote aged 16 years or older
Photo © Marko Mestrovic

CORPORATE VALUES

CUSTOMER SERVICE QUALITY

TeamBank: another distinction of the quality of service and consultancy for 'der faire Credit'



For the twelfth time in a row, TÜV AUSTRIA awarded a distinction to 'der faire Credit' for the quality of service and consultancy in 2022. This certification confirms a high degree of customer friendliness as well as an unbiased, transparent credit decision. This year's audit focused on education, training and coaching as part of the advisory process.

Certification of VOLKSBANK WIEN AG

VOLKSBANK WIEN AG again certified as model business



VOLKSBANK WIEN AG was certified as a 'Leitbetrieb' (model business) for the first time in 2019. In June 2021, the sustainable relationship bank for entrepreneurs and business-minded individuals obtained recertification. 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 2023, VOLKSBANK WIEN AG 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 2023.

SKI AUSTRIA



ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES



GOALS

In 2022, the goals of VOLKSBANK WIEN AG in the area of sustainable products and services to be continued in 2023 were the following:

- » Accompanying customers through the transformation process
- » Driving the financing of energy-reducing measures
- » Expansion of sustainable consulting services
- » Initiative for the labelling of sustainable financing in partial implementation of the Taxonomy Regulation, among others
- » Data collection from customers, for example with regard to CO₂ or physical risks
- » Continuation of the event series with sustainability focus for SMEs
- » Increase in real estate financing that is subsidised or eligible for green bond issue by 5 % compared to 2021
- » Loan growth in the non-profit property development sector of at least 5 % compared to 2021
- » 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
- » Introduction of sustainable insurance solutions

IMPORTANT SUCCESSES AND RESULTS

In 2022, important successes and results were achieved at VOLKSBANK WIEN AG:

- » Integration of ESG issues in loan decision and consideration of these issues in terms of the ability to service the loan
- » Introduction of ESG score to measure sustainability risk for companies and special financing transactions
- » Sustainability training for corporate account managers
- » ESG score training for corporate account managers
- » Requirement of energy certificates for real estate financing
- » Customer events (Energy Consultant Days), brochure for SMEs and subsidies relating to sustainability
- » Internal multipliers implemented in sales for the topic of sustainability
- » Cooperation for the foundation and financing of energy cooperatives
- » Allocation of financing volumes of around euro 152.1 million that are subsidised or eligible for green bond issue (+10.95 % compared to 2021)
- » Increase in the volume of outstanding assets of the Non-Profit Housing unit by euro 63.53 million compared to 2021 (+11.39 %)
- » Over 856 new fund customers (+37 % compared to previous year) who received a sustainably produced backpack as a promotional gift
- » Sustainable funds account for 45 % of gross sales.



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 internal consultant guide (ESG, CO ₂ labelling)	since 2022	ongoing
Roll-out of sustainable financing and integration of CO ₂ measurement for the loan portfolio	since 2021	ongoing
Sales campaigns with a focus on sustainability	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 into product portfolio	since 2021	ongoing
Customer event on the topic of "sustainable investment"	since 2021	ongoing
Recertification on the topic of sustainability	2022	ongoing

Due to the bank's cooperative self-image, sustainability has always played an important role.

ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

45 %

IS THE SHARE OF
SUSTAINABLE FUNDS
IN 2022 FUND SALES.



VOLKSBANK WIEN AG's greatest lever 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, which also takes social aspects into account.

In 2022, numerous steps were taken to integrate ESG aspects into the bank's core business. To this end, steps were taken both with regard to technical solutions, in the area of services, customers and customer support, and for internal sales.

Sustainable financing

The integration of sustainability into the loan 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 "Risk management" chapter). Since the majority of the bank's portfolio consists of real estate loans, one of the first and most important measures was to demand energy certificates to measure energy consumption in customers' real estate portfolios. Other data requirements are being developed and will be rolled out further in the coming months (such as CO₂ emissions). A concept for the labelling of sustainable financing, including partial implementation of the Taxonomy Regulation, is already available and will be rolled out promptly in 2023.

ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

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, various customer events were held also in 2022. One example is the Entrepreneur Forum in June 2022 on the topic of energy, in collaboration with "respACT", Austria's largest business platform for sustainable action, and the terra Institut. The sustainability brochure "Sustainability for SMEs and Cooperatives: focus on energy transition" and a separate public funding brochure on the topic of sustainability by the Austrian Cooperative Association are intended to provide customers with additional support in taking the first steps toward sustainable transformation. Moreover, a cooperation on the financing of energy cooperatives was entered into with the ÖGV.

Employees have been defined who assume an internal multiplier function in sales. The aim is for these employees to act as opinion leaders and to convey knowledge as well as to have an interface function in terms of support for strategic goals and reducing CO₂ emissions in the loan portfolio. They are best described as "sustainability ambassadors" in the region.

Their efforts focus on training employees for this forward-looking topic. Therefore, mandatory training for all employees on sustainable positioning and the importance of sustainability for Volksbank was rolled out at the beginning of 2021, and the conception of basic and sales training on sustainability for sales staff was started, which was rolled out in 2022. At the beginning, the focus of the training was particularly on the specialists, the "investment advisors" and the "corporate account managers". This will also be continued in 2023.

Subsidised housing

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 B-VG (Fed. Constitutional Act) Article 15a Agreement 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.

ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

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. Volksbank contributes to SDG 11 by providing access to adequate, safe, and affordable housing.

Operating instructions and loan disbursement criteria specially tailored to this business segment were also introduced to facilitate work and speed up processes. In the credit process, specialised front-office, back-office and administrative units for credit documentation specifically tailored to these financing purposes enable resources to be used very effectively, including the tailoring of processing times to customer needs – off the standard forms in many cases.

The focus on growth in this business segment, which is planned to continue for the next few years, is meant to form the basis for a green bond issue by VOLKSBANK WIEN AG, which is planned for 2023, and to 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 will be particularly energy-efficient, thus making a valuable contribution to the creation of sustainable housing; the relevant criteria have already been defined.

In 2022, VOLKSBANK WIEN AG allocated financing volumes of around euro 152.1 million that were subsidised or eligible for green bond issue. This represents an increase of 10.95% on the previous year. 72 subsidised real estate projects were financed by VOLKSBANK WIEN AG in 2022.

BEST PRACTICE



Kolping House Vienna-Alsergrund

The location of the Kolping family in Vienna-Alsergrund has existed for 125 years. The newly built house offers over 7,500 m² of floor space for students, senior citizens and people in difficult life situations such as currently displaced persons from Ukraine.

The existing building was demolished in 2018 already and the new building erected with the support of the Fonds Soziales Wien (FSW, Vienna Social Fund), housing subsidies, the City of Vienna and VOLKSBANK WIEN AG as a financing partner (total financing of around euro 17.3 million). A change in the law delayed completion (for example, part of the historic façade had to be preserved) by several years, and the total costs also increased. VOLKSBANK WIEN AG, as a reliable financing partner, has accompanied this long journey as a fair partner, and with the support of the City of Vienna, the Kolping family is now pleased about the final completion of the house.

ECONOMY
SUSTAINABLE PRODUCTS AND SERVICES



Austro Tower, 1030 Vienna

In March 2022, the financing of the purchase of the Austro Tower office tower by an institutional investor was successfully implemented. With a height of 146 m, the building is the tallest building on the Danube Canal in Vienna’s third district and the fifth tallest high-rise in the whole of Austria. It offers a total of around 28,000 m² of office space on 38 floors, plus a conference centre and a company restaurant and café.

The Austro Tower is subject to the highest sustainability criteria. An innovative energy concept contributes to this. Like the neighbouring Triple ensemble, the Austro Tower is heated and cooled with water from the Danube Canal. For this purpose, the water is fed into a central energy unit in one of the Triple towers, where it is heated or cooled by high-temperature heat pumps, depending on the season. The energy reaches the individual high-rise buildings via a district heating and cooling network. Five deep wells serve as backup for the “river energy”; in an emergency, an electric boiler can also step in. The high ecological standards are matched by the fact that the concrete core ceilings of the individual floors are thermally activated. On this basis, the building was certified platinum by LEED and ÖGNI.

Financing of energy cooperatives

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

Sustainable investments

The business model of VOLKSBANK WIEN AG is to focus on the bank’s core business and to enter into cooperations with strong product partners. In the area of funds, Union Investment is VOLKSBANK WIEN AG’s product partner; it has twelve sustainable funds on its list of recommended funds for sale in Austria. The sales share of sustainable funds in total sales has risen to 45 % in 2022 (sales of funds: euro 245,900,000, of which sales of sustainable funds: euro 110,000,000). The analysis is performed on a “gross” basis, as this is the best way to capture the active consulting business. Two of the sustainable funds have also been awarded the Austrian Ecolabel. Further details on the cooperation with Union Investment and on the sustainable funds can be found in the following chapter/digression on “Product Partners”.

As of 2 August 2022, the sustainability preference query has been introduced in the financial services sector. In detail, this means that investment advisors must ask their customers about their wishes with regard to sustainability and are allowed to recommend to them only financial instruments that meet their sustainability wishes.

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.

ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

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, a successfully tested product may only be included in the product range (Volksbank master list) if it is in line with the Volksbanks' business strategy.

[Asset management and mindful investment philosophy of VOLKSBANK VORARLBERG e. Gen.](#)

VOLKSBANK WIEN AG has expanded its product range in 2022 to include asset management by the Vorarlberg-based bank. Three classic asset management strategies (Income, Balanced and Growth) and two equity mandates on an individual stock basis are offered. In addition, with an individual mandate, customers have the option of having the invested assets managed according to their own defined framework conditions

and wishes. As at 31 December 2022, the carbon footprint¹⁾ of the assets managed for VOLKSBANK WIEN AG customers was 94.31 t CO₂e (portfolio value as at 31 December 2022: euro 3,340,625), with this data point available for 100% of the portfolio. Details can be found in the Sustainability Report of Volksbank Vorarlberg and of the Association of Volksbanks.

OUTLOOK

Sustainable products and services are being successively implemented and the uniform product catalogue expanded accordingly. The focus here is particularly 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 will be sales staff training on the cooperation of renewable energy financing projects such as the financing of energy communities or cooperatives. After an initial test run, the cooperation is to be rolled out in pilot regions. The roll-out is accompanied by events with cooperation partners for the purpose of advising customers on the advantages of PV systems.

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 consulting concept based on sustainable aspects
- » Introduction of a motor vehicle insurance with a sustainable background
- » Introduction of insurance solutions with sustainable funds
- » Sustainable loans for private and corporate customers
- » Sustainability in payment transactions
- » Consultancy concept for private and corporate customers based on sustainable regional aspects and including cooperative networks

ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

For 2023, 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, an expansion of services in the "haus-banking" app 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, VOLKSBANK WIEN AG 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.).

In the area of sustainable real estate, the company is going to be positioned more clearly in terms of 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.

In the sphere of subsidised real estate financing, the following targets are planned for 2023:

- » Loan growth in the non-profit property development sector by at least 5 % compared to 2022
- » Increase in subsidised and sustainable real estate financing by 5 % compared to 2022
- » New financing volume in the renewable energy sector of at least euro 25 million in 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. At the same time, however, this 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.

Customer events on sustainable products are planned in the spheres of investment and pension provision, and VOLKSBANK WIEN AG is also planning to conduct a sustainability campaign with Union Investment in 2023. ERGO Versicherung launched an e-mobility car insurance policy in 2022, as well as a child care provision scheme that allows people to invest in sustainable funds. These products will be increasingly promoted in 2023 as well.

ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

COOPERATION WITH PRODUCT PARTNERS

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 product partners was successful in 2022 as well; the Association of Volksbanks continued to achieve good results with TeamBank and Union Investment in particular. In the sphere of funds, the seventh year of cooperation with Union Investment was very positive. 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.

DIGRESSION
PRODUCT PARTNERS



ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

UNION INVESTMENT

Since 2016, Union Investment has been a reliable product partner of VOLKSBANK WIEN AG. 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 VOLKSBANK WIEN AG takes a clear stand: taking sustainability criteria into account reduces risks and creates added value. As at 31 December 2022, the Union Investment Group managed euro 122.4 billion of investor funds in products under Article 8 or Article 9 of the EU SFDR (previous year: euro 125.6 billion), of which euro 82.1 billion¹⁾ are attributable to products that meet its own minimum requirements for sustainable products. Union Investment has also taken first steps with regard to biodiversity and preservation of species and has asked selected companies in individual sectors in which Union Investment has investments how they are dealing with this issue. Union Investment wanted to know, for example, how well companies in the agricultural and food industries, as well as manufacturers of personal and household care products, are prepared for the planned regulatory measures against deforestation and what the companies are already doing voluntarily to combat it.

In line with the legal setting, customers have always expected transparency and stability in the field of financial investments from VOLKSBANK WIEN AG – and they have never been disappointed. The focus of VOLKSBANK WIEN AG is on the customers and their needs, and therefore it is extremely important to develop the ideal investment solution for our customers. Particularly due to increasing investor demand on the topic of sustainability, a broader range of products will be made available in this segment.

It is important to VOLKSBANK WIEN AG 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 precisely determined, clearly defining which customers are targeted by which investment product. 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 VOLKSBANK WIEN AG 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 at VOLKSBANK WIEN AG, namely to increase the safety, transparency and efficiency of European financial markets.

VOLKSBANK WIEN AG further increased the selection of sustainable funds within the meaning of the Disclosure Regulation (Article 8) in 2022 and added, for example, the "UniNachhaltig Aktien Infrastruktur" fund to the list of funds recommended for sale in Austria. VOLKSBANK WIEN AG aims to further increase sales of sustainable funds in the coming years. In particular, the two impact-related funds "UniZukunft: Klima" and "UniZukunft Welt" (Article 9 within the meaning of the Disclosure Regulation) were included in the list of recommendations. "UniZukunft Welt A" invests at least 75 % of the fund's assets in securities of global

**DIGRESSION
PRODUCT PARTNERS**

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. They 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.

ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

VOLKSBANK WIEN AG Union funds ¹⁾	Unit	2022		2021		2020	
		S	G	S	G	S	G
VBW volume in Union Investment funds	Euro	1,241,058,702	1,241,058,702	1,247,380,836	1,247,380,836	1,214,345,439	1,214,345,439
Share of sustainable funds in Union Investment volume	%	40.03	40.03	36.58	36.58	9.9	9.9
Deposits with Union Investment fund units	Number	25,985	25,985	23,781	23,781	21,792	21,792
Deposits with units of sustainable Union Investment funds	Number	15,427	15,427	14,115	14,115	4,954	4,954

issuers whose business activities are aligned with the 17 United Nations Sustainable Development Goals (“UN SDGs”), while “UniZukunft Klima A” invests at least 75% in companies worldwide whose business activities promote the reduction of greenhouse gas emissions in accordance with the Paris Agreement.

A CO₂ footprint was determined for the Union funds portfolio of VOLKSBANK WIEN AG. A distinction is made between securities funds and real estate funds. For securities funds, the CO₂ intensity is presented in tonnes 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	2022		2021	
		S	G	S	G
CO ₂ intensity – investment funds ³⁾	t CO ₂ /euro million	166.62	166.62	160.16	160.16
Union Investment securities funds for which CO ₂ intensity is determined	Euro	902,497,122	902,497,122	677,440,747	677,440,747
CO ₂ intensity – real estate funds ⁴⁾	kg CO ₂ /m ²	29.26	29.26	35.07	35.07
Union Investment real estate funds, for which CO ₂ emissions are determined	Euro	337,698,354	337,698,354	283,545,487	283,545,487

1) Starting in 2021, VOLKSBANK WIEN AG has put its focus on the presentation of portfolios that are defined as core business and actively managed at VOLKSBANK WIEN AG. 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.

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.

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

Still eligible investments are assessed using the UniESG score. 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.

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.

ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

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 into 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 1,920 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.

Sustainability by tradition

Due to its cooperative self-image, Union Investment has always considered sustainability to be highly important, derived from this cooperative idea that is over 170 years old: many little forces unite to make one big force. This cooperative motto covers key sustainability aspects – such as the promotion of economic and social interests of the members. Aspects such as a long-term approach, customer orientation, partnership and regional roots are fundamental to sustainability and also to the cooperative idea. As a result, Union Investment employees are less interested in short-term profits than long-term returns. As a result of this orientation, sustainability has always been an important part of the company's way of thinking and action.

As one of Germany's biggest asset managers, Union Investment assumes its responsibility for a sustainable transformation of the economy also by contributing to many initiatives and through its membership in relevant associations. In this way, the company is making an active contribution to increasing the acceptance and implementation of sustainability principles within the investment industry.

ECONOMY
SUSTAINABLE PRODUCTS AND SERVICES

TEAMBANK AG

As a competence centre for modern liquidity management, TeamBank AG has been a close and reliable partner of VOLKSBANK WIEN AG ever since 2008. With the 'der faire Credit' product family, it offers a secure financing option with clear and transparent contractual terms.

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, an online survey of 1,771 Austrians representative of the population, 58% of those surveyed only trust a credit institution if it makes its ecological-social efforts recognisable. This corresponds to an increase of four percentage points compared to the previous year. 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. A useful tool for this purpose is the Finance Compass, which

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.

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 year under review 2022, VOLKSBANK WIEN AG had some 15,170 'der faire Credit' customers. On average, loans in the amount of euro 13,320 were granted.

	Unit	2022		2021		2020	
		S	G	S	G	S	G
Portfolio of "der faire Credit" held at VOLKSBANK WIEN AG	kEUR	232,098	232,098	224,619	224,619	212,154	212,154
Joint customers with VOLKSBANK WIEN AG	Number	15,170	15,170	15,406	15,406	15,260	15,260

**DIGRESSION
PRODUCT PARTNERS**

ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

Sustainability as part of the cooperative DNA and corporate values

In order to create guidelines for day-to-day activities and thus focus on the right issues, TeamBank creates its business strategy with strategic directions, goals and measures in the annual strategic planning process. In the year under review 2022, TeamBank firmly anchored sustainability in its business strategy. TeamBank can build on a strong foundation: its cooperative DNA with a culture of values. In addition, the principles of the UN Global Compact, which are the basis of the valid Code of Conduct and commit all managers and employees to lawful and ethical behaviour, are helpful.

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 the advice, sales and 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. All customers also receive an overview of the budget statement on which the lending decision is based (Financial Compass) as well as the advisory documentation including explanations of the product. TeamBank also refers to a detailed description of which services or

equipment 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.

Information provided to customers

TeamBank checks that all wording is simple and understandable from the customer's perspective. A new approach is currently being developed for 2023. Among its competitors, the marketing activities for the "der faire Credit" brand are distinguished above all by the renunciation of advertising with conditions, which automatically excludes so-called bait-and-switch offers. In the business year, special attention was paid to the accessibility and user orientation of websites.

Designed and made with the customers' needs in mind

Satisfied customers are a prerequisite for building and maintaining long-term business relationships. In more than 2,000 qualitative and quantitative surveys, TeamBank has identified the key customer needs. Customers want to decide for themselves when, where and how much money TeamBank may contribute to financing their lives. In addition, those surveyed demand flexibility. The product range was designed from the occasion-related instalment loan to the flexible framework loan. Customers receive a credit line online or on site that is appropriate for their creditworthiness, which they can draw on immediately or later, in full or in instalments. 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.

ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

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 Volksbank retail branches. 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 year under review, this saved 174,300 pages of paper¹⁾ and 845 kg of CO₂e²⁾ at VOLKSBANK WIEN AG.

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

TeamBank will only consider the criterion of sustainability to have been met within the scope of its core business if the joint customers are supported during the entire customer journey in a spirit of fairness. This also includes actively preventing the risk of over-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 specifically for this purpose in 2007. This non-profit public foundation under civil law 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 and raising awareness of conscious and responsible consumption.

The workshops are aimed at young people aged 14 and over and are used across all types of schools. Since 2022, workshops have also been held in youth welfare facilities.

The multiplier network for the “Carefree Retirement” workshop will be further expanded. People aged 55 and over are to be made aware of the financial changes in retirement.

For more information, please go to www.finanzielle-bildung-foerdern.at

BEST PRACTICE

Long-term liquidity support

The joint customers of VOLKSBANK WIEN AG and TeamBank benefit from the long-term liquidity support provided by the financial scope. The money can be reserved free of charge and retrieved whenever it is needed. Interest only accrues if the customers withdraw money. Thanks to SEPA real-time transfers the financial reserve can be retrieved in no time, by telephone, on the customer portal, via app, and obviously also in person with the local account manager. The extra financial buffer can be used immediately, also for impulse purchases. Especially in unpredictable moments, customers thus remain flexible by reserving their personal financial scope just in case.

1) when using virgin fibre paper

2) Source: www.papiernetz.de/informationen/nachhaltigkeitsrechner

ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

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, and accident insurance solutions to property insurance such as motor and household/homeowner’s insurance. The sustainability focus in product design is becoming increasingly important.

Through its commitment to sustainability, ERGO Versicherung AG fits in very well with the supply chain of VOLKSBANK WIEN AG.

In this context, special mention should be made of the introduction of digital signatures on insurance applications. The rate of digital signatures and thus the paperless processing of insurance applications was doubled at VOLKSBANK WIEN AG in 2022 compared to the previous year (from around 30 % to 62 %).

**DIGRESSION
PRODUCT PARTNERS**

		Applications				2021		2020	
Unit		S	G	via Portal S/G	thereof DigiSign S/G	S	G	S	G
Number of ERGO insurance policies taken out by customers of VOLKSBANK WIEN AG	Number (contract density)	39,824	39,824			41,010	41,010	42,246	42,246
VOLKSBANK WIEN AG and ERGO customers	Number (contract density)	27,448	27,448			28,288	28,288	29,231	29,231
New insurance policies taken out by customers of VOLKSBANK WIEN AG ¹⁾	Number (production unit)	3,655	3,655	3,313	2,058	3,144	3,144	3,334	3,334
New business volume of ERGO insurance contracts taken out by customers of VOLKSBANK WIEN AG	Euro (production premium)	7,886,946	7,886,946	7,065,788	3,393,951	8,126,367	8,126,367	8,079,764	8,079,764

1) Of the 3,655 insurance contracts, 3,313 were brought in via the ERGO sales portal, 2,058 of which were signed digitally. This corresponds to a DigiSign rate of some 62 %.

ECONOMY SUSTAINABLE PRODUCTS AND SERVICES

ERGO – More sustainable!

As a global challenge, climate change requires a major joint effort. Responsibility and commitment in the areas of climate and environmental protection, health and risk awareness are therefore key concerns for ERGO in Austria, the entire ERGO Group and Munich Re. Together, the insurance group has set itself the goal of significantly reducing CO₂ emissions in its own business operations, insurance business and investments with its “Ambition 2025” strategy. Step by step, the insurance group aims to achieve net zero emissions across all areas by 2050 at the latest. It is committed to contributing to the achievement of the Sustainable Development Goals (SDGs).

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

In this context, voluntary commitments like the Ten Principles of the UN Global Compact, the Principles for Responsible Investment, and the Principles for Sustainable Insurance form the basis of all activities.

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 responsible and respectful treatment of employees. ERGO operates an active environmental management system at its locations and is CO₂ neutral throughout the Group. As a matter of 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.

With its flexible products “ERGO fürs Leben”, “ERGO fürs Sparen”, “ERGO fürs Investment” and “KindersparER GO!”, 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 and thus secure their high investment for environmentally compatible energy generation. In 2023, ERGO also intends to further adapt its motor insurance offering for electric vehicles to customer needs.

ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

BEST PRACTICE

In 2021, ERGO started a reforestation project in the Waldviertel region. In 2022, the ERGO Forest continued to grow with new customers and newly concluded insurance policies and pension provisions. For example, ERGO planted a tree for every new “MobilER Go!”, “ERGO fürs Leben” (regular and single premium), “ERGO fürs Sparen”, “ERGO fürs Investment” and “KindersparER GO!” policy taken out until 31 December 2022. VOLKS-BANK WIEN AG customers contributed 284 trees.

By using an environmentally compatible office building that was certified as “Green Building+” by the Austrian Energy Agency, ERGO Versicherung AG is banking on energy efficiency at work. Optimisation measures to reduce the company’s CO₂ emissions, actions to raise employee awareness regarding mobility behaviour, and measures relating to social commitment are continuously developed and implemented by the ERGO sustainability team.

The digitisation of business processes is being driven forward and a sustainable investment strategy with clear exclusion criteria is being pursued.

When it comes to reducing resource consumption in the company, the contribution of every single employee is needed. Similarly, it is important to ERGO to involve its employees in social initiatives and, as a company, to offer them room for implementation.

In 2022, the following measures and actions were implemented:

In May 2022, ERGO employees had the opportunity to dedicate a working day to charity and support a project with a social impact as part of a “Social Day”. The aim of corporate volunteering was to take responsibility together and make a positive contribution to society and the environment. The Social Day was implemented together with various Austrian aid organisations. In addition, there was a litter collection campaign in cooperation with MA 48.

Furthermore, ERGO was a partner of the “mirno more” peace fleet in 2022, the largest sailing project for physically and socially disadvantaged children and adolescents. ERGO supported the two Safety Team ships, whose crew ensured safety during the voyage. Supporting “mirno more” contributed to shaping a world that stands for inclusion, solidarity and tolerance.

From 1 October to 19 November 2022, ERGO employees participated in a health and sustainability initiative of the Austrian Federal Economic Chamber. The aim was to integrate exercise into everyday working life, to strengthen health awareness and also to focus on sustainable nutrition and mental fitness. In addition, the organisers of this Austria-wide initiative planted one tree for every 1,000 minutes of physical activity collected by the participants. By participating in the initiative, ERGO pursued two out of three ESG criteria. The measure addressed environmental aspects on the one hand and pursued a social, health-related component on the other.

As regards climate and environmental protection, the “ClimateLaunchpad”, the world’s largest competition for sustainable business ideas, was supported for the fourth year in a row in 2022.

In December 2022, ERGO employees organised a collection for poverty-stricken and homeless people for the third year in a row. The approximately 70 residents of the Meidling emergency shelter were given backpacks filled with valuable donations shortly before Christmas.

SKI AUSTRIA





IMPORTANT SUCCESSES AND RESULTS

In 2022, important successes and results were achieved at VOLKSBANK WIEN AG:

- » Numerous information events and another brochure on sustainability support customers in the region.
- » Implementation of specifications on regional and sustainable procurement and introduction of a procurement matrix
- » Continuation of communication concept "purely Austrian company/regionality"
- » Share of financing abroad 1.74 %



GOALS

In 2022, the goals of VOLKSBANK WIEN AG with regard to regionality were the following:

- » Stronger focus on regionality through training, internal and external communication
- » 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

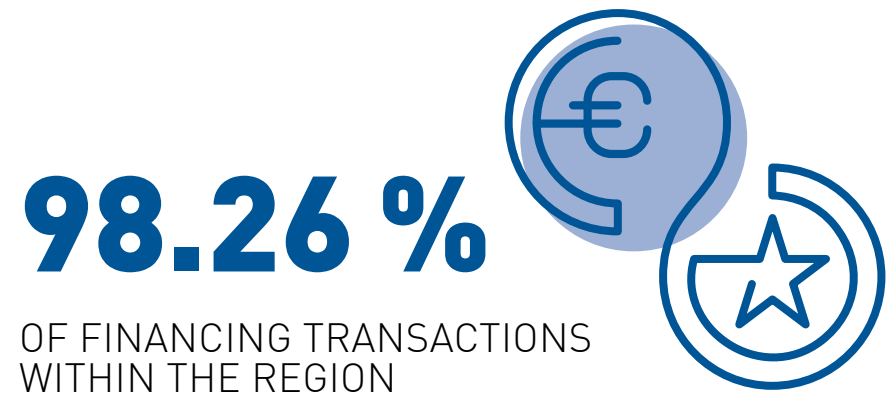
1) see chapter "Employees"

ECONOMY REGIONALITY

VOLKSBANK WIEN AG operates almost exclusively in its catchment area. There are no foreign shareholders. The bank's focus 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 climate and environmental impacts as well as on other ESG aspects, for example, due to environmental conditions, market circumstances and the legal framework in Austria. The core of VOLKSBANK WIEN AG's sales activities is its network of retail branches.

Regionality was defined as a core value and represents the most 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 fair prices, simple supply chains, verifiable production and co-determination within the region.

VOLKSBANK WIEN AG focuses on customers in Austria. In regions close to the border, VOLKSBANK WIEN AG 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.



ECONOMY REGIONALITY

The COVID-19 pandemic confirmed the business model of VOLKSBANK WIEN AG. The trend towards regionality was even further strengthened.

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.

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 VOLKSBANK WIEN AG. In general, with euro 5,623,708,000, the lending business was slightly up in the year under review 2022 (2021: euro 5,458,578,000; 2020: euro 5,451,654,000), the share of regional financing in all VOLKSBANK WIEN AG financing transactions amounted to 98.26 % in 2022 (2021: 97.73 %, 2020: 98.18 %). As in previous reporting years, the share of financing abroad was 1.74 %, well below the target set out in 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 2022, the liabilities to customers (savings and other deposits) amounted to euro 6,764,572,000 (2021: euro 6,921,758,000; 2020: euro 6,636,565,000).

Regional investment and share of foreign financing¹⁾

kEUR				2022	
	Regional	Foreign	Total	Regional share	Foreign share
Financing of all customers	5,526,066	97,642	5,623,708	98.26 %	1.74 %
of which private customers	2,142,915	21,468	2,164,383	99.01 %	
of which SMEs	2,557,720	13,948	2,571,668	99.46 %	
of which corporate customers	198,425	45,246	243,671	81.43 %	
of which others	627,006	16,980	643,986	97.36 %	
Savings deposits and other deposits			6,764,572		
Share of regional financing in savings deposits and other deposits			81.69 %		

For more than 170 years, the Volksbanks have been local financial providers in their region. Right from the start, the focus has always been on “servicing medium-sized businesses in the retail and trade sectors” (circular of the Association of 20 June 1960). VOLKSBANK WIEN AG 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.

VOLKSBANK WIEN AG 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.

1) The catchment area of VOLKSBANK WIEN AG was extended to the whole of Austria, due to the merger with the SPARDA brand which is operating all over Austria. The entire volume of domestic financing for customers was defined as Regional.

Retail branches and offices

VOLKSBANK WIEN AG has six regional head offices for better market cultivation. The employees of these regional head offices 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 head offices organise their own events that serve to connect customers from the region – so that the added value will remain in the region.

The retail branches and offices are sales and advisory units that are directly visible to and tangible for their customers. Through them, comprehensive, pooled know-how can be made available to customers. Among others, this concerns personal pension schemes, the realisation of dream houses, or assistance with business issues. The advisory service and the relationship between customers and their account managers are characterised by trust and professional competence.

Private customers

VOLKSBANK WIEN AG is a competent investment, retirement pension provision and housing bank for private customers. In the service business, the bank relies on strong cooperation partners such as TeamBank and Union Investment.

Austria is a growth market when it comes to housing financing. The population is increasing in the regional conurbations in particular. Refurbishment projects also play an important role, especially with respect to energy efficiency, and they require a functioning market for appropriate financing solutions.

Small and medium-sized enterprises

With its focus on small and medium-sized enterprises, VOLKSBANK WIEN AG is working with the lifeblood of the economy in their 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, VOLKSBANK WIEN AG 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 of VOLKSBANK WIEN AG dispose of 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 WIEN AG and the CSR experts from respACT have launched a series of events entitled "Opportunities and challenges of corporate sustainability in practice".

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

ECONOMY

REGIONALITY

BEST PRACTICE

PV project in Laa an der Thaya

The Laa an der Thaya retail branch of VOLKSBANK WIEN AG was able to implement a large photovoltaic project with an output of one megawatt kWp and a financing volume of euro 890,000, together with JMR Sonnenenergie GmbH in the Laa industrial park. Thanks to clean solar energy generation, this plant can avoid around 227 t of CO₂ emissions in 2023.¹⁾ The customer chose VOLKSBANK WIEN AG because of its technical expertise on site and the knowledge that several projects had already been handled by the branch. Thanks to the commitment and customer trust, the customer could be won as a main customer for the future.



Subsidies

VOLKSBANK WIEN AG is committed to the development of innovative and sustainable banking products, both for the private and the commercial sector, taking into account the best possible subsidy approach.

With the expiry of the COVID-19 subsidies, the main focus was on sustainable investments, e.g. for the implementation of e-mobility or conversion to alternative energy sources using state-provided subsidies. Apart from personal consulting on site at the regional Volksbanks or via digital communication channels, the public funding services of VOLKSBANK WIEN AG for commercial projects include an online funding check as initial analysis of optional public subsidies for customers, a newsletter service on innovations in the field of public subsidies, and public funding management, from application to settlement.

Other brands of VOLKSBANK WIEN AG

Apart from the "Volksbank" brand, SPARDA-BANK and Gärtnerbank are important, valuable components of the brand strategy due to their well-established branding.

The SPARDA-BANK brand

SPARDA-BANK is a brand of VOLKSBANK WIEN AG for private customers throughout Austria. The clear focus is on servicing employees and retirees, as well as adolescents, schoolchildren, apprentices and students. SPARDA-BANK was founded as a cooperative society by railway workers for railway workers more than 80 years ago and is the only bank in Austria that concentrates on employees exclusively: "The bank for people who keep the country moving." For many years, there has been close cooperation with the transport and service workers union, vida. Having been a member of the Association of Volksbanks for many years, SPARDA-BANK was merged with VOLKSBANK WIEN AG in mid-2017 and, as an independent brand, has been part of the Austrian bank ever since.

1) Source: <https://secure.umweltbundesamt.at/co2mon/co2mon.html>

Particularly noteworthy from SPARDA-BANK's product range is the "SPARDA Care Airbag". This product is exclusively available to members of the vidahelp association to support people in need of care and caregiving relatives. Members of vidahelp receive a purchasing account from SPARDA-BANK for a period of six months to cover care costs or the purchase of care products at a preferential interest rate. More information is available at www.sparda.at/vidahelp

The Gärtnerbank brand

As a cooperative bank according to Schulze-Delitzsch, Gärtnerbank was founded as savings and credit institution of Wiener Gartenbau (horticultural association of Vienna) by gardeners for gardeners in 1920 and dedicated itself to servicing the Wiener Gartenbau association in Vienna and its surroundings. Ever since the merger of Gärtnerbank with VOLKSBANK WIEN AG in 2014, the work with the target groups of horticultural farms, market gardens, gardening centres and cemetery gardeners has been continued. In addition, services and support are provided to all professional institutions, such as the chambers of agriculture of Vienna and Lower Austria, the federal association of commercial gardeners of Austria, Österreichische Blumenwerbung, the regional gardening associations, Wiener Bauernbund (Vienna farmers association), Junggärtnervereinigung (association of young horticulturists), as well as the various groups in Vienna's municipal districts.

Gärtnerbank's customers pursue a thoroughly regional, sustainable business model by keeping the value chain in the region – Vienna and its surroundings. Production and investments are made in the region, regional professionals are hired, and the products are also delivered within the region. Hence, they are consumed and marketed locally. The financing provided by Gärtnerbank thus serves the region, ensures short transport routes and is also used by Gärtnerbank customers in investments for the transformation from fossil to renewable energy (biomass heating system, photovoltaics).

– *Investments in renewable energy*

With the financing provided by Gärtnerbank, investments were also made in biomass heating systems and photovoltaic systems of horticultural businesses in 2022. The conversion from fossil fuels to renewable biomass was a key issue, especially in 2022, not least due to the massive increase in gas procurement costs. Some new facilities were financed in this area. For example, in Vienna's 11th district, the horticultural business of Kurt and Tamara Ableidinger was equipped with two 1.5 MW boiler systems and a 600 m³ buffer storage tank.

Photovoltaic systems on the roofs of agricultural buildings were successfully installed on several other farms. Most recently, a 37 kWp photovoltaic system was financed at the sales greenhouse of the Fürmsinn KG garden centre in 2513 Möllersdorf. For this purpose, the roof glass panes were renewed, in which PV modules are now incorporated.

Procurement, outsourcing and suppliers

Sustainable and regional procurement in facility management

75% of VOLKSBANK WIEN AG's suppliers are from Austria. 25% are from Germany (one supplier is from the Netherlands). In general, it can be said that transport routes are kept short and VOLKSBANK WIEN AG fulfills its cooperative mission in the region. 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 minimal.

ECONOMY REGIONALITY

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. The range already includes ecological umbrellas with wooden handles made of recycled plastic (produced in Germany) and backpacks made of recycled plastic materials. Moreover, the portfolio has been extended to include local products such as bath towels from the Waldviertel (Heidenreichstein, Framsohn company) and wooden pens made of PEFC-certified beech wood (Made in Germany); these new items have been added to the product range in 2023. In selecting the printing shops, VOLKSBANK WIEN AG 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 evaluated 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.

Outsourcing of organisation and IT

A very important milestone was the sale of ARZ Allgemeines Rechenzentrum GmbH to Accenture (ACN), 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 VOLKSBANK WIEN AG.

Based on the General Instruction on Risk Assessment of Outsourcing, all outsourcing activities of VOLKSBANK WIEN AG are reviewed using 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.

Give-aways

The area of give-aways has been reorganised in several steps. In the meantime, only one small range of customer give-aways remains, due to sustainability considerations. In the target group of young people, we rely on vouchers and online processing. On International Savings Day, no gifts are given away, for the most part, except for a small sustainable gift for children – often from the region.

Short distances thanks to regional focus.

Sustainability in communication

In order to consolidate its positioning as a sustainable regional bank, VOLKSBANK WIEN AG 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 2022 as well. This also applies in particular to Managing Board communications and business performance reporting. Guidelines for regional sponsorships, regional Managing Board communications, and sustainable events have been implemented since 2021.

As regards advertising, cooperation with the ÖSV¹⁾ ski jumping team was continued. The long-standing cooperation with the figureheads in Austrian sports conveys the pro-Austrian sentiment of VOLKSBANK WIEN AG 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. VOLKSBANK WIEN AG is thus able to establish the connection between Austria and regionality in a unique manner. As regards business conducted with companies, VOLKSBANK WIEN AG is only active in 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 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.

In employer branding, various activities were launched to target employees from the respective regions. VOLKSBANK WIEN AG considers it important for a regional bank that employees live in the region and also come from the region.

OUTLOOK

In 2023, the topic of regionality will continue to be emphasised through various measures throughout VOLKSBANK WIEN AG, whether in terms of Volksbank's positioning as a regionally sustainable bank, of employer branding, where regionality plays an important role, or in terms of the selection of suppliers, partners and projects that are supported.



GOALS

In 2022, 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 at VOLKSBANK WIEN AG.



IMPORTANT SUCCESSES AND RESULTS

In 2022, important successes and results were achieved at VOLKSBANK WIEN AG:

- » Inclusion of ESG aspects in the risk framework and the risk strategy adopted across the Association
- » Integration of ESG risks into the revolving internal capital adequacy process
- » Development of an ESG heat map that enables the standardised identification of ESG risks. This describes various risk events, which are evaluated for all relevant risk types.
- » Survey of ESG risks across the Association with all risk owners concerned
- » Expansion of quantification methods for ESG risks
- » Development of a questionnaire for the survey of ESG risks at customer level
- » Extension of the new product process and of the outsourced risk assessment to include ESG aspects
- » Association-wide Credit Risk Summit with all employees in credit risk management on the topic of sustainability with a focus on the integration of ESG criteria in the credit life cycle
- » Implementation of the ESG Score
- » Implementation of a longer-term climate scenario with a focus on credit risk within the scope of the bank's internal stress test
- » Gap analysis on ESG data and evaluation of external providers
- » Setting up a data project to cover ESG data requirements for bank steering and risk management, as well as sustainability reporting and disclosure
- » Project launch to quantify acute/chronic physical risks
- » Support of external initiatives regarding Austria-wide ESG data (OeKB > ESG-Data Hub, Energy Performance Certificate database)
- » Exchange of content with OeKB on data tool
- » Labelling of sustainable real estate financing
- » Initiative for the labelling of sustainable financing
- » ESG heat map further development and annual update
- » Continued focus on physical risks and transitory risks (e.g. real estate valuation)

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, so that the latter has 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 strategy and practices (section 39 (2) of the Austrian Banking Act).

The business model requires risks to be identified, assessed, measured, aggregated and managed effectively. Risks and capital are managed by means of a framework of principles, organisational structures as well as measuring and monitoring processes that are closely aligned with the activities of the departments and divisions. In its role 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. For example, the sub-risk strategy for ESG risks, which was included for the first time in the previous year, was expanded for the coming year to include important findings from the ESG heat map and the internal stress test. 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.

The composition of the Association of Volksbanks' exposure corresponds to the pattern of a regionally operating retail bank. 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. Business relationships or financing transactions are not possible for traders in ethically questionable sectors and business areas, or are only possible in accordance with the rules of conduct specified by Compliance (see "Compliance" chapter).

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.

ECONOMY

RISK MANAGEMENT

For the assessment of the risks associated with ESG factors at the individual borrower level, a separate scoring was developed, which is applied depending on the credit exposure for corporate and real estate customers. 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. The additional assessment of customer-specific soft facts (evaluation of qualitative information), in addition to industry-specific ones, leads quantitatively to an ESG score, which can subsequently be used to classify ESG risks.

An assessment of the risks associated with ESG factors is carried out as part 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 transitory and physical environmental risks into account. 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 market statement should therefore address – in addition to 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, burdensome or endangering aspects are to be assessed in relation to the customer's earning power and business model.

Furthermore, the statement must address if a financed property is located in a danger zone (e.g. flood, avalanche danger, earthquake). Since it can be assumed that there is insufficient insurance cover for properties in danger zones, it must be assessed whether there are reserves in the customer's financial position to cover any losses.

As part of the internal stress test, ESG-related scenarios have been simulated since December 2020, reflecting both physical and transition risks. For example, the effects of extreme weather events as well as the rapid implementation of stricter requirements in connection with climate and environmental standards on the portfolio of the Association of Volksbanks are simulated. The scenarios are oriented towards the portfolio composition of the Association of Volksbanks and also take into account the assumptions of the NGFS. In 2022, the scenario analyses were extended to a long-term horizon of ten years.

The integration of ESG risks into risk frameworks and into 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

Customer rating since 2022 in the context of an ESG score.

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. 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, they represent a manageable risk for the Association of Volksbanks, especially in the short term. Nevertheless, the bank puts the focus on initiatives for the sustainable management of ESG risks (e.g. reduction of financed emissions).

In order 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 sustainability project – in particular for the lending portfolio.

This project ensures the comprehensive ESG data requirements for internal control and risk management as well as sustainability reporting and regulatory disclosure.

A special event on the topic of sustainability was the two-day Credit Risk Summit in October 2022, where all employees of credit risk management in the Association of Volksbanks discussed the integration of ESG in the lending processes with experts from the central departments and discussed both the current situation and further development opportunities.

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 further development 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 focus is on quantifying physical risks and determining CO₂ emissions. Based on this and in line with the strategic orientation of the Association of Volksbanks, 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.

In order to continue to adequately assess and evaluate climate-related risks and opportunities and to help stakeholders assess information on ESG issues of VOLKSBANK WIEN AG in accordance with another international initiative, the disclosure in compliance with Task Force on Climate Related Financial Disclosures (TCFD) is being developed.

DIGITISATION



IMPORTANT SUCCESSES AND RESULTS

In 2022, important successes and results were achieved at VOLKSBANK WIEN AG:

- » Increase in mobile payment (pay app): +83 % digital cards used
- » 37,459 product and service orders via "hausbanking" – 859 days of customer time saved
- » Increase in digital signatures by 40 % in 2022 as compared to the previous year
- » Increase in online consulting: 79 trained account managers with a total of 387 video conferences
- » 18 active robotics processes with 10,719 transactions and 156 person days (PD) of time saved for the bank

GOALS

In 2022, the goals of VOLKSBANK WIEN AG with regard to digitisation were the following:

- » Use digitisation to save resources and protect the environment (CO₂, time, paper saved)
- » Strengthening employee awareness on digitisation and expansion of digital mindset
- » Increase in digital signatures (qualified electronic signature for customer service)
- » Expansion of Opti-Channel approach to processes and consulting
- » Expansion of robotics processes to increase efficiency



MEASURES

Measure	Time horizon	Status
Increase of product and service orders in "hausbanking"	2018 – 2025	ongoing
Use of qualified electronic signature (QES) for customer services	2022 – 2024	Phase 0 completed
Qualification of employees to provide video consultancy (incl. interview training)	2022 – 2023	Phase 1 completed
Customer focus groups & stakeholder interviews about the new app	2022	completed
Extension of KPI dashboard (Association-wide comparison)	2022	completed
Expansion of robotics team at VBW (developers hired)	2022	completed

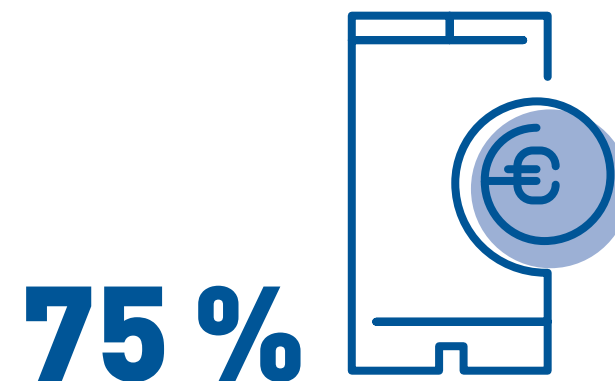
DIGITISATION

The Digitisation department of VOLKSBANK WIEN AG support the business model with digital products and services as well as Opti-Channel networking. A consistent focus on expanding excellent, 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. Internally, 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. for limit management). With strategic partners such as TeamBank, ERGO and Union Investment, the digital product range is being expanded and existing product solutions are also being made available in the online channel (e.g. fund savings). Especially in the area of mobile payment transactions, increased customer use was measured in 2022. For example, the number of digital cards used increased by +83 %, the number of transactions carried out by +82 % and the transaction volume by +75 %. In response to popular demand, Garmin and Swatch Pay were introduced as well.

The use of “hausbanking” (internet banking of the Volksbanks) was further expanded in 2022. The number of active users (login within the last 90 days) increased by +2.5 % compared to the previous year and the number of mobile logins increased by +19 %. In total, the use of “hausbanking” service orders at VOLKSBANK WIEN AG saved 859.1 days of customer time (travel time, call duration, processing).

The expansion of the Robotic team enabled a total of 18 active robotics processes to be implemented in 2022, with 10,719 transactions and 156 PD of time saved for the bank, releasing important staff capacities that can be used for value-added work.



**HIGH ONLINE BANKING
AFFINITY OF CUSTOMERS.**

DIGITISATION

Increase in digital signatures by 40 % as compared to the previous year.

In order to strengthen employee awareness, 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. For example, an Association-wide Moodle platform was set up for the “digital ambassadors” in the retail branches, which is also accessible to all interested employees. Furthermore, a Moodle training course “fit für hausbanking” including several modules was designed and launched and a total of seven in-depth “hausbanking” tips with practical examples and instructions were published.

As part of the design of a new banking app, the views and needs of customers were increasingly integrated in 2022. By means of focus group meetings, customers of the Association of Volksbanks and of other banks were asked about their experiences with a banking app, also about their

expectations and obstacles in using it. In the selection of participants, special attention was paid to different target groups. 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 2023, further measures will be taken to advance the digital transformation and increase the level of digital maturity. The new IT service provider Accenture will make a significant contribution by rebuilding the infrastructure and modernising the necessary interfaces. Based on this, it will be possible to integrate partner solutions even more easily and quickly and to optimise customer processes even better. The expansion of digital signatures in the customer area will cover as much as approx. 80 % of all form sheets (in the private and corporate customer area) in the first phase. By using the qualified electronic signature, a large part of the form sheets can be signed paperless, thus saving a high proportion of printing costs and paper in the retail branches. A digital service world for corporate customers is planned for “hausbanking” and the redesign of the banking app is to be finalised in 2023.

The steady increase in cybercrime requires additional measures to make customers more aware of possible dangers and to sensitise them to the correct behaviour in the case of phishing attempts, for example. In addition to current warnings in “hausbanking”, via the banking app and the websites, cyber-security training will be developed for customers in 2023. Interested parties can attend this training online: the most important contents will be conveyed via different content modules (involving illustrative graphics and instructive videos). A knowledge test will support the absorption of what has been learned and a certificate will document the acquired knowledge.

SKI AUSTRIA





IMPORTANT SUCCESSES AND RESULTS

In 2022, important successes and results were achieved at VOLKSBANK WIEN AG:

- » Purchase of electricity produced exclusively without CO₂ emissions for the retail branches; headquarters switched to 100 % green electricity as well.
- » 100 % of the heated office space at headquarters is supplied with district heating
- » Analysis of the existing vehicle fleet, followed by a partial switch to e-cars – another hybrid car and 15 electric company cars were added to the vehicle fleet
- » Only sustainable paper (certified recycled paper) is used.
- » Application of sustainable procurement strategy
- » Sustainable construction standards were prepared in 2022 and will be applied with effect from 2023



GOALS

In 2022, the goals of VOLKSBANK WIEN AG with regard to energy and climate were the following:

- » More detailed calculation of the corporate carbon footprint (CCF)
- » Expansion of vehicle fleet by hybrid and e-cars
- » Inspections at headquarters and representative retail branches and measures to be derived and implemented on an ongoing basis
- » Operation will be climate-neutral by 2030
- » Application of sustainable procurement strategy
- » Optimisation of paper consumption
- » Continued focus on green power



MEASURES

Measure	Time horizon	Status
Development and implementation of a climate strategy	by 2030	ongoing
Implementation of guidelines on sustainable procurement	2022	completed
Negotiations with owner for implementation optimisation potential for headquarters	since 2022	ongoing of
Sustainable construction standards were prepared in 2022 and are taken into account	from 2023	being planned

ECOLOGY
ENERGY AND CLIMATE

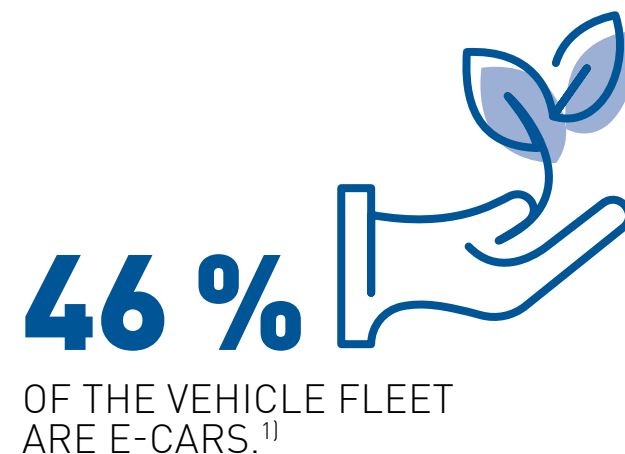
Despite the small direct environmental impact of any bank's operations, VOLKSBANK WIEN AG still makes a contribution to climate and environmental protection in terms of energy, heat and power consumption as well as waste-paper and other waste.

The figures indicated in the area of resources refer to the location of the headquarters in 1030 Vienna, Dietrichgasse 25, and the retail branches of VOLKSBANK WIEN AG. In 2020, VOLKSBANK WIEN AG moved to a new location in Dietrichgasse 25 in the 3rd municipal district of Vienna. The indicators for resources and energy are recorded by 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. In this context, tasks are also performed for VOLKSBANK WIEN AG, which acts as the central organisation for the Association of Volksbanks, as well as for numerous other (banking) customers from the joint data processing centre.

The retail branches are operated by the separate company exclusively, therefore the figures of the Group here correspond to those of the separate company²⁾. As described in the chapter "About the report", an allocation key of 71.1 % is used for calculating the indicators for the parent company (Separate), on the basis of the employees of the parent company and of the Group, as no clear breakdown is possible on the basis of actual values.

Corporate Carbon Footprint (CCF)

In the year under review 2022, the CO₂ footprint of VOLKSBANK WIEN AG was calculated for the fourth time. The reporting scope includes all retail branches and the location of the headquarters of VOLKSBANK WIEN AG, 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. As in the previous year, the use



of private cars for business trips has been included this year as well. The indirect emissions in Scope 2 result from the purchase of electricity and district heating. Emissions from power consumption were calculated on the basis of the electricity actually purchased by VOLKSBANK WIEN AG (market-based) and the average electricity mix for Austria (location-based). Since 100 % of the electricity purchased by the retail branches comes from renewable sources, there are no market-based emissions in the area of electricity. In the course of 2021, the headquarters' electricity mix was converted to 100 % green power. Since 2021, the precise heat consumption figures of the headquarters have been available. In the reporting year 2020, it was still estimated based on average heat demand.

1) As at 31 Dec. 2022

2) A customer service centre (part of VB Services für Banken Ges.m.b.H.) is located at the Baden retail branch. The number of employees is negligible considering the total headcount.

ECOLOGY

ENERGY AND CLIMATE

Overall, there was a 17 % reduction in Scope 1 and 2 emissions (location-based) in 2022 compared to the previous year and a 19 % reduction (market-based), partly due to lower emission factors for district heating

and electricity in Austria. VOLKSBANK WIEN AG also has Scope 3 emissions, which are disclosed for the second time in 2022.¹⁾

Corporate Carbon Footprint (in kg CO ₂ e) ²⁾		2022		2021		2020	
		S	G	S	G	S	G
Head- quarters	Direct emissions (Scope 1)	82,243	115,608	138,728	197,618	141,869	198,141
	Company cars (fossil)	82,243	115,608	138,728	197,618	141,869	198,141
	Indirect emissions (Scope 2 – market-based)	91,249	128,267	105,951	150,927	232,704	325,005
	Electricity	0	0	14,253	20,303	104,172	145,492
	District heating	87,277	122,683	91,698	130,624	128,531	179,513
	Company cars (electric)	3,972	5,583	*	*	*	*
	Indirect emissions (Scope 2 – location-based)	162,171	227,960	165,862	236,271	257,925	360,231
	Electricity	67,532	94,928	74,164	105,647	129,394	180,718
	District heating	87,277	122,683	91,698	130,624	128,531	179,513
	Company cars (electric)	7,362	10,348	*	*	*	*
Retail branches	Direct emissions (Scope 1)	530,272	530,272	624,208	624,208	487,219	487,219
	Heating	530,272	530,272	624,208	624,208	487,219	487,219
	Indirect emissions (Scope 2 – market-based)	116,128	116,128	125,932	125,932	181,979	181,979
	Electricity	0	0	0	0	0	0
	District heating	116,128	116,128	125,932	125,932	181,979	181,979
	Indirect emissions (Scope 2 – location-based)	473,558	473,558	566,611	566,611	909,805	909,805
	Electricity	357,430	357,430	440,679	440,679	727,826	727,826
	District heating	116,128	116,128	125,932	125,932	181,979	181,979
Total	Direct emissions (Scope 1)	612,515	645,880	762,936	821,826	629,088	685,360
	Indirect emissions (Scope 2 – market-based)	207,377	244,395	231,883	276,859	414,683	506,984
	Indirect emissions (Scope 2 – location-based)	635,729	701,518	732,473	802,882	1,167,730	1,270,036
	Total Scope 1 + 2 emissions (market-based)	819,892	890,274	994,819	1,098,685	1,043,771	1,192,344
	Total Scope 1 + 2 emissions (location-based)	1,248,244	1,347,397	1,495,409	1,624,708	1,796,818	1,955,396
Specific	Total Scope 1 + 2 emissions (market-based) per m²	22	22	25	25	26	27
	Total Scope 1 + 2 emissions (location-based) per m²	33	33	38	38	44	44

1) See voluntary disclosure in the chapter "Sustainability management"

2) Due to an update of the data basis, 2021 and 2020 were recalculated.

*Not collected in the year under review

Energy

When purchasing electricity for the retail branches of VOLKSBANK WIEN AG, great importance was attached to ensuring that only CO₂-free electricity was used. This was achieved by means of a general electricity supply agreement which all the banks of the Association have joined.

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

VOLKSBANK WIEN AG has obtained a hydropower certificate from its electricity supplier for its retail branches, guaranteeing that no CO₂ emissions are caused during the generation of electricity for VOLKSBANK WIEN AG. Electricity for the headquarters is procured from the landlord. Since April 2021, the electricity purchased at the headquarters has also been CO₂-free. Thanks to remote working, energy demand (electricity, retail branches and headquarters) was reduced by 11.8 % also in 2022.

Electricity	Unit	2022		2021		2020	
		S	G	S	G	S	G
Power consumption headquarters	kWh	419,452	589,615	428,693	610,674	501,526	700,456
Power consumption retail branches	kWh	2,197,048	2,197,048	2,547,271	2,547,271	2,821,032	2,821,032
Specific power consumption headquarters ¹⁾	kWh per m ²	41	41	43	43	49	49
Specific power consumption retail branches	kWh per m ²	84	84	88	88	93	93
Specific power consumption total	kWh per m ²	69	69	73	73	79	79

1) The calculation of consumption values per m² is based on the total Group area of 14,251 m² or, for VOLKSBANK WIEN AG (Separate), on a pro rata basis of 10,138 m².

ECOLOGY

ENERGY AND CLIMATE

Currently, 53 % of the electricity used by the data centre of VOLKSBANK WIEN AG, ACN, comes 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.

Heat

The central office spaces are supplied with district heating by the landlord. Hence, 100 % of office premises at the headquarters are heated through district heating. Heat consumption in the retail branches is indicated for the parent company only, since they are allocated to VOLKSBANK WIEN AG as a separate institution.

			2022		2021		2020	
Heating ¹⁾	Unit	S	G	S	G	S	G	
Renewable energies	District heating consumption headquarters	kWh	661,189	929,420	675,612	962,410	633,159	884,300
	District heating consumption retail branches	kWh	879,759	879,759	892,334	892,334	452,927	452,927
	Biogen consumption retail branches	kWh	20,922	20,922	20,033	20,033	*	*
	Electricity consumption retail branches ²⁾	kWh	23,012	23,012	37,455	37,455	*	*
Non-renewable energies	Natural gas consumption retail branches	kWh	1,405,874	1,405,874	2,097,884	2,097,884	1,200,361	1,200,361
	Oil consumption retail branches	kWh	66,376	66,376	64,717	64,717	*	*
Total	Heat consumption headquarters	kWh	661,189	929,420	675,612	962,410	633,159	884,300
	Heat consumption retail branches	kWh	2,395,944	2,395,944	3,112,422	3,112,422	1,653,288	1,653,288
	Total heat consumption	kWh	3,057,134	3,325,364	3,788,034	4,074,832	2,286,447	2,537,588
Specific	Heat consumption headquarters ³⁾	kWh per m ²	65	65	88	126	*	*
	Heat consumption retail branches	kWh per m ²	92	92	142	142	111	111
	Total heat consumption	kWh per m ²	82	82	97	137	56	111

			2022		2021		2020	
Total energy consumption (electricity + heating)	Unit	S	G	S	G	S	G	
Total	Energy consumption headquarters	kWh	1,080,642	1,519,035	1,104,305	1,573,084	1,134,685	1,584,756
	Energy consumption retail branches	kWh	4,592,993	4,592,993	5,659,693	5,659,693	4,474,320	4,474,320
	Total energy consumption	kWh	5,673,634	6,112,028	6,763,998	7,232,777	5,609,005	6,059,076
Specific	Energy consumption headquarters ³⁾	kWh per m ²	107	107	77	110	80	111
	Energy consumption retail branches	kWh per m ²	176	176	195	195	148	148
	Total energy consumption	kWh per m ²	151	151	173	167	138	136

1) Due to an update of the data basis, 2021 and 2020 were recalculated.

2) Heating from electricity in 2022 and 2021 entirely from renewable energy sources.

3) The calculation of consumption values per m² is based on the total Group area of 14,251 m² or, for VOLKSBANK WIEN AG (Separate), on a pro rata basis of 10,138 m².

*The 2022 and 2021 figures will be actual consumption figures, but 2020 is still an estimate.

Vehicle fleet

VOLKSBANK WIEN AG provides employees with pool and company cars. Twelve electric service vehicles were added to the fleet in 2021. Two of the company cars purchased in 2017 and 2021 are hybrid vehicles. In 2022, quite a few vehicles with combustion engines were again removed from the fleet, while another hybrid car and 15 electric company cars have been added. Thus, at the end of the year, there were 59 vehicles in the 2022 fleet, of which 28 were cars with internal combustion engines, 4 were hybrid cars and 27 were e-cars. All company cars, including the use of private cars for business trips, have now been included in the calculation of the CO₂ footprint.

Vehicle fleet	Unit	2022		2021		2020	
		S	G	S	G	S	G
Fuel consumption	l	35,090	49,353	56,863	81,002	59,685	83,359
Electric charges with charging card	kWh	24,656	34,678	*	*	*	*
Electric charges Dietrichgasse	kWh	21,043	29,597	*	*	*	*

Paper

In 2020, an analysis of the consumption of printing and copying paper was carried out by the denkstatt company. Based on this analysis, various optimisations have been implemented in the past years. The consumption of printing and copying paper has therefore decreased by around 37% to 20,143 kg in 2022 (compared to 32,080 kg in the previous year), but the related costs have risen sharply due to the general price increase. Measures have been taken in many areas to reduce paper consumption. During the year under review, VOLKSBANK WIEN AG continued to rely on a sustainable paper grade: A4, 80 g, white. In general, recycled paper bearing the EU Ecolabel is used, other types of paper are to be used only rarely. The standard setting of all printers available in the pools at HQ is two-sided print. This is meant to keep paper consumption low in the future.

Additional paper saved

Advertising mail, catalogues and folders often end up in the rubbish, are harmful to the environment and also cause an avoidable administrative burden within the bank. At VOLKSBANK WIEN AG, senders of advertising mail without personal addressing are therefore advised not to send any advertising mail in physical form in the future. In the case of advertising mail with personal addressing of the recipient, senders were requested to switch their advertising mail to digital/e-mail.

At VOLKSBANK WIEN AG, various measures were introduced to deactivate the printing of account statements/documents or to switch to paperless options.

Consumption of printing and copying paper	Unit	2022		2021		2020	
		S	G	S	G	S	G
Printing and copying paper	kg	14,322	20,143	22,520	32,080	9,200	12,849
Printing and copying paper	kg per FTE	16.3	16.3	25.2	25.2	9.9	9.9

*Not collected in the year under review

ECOLOGY

ENERGY AND CLIMATE

Waste

At the HQ location Dietrichgasse 25, 1030 Vienna, there is a standardised separation system for residual waste, glass, plastics and metal, which is positioned in the staff kitchens and complies with the waste disposal requirements of the landlord. The home bases (open plan offices) are provided with “recycling islands” for the staff to dispose of residual waste and magazines/brochures. Data waste must be disposed of exclusively in a secured manner via locked containers; such containers are located at each printer island.

Due to the high level of interest shown by the sustainability ambassadors in the disposal process at the HQ location, a guided tour of the building was organised in summer 2022. During this tour by the waste management officer of VOLKSBANK WIEN AG, the path of waste was traced from its disposal/separation by the employees to its disposal in the waste containers of the landlord.

Since VOLKSBANK WIEN AG is a tenant at the location Dietrichgasse 25, 1030 Vienna, the residual waste and all other waste materials – except for paper/data waste – are disposed of via the landlord’s waste containers. Since these also contain the waste of the other tenants, the waste quantities for residual waste, glass, plastics, metal and cardboard cannot be clearly allocated to VOLKSBANK WIEN AG.

There has been no disposal of hazardous waste and special waste at the Dietrichgasse headquarters in 2022. At all VOLKSBANK WIEN AG locations (Dietrichgasse and retail branches), 58,905 kg of data waste was disposed of. This means an increase of around 12 % compared to 2021, which can be explained by archive disposals due to location closures or conversions.

Climate-optimised local transport

In the area of climate-optimised local transport, numerous ideas were analysed also in 2022, e.g. leasing bikes, car sharing, “Österreich Radelt”¹⁾, etc. Due to various circumstances and the pandemic, it has not yet been possible to implement these measures.

Optimisation of sustainability in the canteen

With the help of ambassadors from the “Sustainability Project”, various measures were implemented to optimise sustainability in the canteen, e.g. paper instead of plastic packaging, “vital” menus with organic ingredients.

*A careful, responsible
attitude towards nature
and the environment.*

BEST PRACTICE

Numerous energy saving measures are implemented by VOLKSBANK WIEN AG

In 2022, the Group laid special emphasis on avoiding energy consumption in the bank's operations. Savings were made both by headquarters and the retail branches. The following measures were encouraged or implemented:

- » 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 (for example, in the Kagran retail branch)
- » 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
- » Tender for e-charging stations to be implemented at all locations in 2023
- » Conversion of the entire fleet to e-cars
- » Sustainable building standards to reduce excessive energy consumption

OUTLOOK

Measures for optimisation in the real estate area are planned for 2023, primarily to increase energy efficiency. In addition, guidelines for sustainable construction standards were developed, which will be applied with effect from 2023. Sustainability aspects in the area of construction are being included in project planning and successively implemented from 2023.

To achieve climate neutrality by 2030, the course is being set for a climate strategy. The ambitions in the area of carbon footprint calculation as well as climate target setting are to be complemented next year by examining the possibility of joining initiatives. Specifically, it is being evaluated whether joining the Science Based Target Initiative (SBTi) will be able to further support VOLKSBANK WIEN AG's climate ambitions.

SOCIAL MATTERS EMPLOYEES



GOALS

In 2022, the goals of VOLKSBANK WIEN AG with regard to employees were the following:

- » VOLKSBANK WIEN AG has set itself the goal of increasing the proportion of female managers by 10 % in the period from 31 December 2021 to 31 December 2023.
- » Starting in 2022, an NPS (Net Promoter Score) survey will be conducted annually. The score for 2022 will then be used as a baseline for defining specific targets.

IMPORTANT SUCCESSES AND RESULTS

In 2022, important successes and results were achieved at VOLKSBANK WIEN AG:

- » Continuation of anchoring the employer values elaborated by the employees (e.g. introduction of a “first-name culture” across all hierarchical levels)
- » Expansion of the HR strategy based on the principle: “Creating a framework for meaningful work and supporting work-life balance”
- » Second presentation of the “Service Heroes Awards” as a visible sign of appreciation
- » The share of female division managers was increased from 13.6 % to 27.8 % from 31 December 2020 to 31 December 2022.
- » Conducting a gender pay gap and equal pay gap analysis
- » Drafting and approval of a Diversity Policy
- » Development and implementation of a 360-degree feedback process at Managing Board and division manager level
- » Roll-out of an NPS and identity survey throughout the Association
- » Finalisation and implementation of the measures derived from the 12/2020 employee survey
- » Continued efforts to provide optimum protection of employees in the COVID-19 pandemic through a consistently safe work environment and “COVID-19 rules”
- » Preparation and approval of the 2022 cost-of-living bonus
- » Development of expert careers with a new job description: Sensei experts
- » Approval of the management training concept
- » Implementation of the remote work regulations and nationwide introduction of a remote lump sum payment
- » Definition of “Urlaubswoche Plus” (additional week of annual leave)
- » Development and implementation of in-house managerial training courses
- » Enhancement of the digital education offered in the form of modern online training courses
- » Development of additional training formats in the sphere of sustainability

Other measures pursued in 2022 include:

- » Ongoing measures to position VOLKSBANK WIEN AG as an attractive employer in order to create employee loyalty and acquire external talent and experts (*karriere.volksbankwien.at*)
- » 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 to include female experts
- » Consistent use of employee feedback
 - Conducting an NPS (Net Promoter Score) survey and
 - Preparing for the next comprehensive employee survey
- » Focused development of employees and creation of a systematic framework for this purpose
 - Establishment of the newly offered expert career
 - Introduction of a new educational format on standards of the Association and latest expertise
- » Continuation of professional COVID-19 crisis management
- » Continuous organisational development and optimisation of the organisational structure of the central organisation
- » New and further development of training formats
- » Development of digital skills



MEASURES

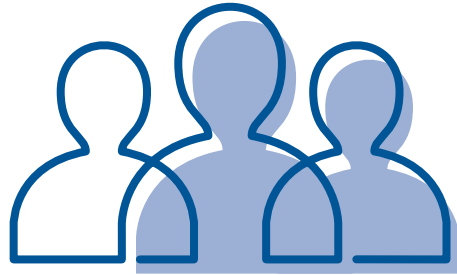
Measure	Time horizon	Status
The employer branding values have been established and practiced at VOLKSBANK WIEN AG	since 2018	ongoing
Measures to strengthen identity building with VOLKSBANK WIEN AG are being continued (e.g. Service Heroes Award, employee survey)	since 2021	ongoing
Efforts to increase the share of women in managerial positions are consistently being pursued	since 2018	ongoing
Introduction and update of a standardised gender pay gap analysis	since 2021	ongoing
Training on the Diversity Policy	since 2022	ongoing
Implementation of an NPS and identity survey	since 2022	ongoing
Implementation of a 360-degree feedback process at Managing Board and division manager level	2022	completed
Measures from the employee survey have been implemented	since 2020	completed
Development of expert careers and appointment of Sensei experts	since 2022	ongoing
Implementation of remote work regulations and nationwide introduction of a remote lump sum payment	2022	completed
Introduction of “temporary part-time”	2022	completed

SOCIAL MATTERS

EMPLOYEES

1,473

EMPLOYEES WORK FOR VOLKSBANK WIEN AG.¹⁾



VOLKSBANK WIEN AG 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 VOLKSBANK WIEN AG as an employer in its relationship with its employees. That is why it relies on mutual trust through partnership. Volksbank is serious about its responsibility.

As a central element of the HR strategy, a promise to employees was formulated by the Managing Board members 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 per-

formance-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 are represented by VOLKSBANK WIEN AG’s authentic employer values – encounters at eye level, scope for creative freedom and making the company ‘fit for the future through flexibility’ – encouraging them to work together. Behind every employer value is an individual value proposition, which VOLKSBANK WIEN AG guarantees its employees. This value proposition has become an integral part of the Association’s value framework practiced by VOLKSBANK WIEN AG, helping the bank to improve as an employer. 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. VOLKSBANK WIEN AG is building on this, because this is how the bank will remain fit for the future and sustainably successful.

Employment development

VOLKSBANK WIEN AG currently employs 1,473 people. The figures indicated in the employee section refer to those employees that were employed by the company (VOLKSBANK WIEN AG, VB Services für Banken Ges.m.b.H., VB Infrastruktur und Immobilien GmbH) on 31 December of the year under review. The figures stated include white-collar employees, blue-collar employees and apprentices, but exclude the Managing Board. Full-time equivalents are rounded mathematically to whole numbers.

SOCIAL MATTERS
EMPLOYEES

Employees ¹⁾	Gender	Unit	2022		2021		2020	
			S	G	S	G	S	G
Headcount		Number	1,019	1,473	1,040	1,518	1,085	1,532
	F	Number	538	869	553	903	585	909
	M	Number	481	604	487	615	500	623
Employees by full-time equivalents		FTE	880	1,237	892	1,270	932	1,302
	F	FTE	415	657	420	675	446	696
	M	FTE	465	580	472	595	486	606
White-collar workers	F	FTE	406	648	412	666	441	690
	M	FTE	462	573	469	588	483	599
Blue-collar workers	F	FTE	0	0	0	1	0	1
	M	FTE	0	4	0	4	0	4
Apprentices	F	FTE	9	9	8	8	5	5
	M	FTE	3	3	3	3	3	3
Full-time employees		Number	717	977	743	1,013	777	1,055
	F	Number	284	440	297	456	318	483
	M	Number	433	537	446	557	459	572
Part-time employees		Number	302	496	297	505	308	477
	F	Number	254	429	256	447	267	426
	M	Number	48	67	41	58	41	51
Employees with permanent employment contract		Number	1,008	1,461	1,028	1,506	1,079	1,524
	F	Number	533	864	547	897	580	902
	M	Number	475	597	481	609	499	622
Employees with fixed-term employment contract		Number	11	12	12	12	6	8
	F	Number	5	5	6	6	5	7
	M	Number	6	7	6	6	1	1

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.

1) The abbreviation F or M in the tables stands for female or male, respectively, and FTE for full-time equivalent.

SOCIAL MATTERS

EMPLOYEES

Employees ¹⁾	Gender	Unit	2022	
			S	G
Newly hired employees		Number	64	93
	F	Number	30	46
	M	Number	34	47
	Age group	Unit	S	G
	< 30 years	Number	23	33
	30–50 years	Number	29	45
	> 50 years	Number	12	15
New hiring rate		%	6.3	6.3
	F	%	5.6	5.3
	M	%	7.1	7.8
	Age group	Unit	S	G
	< 30 years	%	22.1	22.0
	30–50 years	%	5.4	5.7
	> 50 years	%	3.2	2.8

Recruitment of interns and employees with fixed-term employment contracts were not included in the calculation (formula for hiring rate: number of new hires/number of employees). These figures are reported for the first time in 2022.

Employees ¹⁾	Gender	Unit	2022	
			S	G
Staff turnover		Number	84	144
	F	Number	42	77
	M	Number	42	67
	Age group	Unit	S	G
	< 30 years	Number	15	26
	30–50 years	Number	39	74
	> 50 years	Number	30	44
Fluctuation rate		%	8.2	9.8
	F	%	7.8	8.9
	M	%	8.7	11.1
	Age group	Unit	S	G
	< 30 years	%	14.4	17.3
	30–50 years	%	7.3	9.3
	> 50 years	%	7.9	8.3

This table shows the staff departures in the business year including retirements. Terminations of employment contracts with interns and fixed-term employment contracts were not included in the calculation (formula for fluctuation: number of departures/number of employees). These figures are reported for the first time in 2022.

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, 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 managers
- » Creating a framework for meaningful work and supporting 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

VOLKSBANK WIEN AG has been committed to a fair and positive working environment for all employees for years, 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, VOLKSBANK WIEN AG 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.

VOLKSBANK WIEN AG 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, VOLKSBANK WIEN AG 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 measures are intended to increase the proportion of women in managerial positions by around 10 % every two years 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 at VOLKSBANK WIEN AG

To support these goals, VOLKSBANK WIEN AG has launched its own women’s network, which is constantly working on new ideas and ways to support female high potentials and also shares this experience within the Association.

SOCIAL MATTERS EMPLOYEES

Another key success factor for equal treatment and equal opportunities is a structured analytical process on equal pay and gender pay gaps. Significant differences between average male and female remuneration are documented and justified annually – as part of the remuneration report – and appropriate measures taken to compensate for the differences, if necessary (see Remuneration Policies of VOLKSBANK WIEN AG). Basically, the gender pay gap can be explained by the fact that the share of men in higher-level occupations is greater than in lower-level occupations. In 2022, the ratio of the basic salary of women in the non-managerial employee category compared to the basic salary of men was 80 %, which has decreased compared to 2021 (81 %). The ratio in the executive group has increased from 83 % (2021) to 86 % (2022). In 2022, the average equal pay gap of comparable occupational groups with at least 10 men and 10 women was -4.73 % to the disadvantage of women. In 2021, this equal pay gap was still -6.28 %. As VOLKSBANK WIEN AG does not pay any out variable remuneration, the basic salary essentially corresponds to the remuneration. In addition to targeted qualification measures for women, gender recruiting, mentoring programmes and transparent application processes are additional instruments for structured gender equality management.

Diversity Policy

In 2022, VOLKSBANK WIEN AG drafted and published its overall concept and the implemented measures in a Diversity Policy. Executives and employees were trained on this topic.

karriere.volksbankwien.at/wp-content/uploads/2023/01/Diversitaetspolicy.pdf

With regard to responsible corporate behaviour with a focus on human rights, VOLKSBANK WIEN AG has established a number of guidelines. The Diversity Policy is the responsibility of the HR department and is one of these guidelines. The policy is subject to an approval process and was approved by the Managing Board.

Share of women and employees with managerial responsibility

The share of women at VOLKSBANK WIEN AG is 52.8 %, and 59.0 % at Group level; the proportion of women in positions with managerial responsibility is 24.8 %, and 30.5 % at Group level. In a three-year comparison, the share of female executives in the VOLKSBANK WIEN AG Group increased by 18.2 % (from 25.8 % in 2019 to 30.5 % in 2022).

			2022	2021
Supervisory Board	Gender	Unit	S	S
Supervisory Board members		Number	14	15
	F	%	43	33.3
	M	%	57	66.7
			S	S
	Age group	Unit		
	< 30 years	%	0	0
	30–50 years	%	21	36
	> 50 years	%	79	64

			2022	2021
Managing Board	Gender	Unit	S	S
Managing Board members		Number	3	3
	F	%	0	0
	M	%	100	100
			S	S
	Age group	Unit		
	< 30 years	%	0	0
	30–50 years	%	0	0
	> 50 years	%	100	100

The presentation of the members of the Supervisory Board and the Managing Board in the tables is made from the perspective of VOLKSBANK WIEN AG (Separate).¹⁾

¹⁾ It is only in this presentation that the “governance bodies” are taken into account. The remaining key employee figures in the report always exclude the Managing Board of VOLKSBANK WIEN AG. The managing directors of VB Services and VB II are not included in the tables showing the Supervisory Board and Managing Board and are included in all other key employee figures.

SOCIAL MATTERS
EMPLOYEES

		2022		2021		
Managerial responsibility	Gender	Unit	S	G	S	G
Employees with managerial responsibility		Number	133	174	144	189
	F	%	24.8	30.5	23.6	28.0
	M	%	75.2	69.5	76.4	72.0
	Age group	Unit	S	G	S	G
	< 30 years	%	0.8	0.6	0	0
	30-50 years	%	45.9	48.3	46.5	50.3
	> 50 years	%	53.4	51.1	53.5	49.7

		2022		2021		
Managerial responsibility	Gender	Unit	S	G	S	G
Employees without managerial responsibility		Number	886	1,299	896	1,329
	F	%	57.0	62.8	57.9	64.0
	M	%	43.0	37.2	42.1	36.0
	Age group	Unit	S	G	S	G
	< 30 years	%	11.6	11.5	12.2	12.3
	30-50 years	%	53.5	54.8	55.6	56.7
	> 50 years	%	34.9	33.7	32.2	31.0

SOCIAL MATTERS

EMPLOYEES

Further training

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

For VOLKSBANKG WIEN AG, 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 Mc-Call 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 the Managing Board and Supervisory Board 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.

For the purpose of deepening professional know-how and soft skills, an external digital library with some 1,500 books and 100 audio books, with topics ranging from IT via HR development through to self-management, is available for download from the “moodle” training platform throughout Austria, in addition to the script library. The three most popular books will be presented on “moodle” as recommended literature.

For the fourth time, the combination of innovative digital learning methods with Volksbank’s core values of regionality, customer proximity and trust has resulted in an international award for Volksbank Akademie: the “VR Coaching 2.0 – Einwandbehandlung \[handling of objections]” project received the “eLearning Award 2022” in the “Coaching” category. The jury praised the mix of using VR for the acquisition of “soft skills” as an alternative to face-to-face role plays, the similarity to real conversation situations in the retail branches and the authentic and immersive learning experience in imparting knowledge.

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, VOLKSBANK WIEN AG has committed itself to high-quality education; this also applies to education on the topic of sustainability.

- » Across the Association, the 2022 education year started in January in the area of sustainability with the Europe-wide recognised certification as EFPA-ESG Advisor®. The curriculum covers the basic principles of sustainability as defined by the UN and the EU, their implementation in business, and their impact on products, processes and consulting. In 2022, 58 employees of the VOLKSBANK WIEN AG Group were certified as ESG Advisors®.
- » In April 2022, the fifth part of the e-learning format “relationship bank of the future / sustainability episode 2” was rolled out on a mandatory basis for all employees of the Association of Volksbanks. The training conveys current regulatory requirements, an update on the sustainability strategy in the Association of Volksbanks and provides information on the measures that have already been implemented. By 31 December 2022, 1,383 employees of the VOLKSBANK WIEN AG Group have completed sustainability episode 2.
- » Late in May, the training offer was expanded to include the online format “Basic Training Sustainability in Corporate Business”. Five learning videos provide corporate account managers with information on the current regulatory framework; furthermore, the opportunities of sustainability and how to implement these principles in day-to-day work are shown. In 2022, 419 employees of the VOLKSBANK WIEN AG Group completed the basic training course.
- » In mid-July, the digital offer in the area of sustainability was supplemented by the format “ERGO – sustainability preferences in the ERGO portal”. Here, within the framework of the EU Action Plan for Financing Sustainable Growth, it is important to take into account the new rules to embrace the sustainability aspect. In 2022, 300 employees of the VOLKSBANK WIEN AG Group completed this training course.
- » At management level, the “Sustainability for Fit & Proper” training was offered for the third year in a row. The training provided knowledge on current regulatory requirements and the associated practical examples, as well as the status of the sustainability project and the measures already successfully implemented. By 31 December 2022, 12 participants of the VOLKSBANK WIEN AG Group have completed this training course.
- » The annual Trainer and Examiner Fresh-up on 10 and 11 November was also dedicated to sustainability and presence-based exchange of opinions. From the keynote speech, the participants were able to gain directly applicable impulses on how employees can become sustainably active on the basis of specific standards, norms and target catalogues of the GRI and SDGs. In 2022, 15 participants of the VOLKSBANK WIEN AG Group have completed the Fresh-up.

1) These evaluations also include the participation of Managing Board and Supervisory Board members, if applicable.

SOCIAL MATTERS

EMPLOYEES

In-house training for executives

Diversity management workshops

The aim of diversity management is to create an organisational culture where everyone is able to develop and unfold their potentials. This will increase the performance, motivation and social skills of the employees, ultimately making the company more successful. VOLKSBANK WIEN AG organises workshops on this topic for all executives.

Coachings, mentoring programmes

Executives at VOLKSBANK WIEN AG are provided with coaching in addition to management courses and training. In addition, a mentoring programme by executives for executives was launched in 2021, alongside WoMentoring, and continued in 2022.

Workshop “Fit for the future as an executive”

Here, executives are introduced to the corporate and employer values, the underlying processes in employee management and the necessary regulatory knowledge in the form of a one-day workshop. At the same time, employees are invited to share and exchange internal knowledge, experience and best practices.

Workshop “Conducting successful appraisal interviews”

This workshop explains the meaning and importance of well-conducted appraisal interviews. Recognising the benefits of conversations, formulating goals correctly, receiving and giving feedback properly are just some of the essential contents of this workshop. The aim is to support executives optimally in line with the employer value of “encounters at eye level” and to prepare them to conduct successful interviews.

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. In 2022, 31 executives, including 6 members of the Supervisory Board of VOLKSBANK WIEN AG, attended this training.

In 2022, employees of VOLKSBANK WIEN AG received 47,259 hours of further training through Volksbank Akademie seminars as well as in-house and external training courses. This amounts to an average of 32 training hours per employee (headcount) of VOLKSBANK WIEN AG per year.

SOCIAL MATTERS
EMPLOYEES

Average training hours	Gender	Unit	Total	Akademie	in-house/external
Total employees		Ø hours	32.08	23.00	9.09
	F	Ø hours	27.46	19.87	7.59
	M	Ø hours	38.74	27.50	11.24
Employees without managerial responsibility		Ø hours	30.07	21.64	8.43
	F	Ø hours	26.37	19.19	7.18
	M	Ø hours	36.31	25.77	10.54
Employees with managerial responsibility		Ø hours	47.12	33.12	14.00
	F	Ø hours	44.19	30.25	13.94
	M	Ø hours	48.40	34.38	14.02

BEST PRACTICE

Further development of digital skills

The further development of digital skills has remained one of the central building blocks in the training programme offered in 2022. Using illustrative cheat sheets and explanatory videos, employees are supported in explaining the functions of the “hausbanking” app to Volksbank customers. The training of digital skills leads to a high quality of consultancy and thus to high customer satisfaction.

New educational format: Credit Risk Conference

The first Association-wide conference for Volksbank loan officers was held on 20 and 21 October 2022. The focus of the two-day summit was on the topic of “Sustainability: Commitment & Opportunity”. Eight workshops, case studies and discussions were used as a basis for knowledge transfer in the banks of the Association.

Virtual Reality Coaching

In German-speaking countries, Volksbank Akademie has positioned itself as a first mover in Sales with Virtual Reality coaching as of 2019. Within the scope of the account manager training course, realistic consultancy settings are simulated and practised with prospective account managers using a VR headset. Qualified internal VR coaches will see them through the experience. VR coaching has been a mandatory part of the account manager training course for all participants since 2020. As of 31 December 2022, 15 VR coaches are available throughout the Association. Across the Association, 31 VR coaching sessions took place in 2022 (2021: 37). With effect from 2023, the successful format will receive an upgrade in the form of a customised coach training module and an updated training course for VR coaches.

SOCIAL MATTERS

EMPLOYEES

Promotion of work-life balance

The 2022 training programme again promoted a good work-life balance for the employees of the VOLKSBANK WIEN AG Group. Across the Association, Volksbank Akademie seminars were offered both as virtual or digital learning modules (web-based training (WBT) and blended learning with webinars) and as blended learning with in-class modules. This increases the attractiveness of Volksbank as an employer, protects people's health in times of COVID-19 and reduces the burden on the environment due to the reduced amount of travelling by employees. At the same time, synergies of the new digital working world with a modern, digital educational offer can be made use of.

Four WBTs on soft skills were rolled out to all employees and executives by Pinktum (formerly Pink University): self-motivation, avoiding conflicts at work, working successfully at home and making good decisions. Pinktum provides e-learning content for effective corporate training. Its mission is to produce the best e-learning content for sustainable employee development.

Employee satisfaction

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

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

NPS and identification survey and 360-degree feedback¹⁾

In autumn 2022, the annual Association-wide NPS (Net Promoter Score) survey started with the question: "How likely are you to recommend Volksbank Wien / VB Services / VB II to a friend or acquaintance?"

A number of questions regarding employee identification with the company were added to the NPS survey. Since VOLKSBANK WIEN AG had already conducted an employee survey in 2020 and the NPS question had been part of the previous survey, the values from 2020 and 2022 could be compared.

NPS survey for VOLKSBANK WIEN AG Separate

Employee identification with VOLKSBANK WIEN AG is very high. Almost 80 % of the employees speak about Volksbank using the "we" form. More than 60 % take praise for VOLKSBANK WIEN AG as a personal compliment. Compared to the last survey in December 2020, the Net Promoter Score was improved by 19 points. The proportion of "critics" has decreased by around 25 %, while that of "active promoters" has increased by around 39 %. The response rate was 67 %, which was about the same as in the last employee survey in 2020.

NPS survey for VB Services

Employee identification with VB Services für Banken and the Association of Volksbanks is high. Almost 74 % of the employees speak about VB Services and the Association of Volksbanks using the "we" form. More than 55 % take praise for VB Services or the Association as a personal compliment. Compared to the last survey in December 2020, the Net Promoter Score declined by four points. The proportion of "critics" has increased by around 15 %, however, that of "active promoters" has also increased by around 4 %. The stable results are partly due to the 2022 restructuring and the comparatively low response rate of 44 %.

¹⁾ The survey provides statistically relevant results for VOLKSBANK WIEN AG (Separate) and VB Services. Due to the low number of responses, no statistically relevant results were achieved for VB Infrastruktur und Immobilien.

The bank considers the good results, especially at VOLKSBANK WIEN AG (Separate), as recognition of the numerous measures implemented since the last employee survey. The measures were based on specific requests from employees regarding:

- » optimal framework conditions for flexible working,
- » development opportunities and career prospects,
- » monetary & non-monetary recognition, and
- » appreciative leadership at eye level.

In order to address these wishes, the specialist departments, the HR Management function and the employee survey steering group have developed a number of measures required in this context.

Here are some of the initiatives that have been implemented:

- » The Service Heroes Award
- » Success stories of employees
- » New job profile: Sensei experts
- » Remote work regulations including the remote lump sum payment
- » Introduction of “temporary part-time”
- » COVID-19 bonus
- » Redesigned management training on “Values, Processes and Labour Law”
- » 360-degree feedback for the first management level

One year from now, the bank will again conduct a more comprehensive employee survey to gather new impulses for improvement measures. In 2023, the following issues will be dealt with, among others:

- » Focus on making employees feel that they are doing “meaningful work”
- » Cost-of-living bonus
- » Introduction of a bonus model
- » Introduction of “Urlaubswochen Plus” (additional week of annual leave, time instead of money)
- » Introduction of a young talent programme
- » Bonus for “employees recruiting employees”

360-degree feedback

On the basis of the questionnaire developed for the VOLKSBANK WIEN AG Group, feedback was obtained by Managing Board members and division managers from their working environment and this was compared with their self-assessment. The aim of the 360-degree process was to obtain and compare a third-party assessment of their own leadership competences, to derive competence development as an executive and to strengthen the reflective capacity of the feedback recipients. The 360-degree feedback process was rolled out in autumn 2022. In addition to individual discussions of the results, the overall result was also discussed with all division managers and Managing Board members in the form of a workshop.

Appraisal interviews

VOLKSBANK WIEN AG 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 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.

SOCIAL MATTERS

EMPLOYEES

Pension fund and other employee benefits

A company pension scheme is in place for the employees of VOLKSBANK WIEN AG with BONUS Pensionskassen AG. All employees with a least five years of service in the company are entitled to benefits from this fund. The employer contributes at least 2.0% (in accordance with the collective bargaining agreement and/or the relevant employer/works council agreements) of the pension assessment basis per employee and year to the pension fund. For details on other benefits, see the following link: karriere.volksbankwien.at/ihre-vorteile-bei-der-volksbank-wien/mitarbeitervorteile-benefits

BEST PRACTICE

The importance of the employee survey for VOLKSBANK WIEN AG is demonstrated by the fact that regular information is provided on the results and measures derived at management level. There is a readiness at all levels not only to accept employee feedback, but also to respond to it. In addition to the measures listed above, the content of training courses for executives has already been expanded and internal communications strengthened. As an exemplary measure, the “Service Heroes Award” is briefly presented here.

The Service Heroes Award

In 2022, too, the Service Heroes Award was presented at VOLKSBANK WIEN AG. The idea behind the award is to bring back-office employees into the spotlight, who do a marvellous job in the background to support the sales department. The winners receive transparent recognition for their performance and support in the form of an award and a thank you. All employees had the opportunity to nominate individual heroes or even

entire teams. From the numerous nominees, which were also presented on the intranet, a jury selected the winners. The employees, together with the most successful retail branches, were honoured at a ceremony held as part of the summer party.

Employee health and safety

[Creating a framework for, and supporting, work-life balance](#)

Employee health

VOLKSBANK WIEN AG is convinced that the compatibility of professional and private life is decisive for the quality of life and health of its employees. HR management sets itself the strategic goal of enabling this compatibility. A healthy and successful work-life balance is meant to be facilitated by flexible working hours and workplace models.

In difficult private phases for employees, VOLKSBANK WIEN AG tries to stand by the employees concerned – through a cooperation with Hilfswerk – and to raise employees’ awareness of the issue.

In addition, employees of VOLKSBANK WIEN AG will find many offers for support on the intranet in the form of information packages on the topics of family, care or nursing responsibilities. Also, a company physician and a company psychologist are available in case of personal stress. Various offers and preventive measures are available to help employees to stay healthy; these measures are organised by the HR department, the works council and the company physician. During working hours, healthcare offers may be used throughout the year, such as TBE or influenza immunisation.

Furthermore, “Volksbank Aktiv” courses are available to employees, which can also be attended online. These consist of yoga/90 min and Pilates/50 min, each once a week. Courses were offered in the spring, summer and autumn. There were 66 participants in total (22 for Pilates and 44 for the yoga class).

By offering their own sports groups, VOLKSBANK WIEN AG employees can keep fit by running, cycling, playing badminton or squash, skiing and cross-country skiing. The bike parking facility available in the main building, including showers and lockers, supports the possibility of cycling to work, thus contributing to promoting the health of our employees. Employees of VOLKSBANK WIEN AG are also entitled to get reduced rates within the scope of group health insurance schemes.

Regular inspections of workstations including ergonomic advice, up to individual workstation layout, are actively encouraged by both HR and the works council. After bank robberies at retail branches, in case of stress or burnout, employees can turn to a company psychologist for support. A disabled persons representative is also available to assist employees.

Safety

Within the framework of operational safety, a work standard has been drawn up that contains the main tasks and obligations arising from the Austrian Industrial Safety Act (ASchG) for VOLKSBANK WIEN AG and the Association of Volksbanks. According to the ASchG, employers are obliged to ensure the safety and health protection 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 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 work standard. Furthermore, all required documents must be made available digitally at every workplace. Each retail branch is responsible for updating these documents; 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; 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 specific 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 safety training events for employees at retail branches.

Safety training	Gender	Unit	2022	2021
Crisis intervention and safety training	F	Number	54	89
	M	Number	40	80

In total, 188 hours were spent on crisis intervention and safety training in 2022. There were no bank robberies in 2022.

SOCIAL MATTERS

EMPLOYEES

BEST PRACTICE

Balancing work and family

VOLKSBANK WIEN AG extended its successful “Keep Balance” cooperation with Hilfswerk.

“Keep Balance” cooperation with Hilfswerk Austria

Within the scope of the “Keep Balance” initiative, Hilfswerk experts lend their support to people faced with specific challenges and questions arising in various situations in life. As in the previous pandemic years, this cooperation proved its worth also in the year under review 2022: For example, 72 consultations were conducted by telephone. 198 employees attended 20 online presentations on the topic of “Fit and healthy”.

Info packages on the topics of family, care and nursing responsibilities

Austria offers a wide range of services for families and in the social sphere, as well as support measures. Particularly in industries with a high proportion of services, such as the banking industry, balancing work and family is a major challenge. The information packages clearly present and explain the wide range of offers. In this way, VOLKSBANK WIEN AG intends to assist its employees in finding their way through the labyrinth of available benefits quickly and easily.

Awards of VOLKSBANK WIEN AG

Distinction as popular employer 2022

VOLKSBANK WIEN AG is proud to have been awarded a distinction as popular employer 2022, which is based on statements made online in the categories employer in general, career, salary, corporate culture and family friendliness. The companies with the highest ratings received an award.

Audit certificate “berufundfamilie”

The state quality mark “berufundfamilie” or “hochschuleundfamilie” is awarded annually to companies and institutions that have successfully participated in the audit and have thus created needs-based framework conditions for a more family-friendly working or studying environment. VOLKSBANK WIEN AG has received the basic “berufundfamilie” audit certificate, which is valid until 2022.

OUTLOOK

Based on the strategic HR guiding principles, VOLKSBANK WIEN AG has set the following priorities for 2023:

- » Performance-related remuneration and continuous support for organisational development:
 - Implementation of variable remuneration
- » Targeted development of employees and creation of a systematic framework for this purpose:
 - Expansion of systematic succession planning
 - Extension of existing management training
- » Positioning as an attractive employer in order to create employee loyalty and acquire external talent and experts:
 - Development of young talent pool
 - Development of flexible working time models (e.g.: four-day week, one more week of leave (“Urlaubswochen Plus”), etc.)
- » Consistent use of employee feedback as a development driver for the organisation and executives:
 - Improvement of 2022 NPS value
 - Preparation of comprehensive employee survey
- » Creating a framework for meaningful work and supporting work-life balance:
 - Implementing measures from Pride & Identity
 - 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:
 - Keeping the fluctuation rate stable
- » Full equality and recognition:
 - Increase of the share of female executives between 31 December 2021 and 31 December 2023 by 10 %.
 - Decrease of equal pay gap

*Our employees
are the basis
of our success!*

SOCIAL MATTERS

EMPLOYEES



24

ELECTED WORKS COUNCIL MEMBERS REPRESENT THE INTERESTS OF EMPLOYEES WITHIN THE VOLKSBANK WIEN AG GROUP.

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 VOLKSBANK WIEN AG Group are committed to sustainable principles:

Sustainability principles of the works council members

The works council members of the VOLKSBANK WIEN AG Group

- » 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,
- » attend to conflicts with a view to a reconciliation of interests, and
- » are committed to employee representation through elected works council members throughout the Group.

14 elected works council members (among them 6 women) in VOLKSBANK WIEN AG (Separate) represent the interests of all employees of VOLKSBANK WIEN AG. 5 works council members (2 men, 3 women) were delegated by the works council to the Supervisory Board of VOLKSBANK WIEN AG and various Supervisory Board committees.

SOCIAL MATTERS
EMPLOYEES

*Strong
representation of
employee interests.*

	Unit	2022		2021		2020	
		S	G	S	G	S	G
Works council members	Number	14	24	14	24	14	24
Works council members on the Supervisory Board and in various committees	Number	5	5	5	5	5	5

	Unit	2022		2021		2020	
		S	G	S	G	S	G
Sports sections	Number	6	6	8	8	9	9
"Aktiv" programme courses	Number	2	2	2	2	3	3
"Aktiv" programme participants	Number	66	66	72	72	73	73

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 (e.g. influenza and TBE immunisation, eye exam). A company doctor is present at the VB Forum once a week.

The works council includes the position of women's affairs officer / non-discrimination officer. In case of need, employees may contact this person in all confidence. 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 dispose of a great variety of services at favourable terms (e.g. dressmaker's shop, cleaning shop, pharmacy orders). Via the "CorpLife-Mitarbeiterwelt" (employees' world) and "corporate-benefits" platforms and directly via the works council web page, various offers to employees on culture, sports and leisure, housing and many renowned brands are made available on a regular basis. Reduced-price vouchers from various companies can be purchased by employees at the works council secretariat. In

addition, upon the initiative of the works council, employees were able to have their bicycles checked in spring; the costs for the check and any material used were covered by the sports section of the works council, the Marketing department and the HR department. Since 2022, cultural events have been organised in cooperation with the cultural officers ("Kulturlotsen") of the ÖGB [Austrian federation of trade unions]. A kick-off event at Vienna's Natural History Museum was fully booked within no time. Furthermore, support was provided to an employee who held a self-defence course with 22 participants on the bank's premises. The works council also supports charitable work by employees. In 2022, for example, a collection campaign of donations in kind for the benefit of VinziDorf was carried out with great success. Six sports sections and the "VB Aktiv" yoga and Pilates classes complete the offer. In the year under review, there were 66 participants in the "Aktiv" programme. In order to give all employees the opportunity to participate, some "VB Aktiv" events have been provided as online services, which were also widely used by employees.



GOALS

In 2022, the goals of VOLKSBANK WIEN AG with regard to social commitment were the following:

- » 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 Austrian Food Blog Award and the Green Marketing Award



IMPORTANT SUCCESSES AND RESULTS

In 2022, important successes and results were achieved at VOLKSBANK WIEN AG:

- » Continuation of the Financial Literacy series on social media
- » Austria-wide image campaign with ÖSV men's and women's ski jumping teams
- » Sustainable sponsorship cooperation: 15 years of partnership with the ÖSV
- » Creative painting competition for children to design the bibs of ski jumping stars at a ski jumping event
- » Encouragement of regionality through the category "Best Culinary Shopping Experience" as part of the AFBA Austrian Food Blog Award
- » Cooperations with regard to success stories in which customers of the regional banks were presented
- » First-time participation of the bank as a partner in the Green Marketing Award

SOCIAL MATTERS SOCIAL COMMITMENT

Assuming responsibility and making a contribution to the common welfare is an integral part of the vision of VOLKSBANK WIEN AG. 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. Hardly any other form of communication is equally suited to charge a brand with strong, positive values, to create an emotional bond with customers, and to make products come alive. The basic criteria for determining whether a cooperation is suitable and relevant for VOLKSBANK WIEN AG are precisely defined and were laid down in guidelines for regional and sustainable sponsorships.

One essential aspect of the sustainability policy of VOLKSBANK WIEN AG is to support sports, cultural and social/charitable activities, thus making an important contribution to society at large. Sports and athletics play an extremely important role within society. VOLKSBANK WIEN AG 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.

In 2021, VOLKSBANK WIEN AG established guidelines on the topic of sustainable sponsorships, which describe sponsorship and promotion principles across the Association to support the regional approach. The Association of Volksbanks positions itself 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 VOLKSBANK WIEN AG, as well as on a regional level through activities that transport the Volksbank values in a sustainable manner.

COLLECTION CAMPAIGN OF DONATIONS IN KIND

EMPLOYEES OF VOLKSBANK
WIEN AG DONATE HYGIENE ARTICLES
TO THE VINZIDORF.



SOCIAL MATTERS

SOCIAL COMMITMENT

The following activities are examples of VOLKSBANK WIEN AG's commitment in 2022:

AFBA Austria Food Blog Award

The Austria Food Blog Award brought together influencers, food bloggers and people who enjoy food for the eleventh time in 2022. VOLKSBANK WIEN AG presented a submission category as a sponsor and, true to its ambitions on the topics of sustainability and regionality, brought local suppliers, weekly markets and farm shops into the spotlight under the motto "Best Culinary Shopping Experience".

Financial Literacy

The right way to handle money is essential these days, but often not easy for customers to understand in the usual banking jargon. This is the reason why, since 2021, there has been "Veronica" on the Volksbank Instagram and Facebook channels, who presents a term from the world of finance every month, making the services of VOLKSBANK WIEN AG more tangible for the customers in a playful way. For other projects, see chapter "Cooperative".

Goldi Talents Cup and talent development

Andreas Goldberger, one of the most successful ski jumpers of all times, has made it his mission to look for young ski jumping talent throughout the country. It is a great concern of VOLKSBANK WIEN AG, as a long-standing partner of the ÖSV ski jumping stars, to sponsor the Goldi Talents Cup and the Goldi talent development campaign for young talents, thus contributing to the encouragement and support of children and adolescents who are enthusiastic about the sport. Jan Hörl, a participant of the Goldi Talents Cup, is now a member of the national team and jumps in the World Cup, Lisa Eder is also a member of the national team and has already achieved several top 10 placements in the World Cup.

Cooperation with Österreichische Sporthilfe

Due to its great success, VOLKSBANK WIEN AG continued its comprehensive cooperation as national partner of Österreichische Sporthilfe in 2022, 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.

SOCIAL MATTERS
SOCIAL COMMITMENT

Success stories

In the context of media cooperations, Volksbank has brought its customers from the eight regional banks into the spotlight. This emphasises the bank’s appreciation of and attachment to regionality. Readers were invited to send in their own success stories as part of a competition. In addition, the customer portraits on the Volksbank Entrepreneur Blog were strongly promoted and further expanded.



Green Marketing Award

On 9 June 2022, the Green Marketing Award was presented for the first time to put the most sustainable products and services of the year into the spotlight. A total of 83 submissions on marketing campaigns in the fields of climate and environmental protection, fair social standards and animal welfare were registered, and awards were presented in the categories “think different”, “be aware” and “innovate”. Volksbank as partner of the Green Marketing Award acted as sponsor of the “be aware” category.



Pixi book: “Hanna lacht, so wird gutes Klima gemacht”

For World Savings Day, VOLKSBANK WIEN AG gave away the Pixi book “Hanna lacht, so wird gutes Klima gemacht” [Hanna laughs, that’s how you make a good climate] 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 protect the environment in everyday life. The Pixi books are available for download also after World Savings Day: [Pixi book](#).



“Klima-Meile” in Baden

In May 2022, the Baden climate model region organised the “Klima-Meile” event in the town’s pedestrian zone, where people passing by were able to gain insights into various topics related to climate protection, energy and e-mobility. Two Volksbank customers also presented their products and offers, some of which could be tried out directly on site. Furthermore, the “Roots & Shoot” school project, in which five Baden-based schools worked on sustainability projects, was sponsored by Volksbank with 500 euros.

SOCIAL MATTERS

SOCIAL COMMITMENT

VinziDorf collection campaign for donations in kind by VOLKSBANK WIEN AG



The VinziDorf is designed as a home for people who, for a variety of reasons, cannot make use of the existing services offered by the Vienna Assistance for the Homeless. VOLKSBANK WIEN AG supported VinziDorf in 2022 with an internal collection campaign for donations in kind. A large quantity of hygiene articles, which were urgently needed at that time, were handed over.

RED NOSES Recycling4Smile project

The RED NOSES charity has been working for many years with reliable partners who turn used toner into valuable donations. VOLKSBANK WIEN AG has been supporting the free collection campaign since the beginning of 2018 and donates all waste toner cartridges that accumulate at the headquarters and retail branches of VOLKSBANK WIEN AG to this

initiative. Instead of ending up in the waste bin, they are collected and recycled. Every reusable ink and toner cartridge means a donation for RED NOSES. In this way, VOLKSBANK WIEN AG not only protects the environment, but also makes a significant contribution to more laughter in hospitals.

OUTLOOK

Volksbank's cooperation with Österreichische Sporthilfe will be continued next year and enhanced with regional success stories. In addition, the image campaign "Success starts where trust is built" will be continued. Its motto will be: "Hinter dem Erfolg" [Behind success] – with a new content series on the www.volksbank.at/hinterdemerfolg page and a competition in cooperation with the ÖSV men's and women's ski jumping teams. The Goldi Talents Cup and the Goldi talent development campaign will be continued to build up more ski jumping talent for the future. VOLKSBANK WIEN AG clearly demonstrates that long-term partnerships ensure sustainable success. As part of its social media strategy, VOLKSBANK WIEN AG brings selected SME customers of the regional Volksbanks to the fore on further blog videos and as part of a commercial campaign. The "Veronica" Financial Literacy series will also be continued. After being a partner in the Green Marketing Award for the first time in 2022, the bank will do so again in 2023, actively supporting people in making their lifestyles more sustainable.

SKI AUSTRIA



ANNEX/ENCLOSURE

SIGNIFICANT NON-FINANCIAL RISKS

Presentation of risks from the activities of VOLKSBANK WIEN AG pursuant to the Austrian Sustainability and Diversity Improvement Act (NaDiVeG)

Sustainability topic	Matters pursuant to the NaDiVeG	Significant risks (for matters pursuant to the NaDiVeG)	Measures	Opportunities
Regionality	<ul style="list-style-type: none"> » Environmental matters » Social matters 	<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 subsidised financing » Builder-owner models » Securing regional investments » Selection of local suppliers and networking of regional business operators with members/ customers of VOLKSBANK WIEN AG 	<ul style="list-style-type: none"> » Positioning VOLKSBANK WIEN AG 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"> » Environmental matters » Social matters 	<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 footprints for investments and financing » Incorporating integral ESG factors into banking processes and the risk framework » Continuous improvement of the distribution of ESG 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"> » Social matters 	<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 consulting process » Reduction of CO₂ emissions in the core business » Creating customer awareness regarding ESG risks and opportunities

ANNEX/ENCLOSURE

SIGNIFICANT NON-FINANCIAL RISKS

Sustainability topic	Matters pursuant to the NaDiVeG	Significant risks (for matters pursuant to the NaDiVeG)	Measures	Opportunities
Digitisation	» Social matters	» Missing out on digitisation trends » Insufficient range of services offered to customers	» Continuous further development of digital services ("hausbanking") and digital processes » Digitisation of the banking business with state-of-the-art options	» Taking the lead in the industry » Competitive advantages » Facilitating banking transactions for customers » More transparency and traceability for customers » Efficiency increase
Employee health and safety	» Employee issues » Social matters	» Occupational diseases due to sedentary work » Stress-related sick leaves	» Regular evaluation of occupational safety risks » Ergonomics training courses » Sports opportunities offered to employees	» Positioning as an attractive employer » Low number of sick days » Better employer branding
Training and education	» Employee issues » Social matters	» Inadequate training of employees	» Extensive training and education programme by Volksbank Akademie » Full integration of ESG issues into the bank's risk culture	» Continuous further development of employee know-how » Competitive advantages » Low fluctuation » Better employer branding
Employee satisfaction	» Employee issues » Social matters	» Employee fluctuation » Image loss in the labour market » Loss of know-how due to key personnel leaving the company	» Wide range of training options » Diversity concept » Sports activities » Feedback culture » Clear development stages » Service Heroes Award » Regular employee surveys	» Positioning as an attractive employer » Low fluctuation » Good employer branding » Good 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	» Employee issues » Social matters	» 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 » Discrimination against female employees	» Diversity concept » Women's Network	» 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

ANNEX/ENCLOSURE

SIGNIFICANT NON-FINANCIAL RISKS

Sustainability topic	Matters pursuant to the NaDiVeG	Significant risks (for matters pursuant to the NaDiVeG)	Measures	Opportunities
Energy and climate	» Environmental matters	» No consideration of environmental criteria in the operation of office buildings » Excessive energy consumption in buildings	» Energy efficiency measures at headquarters and in retail branches » Annual calculation of Scope 1 and 2 CO ₂ emissions » Future calculation of Scope 3 CO ₂ emissions » Setting climate targets » Reduction of energy consumption » Sparing use of resources » Sustainability criteria in procurement » Greening of vehicle fleet	» Improving resource efficiency » Leading by example in the ecological design of office operations » Image improvement » Competitive advantages » Cost savings » Contribution to climate protection through CO ₂ savings
Data protection and security	» Social matters	» Data theft » Loss of customer data	» State-of-the-art IT security systems » Training regarding the General Data Protection Regulation/handling of customer data » Compliance management » E-learning	» Facilitating banking transactions for customers » Strengthened trust on the part of customers
Human rights	» Respect for human rights	» Insufficient respect for human rights in the granting of financing and in investment products	» Integral ESG training courses (incl. human rights) » Exclusion criteria for financing » Approval procedure » Consideration of social factors in qualitative risk assessment	» Protection of human rights » Image improvement » Competitive advantages
Professional ethics and compliance	» Combating corruption and bribery	» Non-compliance with laws and regulations » Corruption cases	» Corruption prevention » Compliance manual » Compliance training courses » Code of Conduct » Exclusion criteria	» Image improvement » Competitive advantages » Reduction of reputation and operational risks

ANNEX/ENCLOSURE

FULLY CONSOLIDATED COMPANIES OF VOLKSBANK WIEN AG

Fully consolidated companies	Employees FTE	Share in capital
VB Services für Banken Ges.m.b.H.	304.16	100.00
VB Infrastruktur und Immobilien GmbH	52.32	100.00
3V-Immobilien Errichtungs-GmbH	none	100.00
Gärtnerbank Immobilien GmbH	none	100.00
GB IMMOBILIEN Verwaltungs- und Verwertungs-GmbH	none	100.00
VB Rückzahlungsgesellschaft mbH	none	100.00
VOBA Vermietungs- und Verpachtungsges.m.b.H.	none	99.00
VVG Vermietung von Wirtschaftsgütern Gesellschaft m.b.H.	none	100.00

ANNEX/ENCLOSURE
GRI CONTENT INDEX

GRI Content Index

Statement of application

The sustainability report provided by VOLKSBANK WIEN AG, 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.

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, 140				
2-2 Entities included in the organisation's sustainability reporting	8, 123				
2-3 Reporting period, frequency and contact point	8-9				
2-4 Restatements of information	8, 88, 90				
2-5 External assurance	137-139				
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, 50-58, 73-75				
2-7 Employees	97-98				GRI 2-7 b.iii. is not applicable to VOLKSBANK WIEN AG.
2-8 Workers who are not employees		2-8	Not applicable	There are no workers who are not employees.	

ANNEX/ENCLOSURE 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					
2-9 Governance structure and composition	22-24, 100	Part of content not yet available	GRI 2-9 c.vii. The information on the competences is currently not yet available for evaluation and will be collected for the CRR Disclosure as at the reporting date of 30 June 2023 and disclosed there.	GRI 2-9 c.ii. and c.iii. Duration of term of office and information on independence are not provided in the CRR Disclosure. Therefore not yet available and to be disclosed in the CRR Disclosure as at 30 June 2023. GRI 2-9 c.vi. has not yet been ascertained for VOLKSBANK WIEN AG. For the next report, it will be evaluated whether this topic is relevant.	The management structure is presented in the Annual Report in the chapters The Managing Board and The Supervisory Board ¹⁾ . Available at: www.volksbankwien.at/m101/volksbank/m044_43000/de/individuelle_seite/investoren/geschaeftsberichte.jsp For details see Qualitative Disclosure under the CRR in the chapter Information on corporate governance regulations ¹⁾ . Available at: www.volksbankwien.at/m101/volksbank/m044_43000/de/individuelle_seite/investoren/offenlegung_vbw.jsp GRI 2-9 c.i. Pursuant to the Austrian Stock Corporation Act, Supervisory Board members must not be members of the Managing Board and vice versa. GRI 2-9 c.iv. For details see Qualitative Disclosure under the CRR in the chapter Information on corporate governance regulations ¹⁾ . Available at ²⁾ : www.volksbankwien.at/m101/volksbank/m044_43000/de/individuelle_seite/investoren/offenlegung_vbw.jsp GRI 2-9 c.v. see page 100 GRI 2-9 c.vii. The Supervisory Board has a general knowledge about sustainability, which is enhanced in Fit & Proper training courses on sustainability. Competences relevant to the organisation's impact include competences commonly associated with the organisation's industries, products and geographical locations.
2-10 Nomination and selection of the highest governance body					For details on the nomination process and committee see the Annual Report in the chapter Report of the Supervisory Board ¹⁾ , the Qualitative Disclosure under the CRR in the chapter Information on corporate governance regulations ¹⁾ and the Remuneration Policies. The Annual Report is available at: www.volksbankwien.at/m101/volksbank/m044_43000/de/individuelle_seite/investoren/geschaeftsberichte.jsp The CRR Disclosure is available at: www.volksbankwien.at/m101/volksbank/m044_43000/de/individuelle_seite/investoren/offenlegung_vbw.jsp The Remuneration Policies are available at: www.volksbankwien.at/m101/volksbank/m044_43000/de/individuelle_seite/investoren/offenlegung_vbw.jsp See Disclosure pursuant to section 65a of the Austrian Banking Act.
2-11 Chair of the highest governance body					Members of the highest governance body are not executives of VOLKSBANK WIEN AG.
2-12 Role of the highest governance body in overseeing the management of impacts	18, 23-24				GRI 2-12 b.i. Currently, the exchange focuses on internal stakeholders.

1) At the time of publication of the report, the exact pages of the Annual Report and the CRR Disclosure had not yet been determined. In order to present the information as clearly as possible, reference is made to the relevant chapters.

2) See the latest available CRR Disclosure for the 2021 business year. This is updated annually. At the time of reporting, this was the most recent version.

ANNEX/ENCLOSURE

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	22-24				
2-14 Role of the highest governance body in sustainability reporting	24				
2-15 Conflicts of interest					For details see Qualitative Disclosure under the CRR in the chapter Information on corporate governance regulations ¹⁾ , which is available at: www.volksbankwien.at/m101/volksbank/m044_43000/de/individuelle_seite/investoren/offenlegung_vbw.jsp
2-16 Communication of critical concerns	39				
2-17 Collective knowledge of the highest governance body	23, 102-104				
2-18 Evaluation of the performance of the highest governance body	22-25				
2-19 Remuneration policies					For details on the Remuneration Policies, see Disclosure pursuant to section 65a of the Austrian Banking Act. Available at: www.volksbankwien.at/m101/volksbank/m044_43000/de/individuelle_seite/investoren/offenlegung_vbw.jsp
2-20 Process to determine remuneration					For details on the Remuneration Policies and the Remuneration Committee, see Disclosure pursuant to section 65a of the Austrian Banking Act. Available at: www.volksbankwien.at/m101/volksbank/m044_43000/de/individuelle_seite/investoren/offenlegung_vbw.jsp
2-21 Annual total compensation ratio		2-21	Restrictions due to confidentiality obligation	For reasons of confidentiality, there is no disclosure. The media income is disclosed internally and thus a retroactive calculation regarding the salary of an individual member of the Managing Board would be possible.	

ANNEX/ENCLOSURE GRI CONTENT INDEX

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	19				<p>The Code of Conduct is publicly available at: www.volksbankwien.at/hausbank/das-unternehmen/code-of-conduct</p> <p>The Diversity Policy is publicly available at: karriere.volksbankwien.at/wp-content/uploads/2023/01/Diversitaetspolicy.pdf</p> <p>The Data Protection Policy is publicly available at: www.volksbankwien.at/datenschutz</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. Further due diligence processes for sustainability will be established in the course of the CSRD preparations.</p>
2-24 Embedding policy commitments	19, 35-36, 38, 100				
2-25 Processes to remediate negative impacts					At VOLKSBANK WIEN AG, 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 39. Stakeholders are currently not involved in the development of processes.
2-26 Mechanisms for seeking advice and raising concerns	37				
2-27 Compliance with laws and regulations	37				In 2022, no penalties or non-monetary sanctions were imposed on VOLKSBANK WIEN AG.
2-28 Membership associations	Cover				
Stakeholder engagement					
GRI standard/other source: GRI 2: General Disclosures 2021					
2-29 Approach to stakeholder engagement	18, 32-33				
2-30 Collective bargaining agreements	97				

ANNEX/ENCLOSURE

GRI CONTENT INDEX

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	18				
3-2 List of material topics	18				
Regionality					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	70-77				
GRI standard/other source: GRI 201: Economic Performance 2016					
201-1 Direct economic value generated and distributed		201-1	Not applicable	Regional performance is mainly associated with indirect impacts and not through its own employment impact, tax performance or supplier expenses.	Not applicable
201-2 Financial implications and other risks and opportunities due to climate change		201-2a. ii.-v.	No contents available	Climate risk management in accordance with the TCFD is currently being developed; information will be published from the 2025 report onwards.	
201-3 Defined benefit plan obligations and other retirement plans		201-3	Not applicable	Pension provision in Austria is well covered by the state, additional contribution to employee satisfaction by VOLKSBANK WIEN AG is manageable.	
201-4 Financial assistance received from government					For details on the participation right payments of the Austrian Federal Government, see the Annual Report in the chapter Group Management Report/Business Development and in the Notes ¹⁾ The Annual Report is available at: www.volksbankwien.at/m101/volksbank/m044_43000/de/individuelle_seite/investoren/geschaeftsberichte.jsp
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 VOLKSBANK WIEN AG. VOLKSBANK WIEN AG itself does not build any infrastructure for the public.	
203-2 Significant indirect economic impacts	70-77	203-2b.	Not applicable	No specific standards available.	It was identified as a significant impact that VOLKSBANK WIEN AG 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	72				
Share of regional suppliers	75				

ANNEX/ENCLOSURE
GRI CONTENT INDEX

MATERIAL TOPICS

Information	Position	Requirements omitted	Reason for omission	Statement on omission	More information
Sustainable investment					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	50-51, 55-62				
GRI standard/other source: GRI 305: Emissions 2016					
305-3 Other indirect (Scope 3) GHG emissions	60				
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	59-61				
GRI standard/other source: Own indicator					
Share of sustainable funds	60				
Sustainable financing					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	50-55, 63-65				
GRI standard/other source: GRI 201: Economic Performance 2016					
201-2 Financial implications and other risks and opportunities due to climate change	78-81, 120, 122				
GRI standard/other source: GRI 305: Emissions 2016					
305-3 Other indirect (Scope 3) GHG emissions	29-30				
GRI standard/other source: Own indicator					
Volume of projects funded	54				

ANNEX/ENCLOSURE

GRI CONTENT INDEX

MATERIAL TOPICS

Information	Position	Requirements omitted	Reason for omission	Statement on omission	More information
Customer satisfaction					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	44-48				
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 for financial products.	
417-2 Incidents of non-compliance concerning product and service information and labelling	37				
417-3 Incidents of non-compliance concerning marketing communications	37				
GRI standard/other source: Own indicator					
Customer satisfaction awards	45-48				
Digitisation					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	82-84				
GRI standard/other source: Own indicator					
Use of "hausbanking"	83				
Employee health and safety					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	94-95, 108-109				
GRI standard/other source: GRI 403: Occupational health and safety 2018					
403-1 Occupational health and safety management system	108-109				
403-2 Hazard identification, risk assessment, and incident investigation	108-109				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.

ANNEX/ENCLOSURE
GRI CONTENT INDEX

MATERIAL TOPICS

Information	Position	Requirements omitted	Reason for omission	Statement on omission	More information
Employee health and safety					
GRI standard/other source: GRI 403: Occupational health and safety 2018					
403-3 Occupational health services	108-109				
403-4 Worker participation, consultation and communication on occupational health and safety	108-109				
403-5 Worker training on occupational health and safety	108-109				
403-6 Promotion of worker health	108-109, 113				
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		403-7	Not applicable	VOLKSBANK WIEN AG's business relationships and services do not pose any risks to the safety and health of its employees.	
403-8 Workers covered by an occupational health and safety management system					There is no certified environmental 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	109				
Number of robberies	109				
Participants in "Volksbank Aktiv"	108				

ANNEX/ENCLOSURE

GRI CONTENT INDEX

MATERIAL TOPICS

Information	Position	Requirements omitted	Reason for omission	Statement on omission	More information
Training and education					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	94-95, 102-106				
GRI standard/other source: GRI 404: Training and education 2016					
404-1 Average hours of training per year per employee	105				
404-2 Programmes for upgrading employee skills and transition assistance programmes	110				
404-3 Percentage of employees receiving regular performance and career development reviews	107				
Employee satisfaction					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	94-95, 106-108				
GRI standard/other source: GRI 401: Employment 2016					
401-1 New employee hires and employee turnover	98				
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees					In terms of company benefits, VOLKSBANK WIEN AG does not differentiate between different employee relationships. All company benefits are presented on the careers page: karriere.volksbankwien.at
401-3 Parental leave		401-3	No information available	The indicators on employees with regard to parental leave cannot be evaluated at present. A data collection process is initiated. The key figure will be disclosed as at the 2024 report at the latest.	
GRI standard/other source: Own indicator					
Result of Net Promoter Score	106				

MATERIAL TOPICS

Information	Position	Requirements omitted	Reason for omission	Statement on omission	More information
Diversity and equal opportunities					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	94-95, 99-101				
GRI standard/other source: GRI 405: Diversity and equal opportunity 2016					
405-1 Diversity of governance bodies and employees	100-101				
405-2 Ratio of basic salary and remuneration of women to men	100				
GRI standard/other source: GRI 406: Non-discrimination 2016					
406-1 Incidents of discrimination and corrective actions taken	99-101, 113, 121	406-1 a., b. i., iv.	Information not complete	For the 2022 business year, the key figure on incidents of discrimination is not available. A data collection process is initiated. The key figure will be disclosed as at the 2024 report at the latest.	
Energy and climate					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	86-93				
GRI standard/other source: GRI 302: Energy 2016					
302-1 Energy consumption within the organisation	89, 90				Total power consumption in 2022 from renewable sources, for 2020 and 2021 split between renewable and non-renewable power consumption cannot be provided.
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	89, 90				All energy consumed is used within VOLKSBANK WIEN AG only.
302-4 Reduction of energy consumption		302-4	No information available	No information is available for the 2022 business year. In 2023, the reduction of energy will be examined as part of an energy efficiency project and the indicator is expected to be published in the follow-up 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.	

ANNEX/ENCLOSURE

GRI CONTENT INDEX

MATERIAL TOPICS

Information	Position	Requirements omitted	Reason for omission	Statement on omission	More information
Energy and climate					
GRI standard/other source: GRI 305: Emissions 2016					
305-1 Direct (Scope 1) GHG emissions	87-88				The CCF was calculated in accordance with the Greenhouse Gas Protocol. All greenhouse gases according to the Kyoto Protocol were included in the calculations. There are no biogenic CO ₂ emissions. The emission factors used are provided by EcoInvent, the German Federal Environment Agency (UBA) and the International Energy Agency (IEA).
305-2 Energy indirect (Scope 2) GHG emissions	87-88				The CCF was calculated in accordance with the Greenhouse Gas Protocol. All greenhouse gases according to the Kyoto Protocol were included in the calculations. There are no biogenic CO ₂ emissions. The emission factors used are provided by EcoInvent, the German Federal Environment Agency (UBA) and the International Energy Agency (IEA).
305-4 GHG emissions intensity	87-88				
305-5 Reduction of GHG emissions		305-5	No information available	No information is available for the 2022 business year. In 2023, the GHG reduction will be examined as part of an energy efficiency project and the indicator is expected to be published in the follow-up report.	
305-6 Emissions of ozone-depleting substances (ODS)		305-6	Not applicable	No direct impact due to office and 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 branch operations	
GRI standard/other source: Own indicator					
Consumption of printing and copying paper	91				

MATERIAL TOPICS

Information	Position	Requirements omitted	Reason for omission	Statement on omission	More information
Data protection and security					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	38, 40-42				
GRI standard/other source: GRI 418: Customer Privacy 2016					
418-1 Substantiated complaints concerning breaches of customer privacy or losses of customer data	38, 41				
Human rights					
GRI standard/other source: GRI 3: Material topics 2021					
3-3 Management of material topics	36				
GRI standard/other source: Own indicator					
Training hours for employees on human rights policies	36				
Other indicators					
GRI standard/other source: GRI 205: Anti-corruption 2016					
205-1 Operations assessed for risks related to corruption		205-1	No information available	No information is available for the 2022 business year. Currently, no standardised evaluation is available in this regard. In 2023, a data collection process is initiated and the indicator will be disclosed in the future.	
205-2 Communication and training about anti-corruption policies and procedures		205-2	No information available	No information is available for the 2022 business year. Currently, no standardised evaluation is available in this regard. In 2023, a data collection process is initiated and the indicator will be disclosed in the future.	
205-3 Confirmed incidents of corruption and actions taken	37				

ANNEX/ENCLOSURE

GRI CONTENT INDEX

MATERIAL TOPICS

Information	Position	Requirements omitted	Reason for omission	Statement on omission	More information
Other indicators					
GRI standard/other source: GRI 206: Anti-competitive behaviour 2016					
206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	38				
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 branch operations	
304-2 Significant impacts of activities, products, and services on biodiversity	25, 80				
304-3 Habitats protected or restored		304-3	Not applicable	No direct impact due to office and branch operations	
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 branch operations	

ANNEX/ENCLOSURE
AUDIT REPORT OF KPMG

VOLKSBANK WIEN AG, Vienna
Independent Assurance Report on the Non-financial Report according to §§ 243b and 267a UGB as of 31 December 2022

To
the board of directors of
VOLKSBANK WIEN AG,
Vienna

This English language independent assurance report is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation nor for any errors or misunderstandings that may derive from the translation.

Independent Assurance Report on the Non-financial Reporting according to §§ 243b and 267a UGB

We have performed an independent limited assurance engagement on the combined consolidated non-financial report according to §§ 243b and 267a UGB ("NFI report") for the financial year 2022, which has been published as Sustainability Report 2022 of

**VOLKSBANK WIEN AG,
Vienna**
(referred to as "VB Wien" or "the Company").

Conclusion

Based on the procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the NFI report of the Company is not in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB), the provisions of Article 8 of the Regulation (EU) 2020/852 as amended and the supplementing delegated Regulation (EU) 2021/2178 (hereafter "EU Taxonomy Regulation") and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option "in accordance with" in all material respects. Not in scope of our assurance procedures and therefore not covered by our assurance report is chapter "DEGRESSION – PRODUCT PARTNERS OF VOLKSBANK WIEN AG".

Management's Responsibility

The Company's management is responsible for the proper preparation of the NFI report in accordance with the reporting criteria. The Company applies the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option "in accordance with" as reporting criteria. In addition, the company prepares disclosures in accordance with the EU Taxonomy Regulation, which are published as part of sustainability reporting.

The Company's management is responsible for the selection and application of appropriate methods for non-financial reporting (especially the selection of significant matters) as well as the use of appropriate assumptions and estimates for individual non-financial disclosures, given the circumstances. Furthermore, their responsibilities include the design, implementation and

ANNEX/ENCLOSURE

AUDIT REPORT OF KPMG



VOLKSBANK WIEN AG, Vienna
 Independent Assurance Report on the Non-financial Report according
 to §§ 243b and 267a UGB as of 31 December 2022

maintenance of systems, processes and internal controls that are relevant for the preparation of the sustainability report in a way that is free of material misstatements – whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to state whether, based on our procedures performed and the evidence we have obtained, anything has come to our attention that causes us to believe that the Company's NFI report is not in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB), the legal requirements of the EU Taxonomy Regulation and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option "in accordance with" in all material respects.

Our engagement was conducted in conformity with the International Standard on Assurance Engagements (ISAE 3000) applicable to such engagements. These standards require us to comply with our professional requirements including independence requirements, and to plan and perform the engagement to enable us to express a conclusion with limited assurance, taking into account materiality.

An independent assurance engagement with the purpose of expressing a conclusion with limited assurance ("limited assurance engagement") is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance ("reasonable assurance engagement"), thus providing reduced assurance. Despite diligent engagement planning and execution, it cannot be ruled out that material misstatements, illegal acts or irregularities within the non-financial report will remain undetected.

The procedures selected depend on the auditor's judgment and included the following procedures in particular:

- Inquiries of personnel at the group level, who are responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting thresholds of the Company;
- A risk assessment, including a media analysis, on relevant information on the Company's sustainability performance in the reporting period;
- Evaluation of the design and implementation of the systems and processes for the collection, processing and monitoring of disclosures on environmental, social and employees matters, respect for human rights, anti-corruption as well as bribery and also includes the consolidation of data;
- Inquiries of personnel at the group level, who are responsible for providing, consolidating and implementing internal control procedures relating to the disclosure of concepts, risks, due diligence processes, results and performance indicators;
- Inspection of selected internal and external documents, in order to determine whether qualitative and quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- Analytical evaluation of the data and trend of quantitative disclosures regarding the GRI Standards listed in the GRI-Index, submitted by all locations for consolidation at the group level;
- Evaluation of the consistency of the of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB), the EU Taxonomy Regulation and the GRI Standards, Option "in accordance with" to disclosures and indicators of the NFI report, which apply to the Company;
- Evaluation of the overall presentation of the disclosures by critically reading the NFI report.

ANNEX/ENCLOSURE

AUDIT REPORT OF KPMG



VOLKSBANK WIEN AG, Vienna
*Independent Assurance Report on the Non-financial Report according
to §§ 243b and 267a UGB as of 31 December 2022*

The procedures that we performed do not constitute an audit or a review. Our engagement did not focus on revealing and clarifying of illegal acts (such as fraud), nor did it focus on assessing the efficiency of management. Furthermore, it is not part of our engagement to audit future-related disclosures, prior year figures, statements from external sources of information, expert opinions or references to more extensive external reporting formats and the webpage of the Company. Also not covered by our assurance report is the information presented in chapter "DEGRESSION – PRODUCT PARTNERS OF VOLKSBANK WIEN AG" on pages 58 to 69 and the indicator GRI G4 FS11 contained therein as well as references from the GRI index to this chapter.

Restriction on use

Because our report will be prepared solely on behalf of and for the benefit of the principal, its contents may not be relied upon by any third party, and consequently, we shall not be liable for any third party claims. We agree to the publication of our assurance certificate and NFI report. However, publication may only be performed in its entirety and as a version has been certified by us.

General Conditions of Contract

Our responsibility and liability towards the Company and any third party is subject to paragraph 7 of the General Conditions of Contract for the Public Accounting Professions.

Vienna, 8th March 2023

KPMG Alpen-Treuhand GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Peter Ertl
Wirtschaftsprüfer
(Austrian Chartered Accountant)

LEGAL NOTICE

The Managing Board

Vienna, 8 March 2023

Gerald Fleischmann
Chairman of the Managing Board

Rainer Borns
Member of the Managing Board

Thomas Uher
Member of the Managing Board

Media owner and producer

VOLKSBANK WIEN AG
A-1030 Vienna, Dietrichgasse 25
Telephone: +43 (1) 40137-0
e-mail: information@volksbankwien.at
Internet: www.volksbankwien.at

As at

March 2023

Editorial team

Monika Tögel
Christina Eder
and members of the
Sustainability Report team
(page 16)

Design and production

Bianca Statna

Photos

iStockphoto ilyast, Robert Polster,
Marko Mestrovic

Consultancy

denkstatt GmbH
A-1130 Vienna, Hietzinger Hauptstrasse 28



denkstatt

create sustainable value

Translation

All Languages Alice Rabl GmbH

Association of Volksbanks

Apart from the primary banks, VBVM
(Volksbank Vertriebs- und Marketing eG)
is also part of the Association of
Volksbanks.

Volksbank primary banks

8 regional Volksbanks, 1 special
bank (Österreichische Ärzte- und
Apothekerbank AG).



[FOREWORD](#)

[ABOUT THE REPORT](#)

[COOPERATIVE](#)

[SUSTAINABILITY MANAGEMENT](#)

[CORPORATE VALUES](#)

[ECONOMY](#)

[DIGITISATION](#)

[ECOLOGY](#)

[SOCIAL MATTERS](#)

[ANNEX](#)

[LEGAL NOTICE](#)

