

**SUS
TAIN
ABILITY
REPORT
2021**

**ASSOCIATION OF
VOLKSBANKS**

OVERVIEW



98.8 %

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



Ø 15.1 T CO₂E/EURO MILLION SALES¹⁾

CO₂ FOOTPRINT OF THE BANKING BOOK



2021

SUSTAINABILITY CONTINUES TO BE INTEGRATED INTO ALL AREAS OF THE BANK.



FIRST-TIME DATA COLLECTION ON "ENERGY AND CLIMATE" FOR THE ENTIRE ASSOCIATION



80

ELECTED WORKS COUNCIL MEMBERS REPRESENT THE INTERESTS OF EMPLOYEES WITHIN THE ASSOCIATION OF VOLKSBANKS.

101,632

JOINT CUSTOMERS ARE SERVED BY THE ASSOCIATION OF VOLKSBANKS AND ITS PARTNER ERGO.²⁾

APPROX. 10 %

EVERY 2 YEARS IS THE TARGET INCREASE OF THE PROPORTION OF WOMEN IN MANAGERIAL POSITIONS.

3,662



EMPLOYEES HAVE COMPLETED THE SUSTAINABILITY TRAINING.³⁾

3,919 EMPLOYEES

ARE WORKING FOR THE ASSOCIATION OF VOLKSBANKS.⁴⁾

15,000

EUROS DONATED TO ÖSTERREICHISCHE SPORTRHILFE BY CALCULATING THE CO₂ FOOTPRINT ON WWW.BEWUSSTESSEN21.AT



1) These are Scope 1 and 2 values, as many companies do not yet provide Scope 3 values.

2) As at 31 Dec. 2021

3) Period under review 24 Feb. 2021 to 31 Dec. 2021

4) Employees with cut-off date 31.12.2021



88 %

OF CUSTOMERS ARE VERY SATISFIED/SATISFIED WITH THE ONLINE BANKING APP ("HAUSBANKING").¹⁾

11TH DISTINCTION

FOR THE QUALITY OF SERVICE AND CONSULTANCY OF 'DER FAIRE CREDIT' AWARDED BY TÜV AUSTRIA.²⁾



3 STRONG PARTNERS

ASSIST THE ACCOUNT MANAGERS OF THE ASSOCIATION OF VOLKSBANKS IN PROVIDING OPTIMAL SERVICES TO THEIR CUSTOMERS.



BY SPECIFICALLY SELECTING THE ORGANISATIONS IT JOINS, THE ASSOCIATION OF VOLKSBANKS DEMONSTRATES ITS DEDICATION AND COMMITMENT.



38.5 %

INCREASE IN THE USE OF PRODUCT AND SERVICE ORDERS IN THE "HAUSBANKING" APP.



95.3 %

OF FINANCING TRANSACTIONS WITHIN THE REGION



EURO 125.6 BILLION

ARE MANAGED BY UNION INVESTMENT IN SUSTAINABLY MANAGED FUNDS AND MANDATES.¹⁾



42 %

IS THE SHARE OF SUSTAINABLE FUNDS IN 2021 FUND SALES.



1) online survey on performance, functions and usability, autumn 2021

2) see page 41

3) as at 31 Dec. 2021, source: Union Investment

4) Cooperation of VOLKSBANK WIEN AG in Committee 251 "Corporate Social Responsibility" at Austrian Standards

SUSTAINABILITY REPORT 2021

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



2021

SUSTAINABILITY
CONTINUES TO BE INTEGRATED
INTO ALL AREAS OF THE BANK.

SUSTAINABILITY REPORT 2021

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

8 ABOUT THE REPORT

10 COOPERATIVE

14 SUSTAINABILITY MANAGEMENT

30 CORPORATE VALUES

- 30** CODE OF CONDUCT AND COMPLIANCE
- 36** DATA SECURITY
- 38** CUSTOMER SERVICE QUALITY

42 ECONOMY

42 SUSTAINABLE PRODUCTS AND SERVICES

50 DIGRESSION

- 50** PRODUCT PARTNERS OF THE ASSOCIATION OF VOLKSBANKS
- 51** UNION INVESTMENT
- 54** TEAMBANK AG
- 56** ERGO INSURANCE AG

- 60** REGIONALITY
- 68** RISK MANAGEMENT

72 DIGITISATION

76 ECOLOGY

76 ENERGY AND CLIMATE

82 SOCIAL MATTERS

- 82** EMPLOYEES
- 98** SOCIAL COMMITMENT

102 ANNEX

- 102** SIGNIFICANT NON-FINANCIAL RISKS
- 105** COMPANIES INCLUDED/
FULLY CONSOLIDATED AFFILIATED COMPANIES
- 106** GRI CONTENT INDEX

113 LEGAL NOTICE

EXCERPT FROM THE KEY INDICATORS

2021

Sustainability management	Unit	Association of Volksbanks	Page
Taxonomy-eligible total assets	Euro million	9,713	22
Financed emissions (Scope 3) – Corporates	t CO ₂ e	223,917	26
Financed emissions (Scope 3) – Real Estate	t CO ₂ e	89,243	26
Compliance			
Confirmed cases of corruption	Number	0	33
Total financial penalties of all kinds	Euro	0	33
Data security			
Percentage of employees who received training on the topic of information security	%	98.7	37
Sustainable products and services			
Share of sustainable funds in Union Investment volume	%	42	46
Digression / product partners			
Volume of Association of Volksbanks in Union Investment funds	Euro thousand	4,950,728	52
Share of sustainable funds in Union Investment volume	%	37.28	52
Volume of 'der faire Credit' TeamBank customers Association of Volksbanks	Euro thousand	678,534	54
Joint customers TeamBank Association of Volksbanks	Number	48,636	54
New ERGO insurance policies taken out by customers of the Association of Volksbanks	Number	14,720	56
New business volume of ERGO insurance contracts by customers of the Association of Volksbanks	Euro thousand	24,723	56

EXCERPT FROM THE KEY INDICATORS 2021

Regionality	Unit	Association of Volksbanks	Page
Share of regional financing in all financing transactions	%	95.3	62
Share of regional financing in all savings deposits and other deposits	%	91.5	62
Energy and climate			
Printing and copying paper	kg per FTE	55.5	79
Waste generation	kg per FTE	91.7	80
Employees¹⁾			
Headcount	Number	3,919	85
Employees by full-time equivalents	FTE	3,128	85
in positions with managerial responsibility (F) ²⁾	%	24	87
in positions with managerial responsibility (M) ²⁾	%	76	87
Works council members	Number	80	97

1) as at the reporting date 31 Dec. 2021

2) F = female, M = male

FOREWORD



Dear readers,

the continuing COVID-19 pandemic has again confirmed the importance of the regional business model of the Association of Volksbanks in 2021. Because of our strong customer proximity, we were able to provide targeted assistance again this year. We are convinced that it is very important to accompany our customers consistently from the beginning, despite the many public support options, for them to be able to continue to participate successfully in economic life after the crisis and after the end of the government measures. The pandemic has also brought great progress in the sphere of digitisation, both in internal collaboration and in retail business through "hausbanking", the digital world of finance. This trend will continue in the longer term and will help us ensure that our business operations are not only more efficient, but also more resource-saving.

As a basis for sustainability management, the materiality analysis of the Association of Volksbanks was performed for the first time in 2021 with the help of our stakeholders. Stakeholder interest was high. More than 9,000 of them took part in the survey. In addition, intensive work was carried out on further implementing sustainability in the organisation, in the core business and in risk assessment. Moreover, new sustainability targets were set for the following years. With the help of the sustainability officers from every bank of the Association as multipliers and through the Sustainability Project, Volksbank is working to be THE regionally sustainable relationship bank in Austria.

As of January 2022, at VOLKSBANK WIEN AG, a newly established Sustainability Committee with an extensive circle of participants will regularly discuss all matters relating to sustainability and submit decisions on ESG¹⁾ topics to the Managing Board for resolution. Following the development of an ESG score, the financing of sustainable projects and investments, consultancy services, and a brochure for SMEs²⁾ and cooperatives, there has been significant progress in the customer sphere this year. The Association of Volksbanks is also well on the way to implementing applicable regulatory requirements. The implementation of the ECB³⁾ Guide, the Taxonomy Regulation and the other requirements was driven forward this year. The optimisation of operations within the Association of Volksbanks also made significant progress in 2021. For example, the prerequisite for using recycled paper was created throughout the Association.

Our cooperative approach

Our cooperative identity and the sustainability values we go by are distinguishing features of the Association of Volksbanks. Our focus is on customers, partners and employees. We act responsibly, sustainably, quickly and flexibly, with business acumen. We respect human rights and disapprove of any form of discrimination. Combatting corruption is a high priority within the Association of Volksbanks. 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.

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

2) Small and medium-sized enterprises

3) European Central Bank (ECB)

FOREWORD

And it is precisely in these turbulent times that the Association of Volksbanks deliberately chooses to remain a strong association of regional banks. In this way, the Association supports the long-term economic success of its customers in the region. Hence, the core elements of the activities of the Association of Volksbanks are trust, customer focus and regionality, making the Volksbank a sustainable relationship bank in the truest sense of the word: from the region for the region.

One of our main concerns is the conscientious management of available resources and the protection of the environment. Through its business model, the Association of Volksbanks minimises the risks for its owners, its employees and the banks themselves. Any risks are systematically taken account of within the risk management process.

Our business model

The Association of Volksbanks consists of purely Austrian banks 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 increasingly handled in central units. In this way, cost reductions can be achieved that our customers benefit from.

Despite COVID-19, the Association of Volksbanks 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. Over the past few years, therefore, cooperation agreements were concluded with reliable product partners. These

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.

Our positioning

The aim of the Association of Volksbanks is to be perceived as the sustainable relationship bank of business enterprises and private customers with an entrepreneurial mindset within the region. This means that Volksbank and its services are always easily available, and it also includes the presence of retail branches at highly frequented locations, on the one hand, and a stable Digital Banking offer, on the other hand. The Association of Volksbanks acts in an eco-minded and climate-conscious way and offers all the products and services that our customers need, yet without any unnecessarily wide and complex range. 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!

In the digital world of finance, the Association of Volksbanks 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. Digital services are reducing the impact on the environment now already, and further optimisations, e.g. to save travel or paper, are being planned.



Gerald Fleischmann
Spokesman of the Association of Volksbanks and
Chairman of the Managing Board of VOLKSBANK WIEN AG

ABOUT THE REPORT

Sustain- ability Report 2021

This report is the first sustainability report of the Association of Volksbanks; it was prepared in accordance with the GRI Standards: “Core” option. The GRI Standards (Global Reporting Initiative) constitute the de facto benchmark in sustainability reporting, the application of which ensures continuous and standardised reporting for the Association of Volksbanks. The GRI Index is contained in the Annex.

A materiality analysis was carried out for the present report within the entire Association of Volksbanks for business year 2021. Details on the materiality process are contained in the chapter “Sustainability management”. The list of relevant GRI indicators is clearly presented in the GRI Index contained in the Annex to the report. No GRI indicator can be reported on the material topic of employee health and safety (403-8, 9 or 10). Instead, key indicators on security training events are reported. In addition, separate indicators are reported on the topics of regionality, digitisation and employee satisfaction, as no suitable GRI indicators are available. The impact of the COVID-19 pandemic on the Association of Volksbanks and how it is being dealt with is discussed in detail in the chapters “Sustainability management” and “Employees”. As this report is the first sustainability report of the Association of Volksbanks, no substantial changes in reporting can be mentioned. 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. The reporting period extends from 1 January 2021 until 31 December 2021. In the future, the Association of Volksbanks is aiming for an annual reporting cycle.

All content and key figures relate to all banks within the Association of Volksbanks, unless stated otherwise. A list of all banks covered by the report is contained in the Annex.

VOLKSBANK WIEN AG is the only bank in the Association of Volksbanks that is subject to the NFRD¹⁾. With a view to implementing the Taxonomy Regulation, companies subject to the NFRD must report their eligibility for taxonomy for the first time. In the course of this disclosure for the business year 2021, VOLKSBANK WIEN AG is still subject to a simplified disclosure obligation; the figures are presented for the Association of Volksbanks as well. The Association of Volksbanks discloses a scientifically-based estimate on financed emissions (Scope 3) in addition to the legal minimum of eligibility for taxonomy.

An overview of material non-financial risks and the due diligence processes established are contained in the Annex.

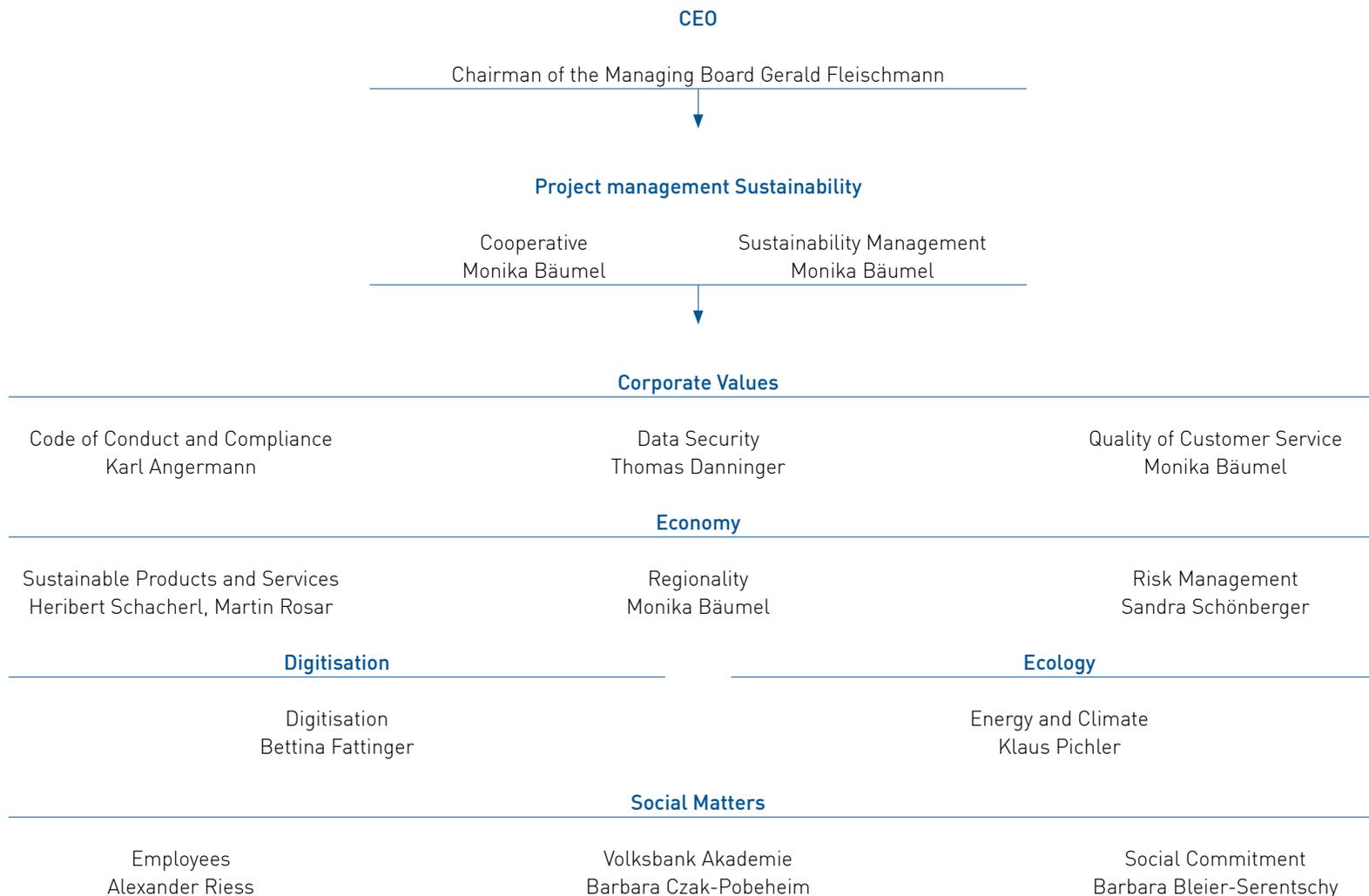
The e-mail address information@volksbankwien.at is available for questions regarding the sustainability report of the Association of Volksbanks.

To improve readability, all terms are used in their male form (if any) in this report; they are meant to refer to female persons in equal measure.

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.

ABOUT THE REPORT

Sustainability Report Team



The Sustainability Report of the Association of Volksbanks is supplemented by best practice examples from all over Austria thanks to the support of the banks of the Association in many areas. Thanks to the colleagues from the banks of the Association for their contributions!

COOPERATIVE



IMPORTANT SUCCESSES AND RESULTS

In 2021, important successes and results were achieved within the Association of Volksbanks:

- » Some banks are the first to implement the “Volksbank Eigentümerclub” (Owners’ Club)
- » Establishment of cooperations for energy cooperatives
- » Brochure for SMEs and cooperatives together with the ÖGV¹⁾



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 brochure for SMEs and cooperatives with the ÖGV	since 2021	ongoing
Introduction of the “Hermann Award” for cooperative action	11/2022	being planned
150th anniversary of the ÖGV	from 2022	being planned



GOALS

In 2021, the goals of the Association of Volksbanks with respect to cooperatives were:

- » Developing a concept for the financing of energy cooperatives
- » Launch of the “Volksbank Eigentümerclub” for cooperative members
- » Financial literacy project of the ÖGV
- » Expansion of cooperative activities (events, brochures, etc.)

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.

The Association of Volksbanks is 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, the regional Volksbanks, Österreichische Ärzte- und Apothekerbank, as well as the SPARDA-BANK brand, jointly forming a liability and liquidity association. The focus of the regional bank is on sustainable partnerships with customers and continuous improvement of customer service – the Volksbank is the sustainable relationship bank of customers from the region.

Cooperative principles

The Association of Volksbanks 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 (general meetings, cooperative shares, etc.). 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 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, “social economy” also includes cooperatives.

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.

The cooperative system within the Association of Volksbanks

The Association of Volksbanks consists of a total of 9 primary banks, of which 6 operate as stock corporations and 3 as cooperatives. While cooperative banks are directly owned by their members, the owners of joint-stock banks are holding cooperatives (Beteiligungsgenossenschaften)

COOPERATIVE

that have contributed their banking operations to the respective joint-stock bank. Hence, all banks in the Association of Volksbanks have a cooperative ownership structure and have been committed to the same goals for over 170 years now.

The cooperative ownership structure aims to ensure that customers are also owners of the bank. The aim is to safeguard the cooperative development mission and the regional focus of the banks even in the face of significant changes in regulatory conditions and a constantly changing market environment. From the point of view of customers and owners, regionality means that the capital invested is used in the respective region in the long term, that savings deposits are used to finance local loans, and that the profits generated will support and ensure this cycle. The sustainable, joint economic success of banks and customers is always the main priority.

Financing of 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.

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 the energy consultant. Volksbank uses its contacts with community leaders to organise a large number of consultation appointments as quickly as possible and to accelerate the establishment of energy cooperatives. The goal of the Volksbank is to promote regionality and provide support for the energy cooperative, from account management to financing the

energy generation facilities. At events organised by the cooperation partners, the benefits of membership in energy cooperatives are meant to be demonstrated, thus addressing a large number of members.

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.

BEST PRACTICE

Owners' Club for cooperative members

[Welcome to the Owners' Club](#)

Volksbank Steiermark AG

Together with the ÖGV, Volksbank Steiermark has created a new umbrella brand for cooperative membership. The Volksbank Owners' Club sees itself as a joint benefit programme of Volksbank Steiermark and the respective regional holding cooperatives. Customers are invited to subscribe to shares – in this case at least 240 euros – in "their" cooperative in order to enjoy the new club benefits.

These benefits can be summarised under the keywords "Profitieren, erleben und gestalten" (enjoying benefits, making experiences, and shaping the future) and include, among other things, special discounts on products, invitations to events, discounts on admissions and high-quality vouchers. With Austria Presse Agentur and the Murau Brewery, two ÖGV member cooperatives are also involved as partners right from the start. This lays the foundation for a cross-sector cooperative network that is to be expanded in the future.

*We are committed
to a sustainable
corporate culture.*

The aim is to establish the Volksbank Owners' Club as a modern, sustainable cooperative platform that benefits each individual member as well as the respective regions and companies. More information about the Volksbank Owners' Club of Styria: www.volksbank-stmk.at/club

Volksbank Niederösterreich AG

The Volksbank Owners' Club of Lower Austria is a joint benefit programme of Volksbank Niederösterreich and its holding cooperatives. As members of the Owners' Club, customers benefit from exclusive benefits and promotions. Invitations to free cabaret evenings with top-class representatives of the Austrian cabaret scene and seasonal vouchers for free admissions to regional events and offers are just a few of the services offered by Volksbank Niederösterreich's exclusive club, which creates added value for owners as well as for institutions and companies, strengthening the region in the process.

Volksbank and ÖGV publish sustainability guide for SMEs and cooperatives

Under the heading "Sustainability for SMEs and Cooperatives", the Association of Volksbanks and the ÖGV have published a guide to help interested companies on their way to a sustainable future. 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. The free guide is available for download at www.volksbank.at/nachhaltigkeitsbroschuere. In addition, the ÖGV has summarised the most important subsidies and tax reductions on the topic of sustainability and published them on the homepage.

OUTLOOK

In 2021, the concept and the cooperations for the financing of energy cooperatives have already been implemented in VOLKSBANK WIEN AG in a few selected regions. This concept is to be rolled out further from 2022, also for the Association of Volksbanks.

Together with PowerSolution Energieberatung GmbH and the ÖGV, VOLKSBANK WIEN AG applied for the Austrian Green Investment Pioneers Programme of the Federal Ministry for Climate Protection with "Enabling Facility" PowerSolution Errichtung und Betrieb GmbH. This is meant to underscore the efforts of VOLKSBANK WIEN AG to accelerate the construction of "green" energy generation facilities and to help accelerate the marketing of the readiness to finance such facilities.

In addition, the expansion of the "Owners' Club" for cooperative members is to be driven forward at the Volksbank. Also, a new edition of the brochure for SMEs and cooperatives is planned together with the ÖGV.

The introduction of the "Hermann Award" is planned for 2022 – an award to appreciate regional SMEs and to distinguish cooperative action. This is part of the "150 years ÖGV" anniversary.

SUSTAINABILITY MANAGEMENT

Sustainability as the Association of Volksbanks understands it 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.

In 2019, with the involvement of the managing board members within the Association, the values of "trust, regionality and customer proximity" were defined as core values for the Association of Volksbanks, and all employees were trained to understand these core values. In 2020, the core values were expanded to include the following mission:

Volksbank

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

These three pillars form the basis of Volksbank's sustainable actions. The focus is on the topic of "regional sustainability". Ever since the formation of the Volksbanks, this has formed the basis of their successful work for customers. Especially in these very turbulent times, which are marked by special social and economic challenges (COVID-19) and clearly noticeable climate changes, these values are becoming increasingly important.

Sustainability principles of the Association of Volksbanks

The Association of Volksbanks

- » has committed itself to the Paris Agreement on climate protection.
- » aligns its business strategy with the SDGs of the United Nations, thus contributing to their achievement.
- » through the membership of VOLKSBANK WIEN AG in the UN Global Compact, emphasises the importance of the issue of sustainability in business activities and supports the 10 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 are worked out together with stakeholders. The material 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 take place in workshops with employees and the managing board members of the Volksbanks.

SUSTAINABILITY MANAGEMENT

Materiality analysis

In 2021, a materiality analysis was prepared for the entire Association of Volksbanks for the first time. 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. The Association of Volksbanks 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.

Stakeholder survey

In August 2021, by means of an online questionnaire, stakeholders were asked about the sustainability topics they consider important in relation to the Association of Volksbanks. 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 the Association of Volksbanks to sustainability topics. To improve comprehensibility, each topic was described in greater detail in the questionnaire. The survey was conducted for the entire Association of Volksbanks. Throughout the Association, more than 9,000 stakeholders from the stakeholder groups of retail 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. 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 GRI aspects is shown in the following table.

Material topics	Chapter in the report	GRI aspects
Regionality	Regionality	no GRI allocation
Sustainable investment	Sustainable products and services	GRI 305, G4 FS
Sustainable financing	Sustainable products and services	GRI 305
Customer satisfaction	Customer service quality	GRI 417
Digitisation	Digitisation	no GRI allocation
Employee health and safety	Employees	GRI 403
Training and education	Employees	GRI 404
Employee satisfaction	Employees	no GRI allocation
Diversity and equal opportunities	Employees	GRI 405
Energy and climate	Energy and climate	no GRI allocation
Data protection and security	Data security, Code of Conduct and compliance	GRI 418
Human rights	Code of Conduct and compliance	GRI 412
Professional ethics and compliance	Code of Conduct and compliance	GRI 205, 206, 419

SUSTAINABILITY MANAGEMENT

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 10 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 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; accordingly, the SDGs are also relevant for the Association of Volksbanks.

Based on the materiality analysis updated in 2021, the Association of Volksbanks has allocated the material topics to specific SDGs.

The SDGs most relevant to the Association are:



SUSTAINABILITY MANAGEMENT

Description of the SDGs relevant to the Association of Volksbanks:



Good health and well-being

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

The Association of Volksbanks offers comprehensive measures in the sphere of work-life balance. Flexible working time models, a positive attitude to part-time employment. Free health checkups, vaccination campaigns, Volksbank Aktiv courses and sports groups are examples from the Association of Volksbanks of preventive measures to promote employee health, which are offered to varying degrees in the individual banks. During the COVID-19 pandemic, numerous protective measures were put in place for customers and employees.



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, the Association of Volksbanks demonstrates its commitment to quality education. Programmes to promote female high potentials, as well as mentoring contribute to inclusive equal education for all. With the onset of the COVID-19 pandemic, the educational programme was quickly converted to online.



Gender equality

Achieve gender equality and empower self-determination of all women and girls.

The Association of Volksbanks 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. In order to ensure equal rights, the Association of Volksbanks primarily implements measures for the advancement of women with a view to equal opportunities.



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, the Association of Volksbanks offers quick, need-based loans, thus contributing to local, sustainable economic growth. Additionally, through employer branding initiatives, the Association of Volksbanks positions itself as an attractive, strong and authentic employer brand. The flexible organisation of the workplace, especially through remote working during the 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.

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. For example, with financing concepts based on builder-owner models, the Association of Volksbanks 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.



Climate action

Take urgent action to combat climate change and its impacts.

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

BEST PRACTICE

Volksbank Steiermark AG

The implementation of sustainability goals based on the SDGs has already been successfully implemented at Volksbank Steiermark. In addition to the topics of "Education" and "Diversity", another special focus was placed on "Climate Protection". A number of initiatives have been implemented that are now mainstays of the corporate culture and also of the business strategy. Volksbank Steiermark, for example, consciously uses the diversity within its teams for the broad-based further development of value-based cultural work. The priority goal of "climate protection" includes, for example, initiatives for the reuse of obsolete IT equipment as well as energy-saving measures in the form of consciously switching off monitors. In order to combine team building and climate protection, Volksbank Steiermark participates in reforestation projects or even implements such projects in urban areas.

SUSTAINABILITY MANAGEMENT

Sustainability governance

In order to integrate sustainability into the core business of the Association of Volksbanks, a comprehensive project was set up in 2020. The “Sustainability Project” is anchored at the highest level in the hierarchy of the Association of Volksbanks, sponsored by the Chairman of the Managing Board and the steering committee of the Joint Managing Board of VOLKSBANK WIEN AG, and supported by the sustainability officer of the Association of Volksbanks as project owner.

In addition to the consideration of risks (see chapter “Risk management” and annex “Material non-financial risks”), material key topics included the analysis of opportunities for Volksbank. The transformation of the economy towards sustainable development is not only accompanied by risks, but also opens up significant market opportunities through new customer groups, technologies, innovative ideas and methods of working. In this context, the Association has carried out a SWOT¹⁾ analysis in order to weigh up strengths and weaknesses and, based on this, to take measures for further development. The resulting demand for financial services creates significant development potential for the Association of Volksbanks. A benchmark analysis was carried out as well. The aim of the activities from the “Sustainability Project” is to integrate sustainability into all areas of the Association and to process the results from the project in a separate sustainability strategy.

All divisions of VOLKSBANK WIEN AG (as the central organisation) are involved in implementation measures and have each appointed sustainability ambassadors to accompany internal communication on the topic of sustainability and to support the process of achieving their sustainability targets with forward-looking ideas. Sustainability officers have been appointed by the banks of the Association who are responsible for the topic at the primary banks.

Based on the sustainability strategy, the Joint Managing Board of VOLKSBANK WIEN AG has overall 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 the Association of Volksbanks, which are subject to regular reviews.

In 2021, a sustainability strategy was created 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 SWOT analysis, impacts of transition risks, and physical risks regarding the business model in the form of outside-in²⁾ and inside-out³⁾ risks, etc.

The Supervisory Board of the banks of the Association 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. The consideration of sustainability aspects is anchored in the rules of procedure of the Managing Board and the Supervisory Board.

1) The SWOT analysis is a strategic planning tool.

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

3) Inside-out risks are sustainability risks caused by the institution’s actions, in its own business operations and during its business activities.

SUSTAINABILITY MANAGEMENT

Responsibility for coordinating and implementing the measures in the “Sustainability Project” lies with the sustainability officer of the Association of Volksbanks (project owner). Project management is taken care of by a team from the ORG-IT department of VOLKSBANK WIEN AG. The “strategy team”, representing the divisions Communication/Marketing, Treasury/Private Banking, Capital and Stakeholder Management of VOLKSBANK WIEN AG, as well as the ÖGV/Banking Regulation pressure group, is ready to provide advice. The “Sounding Board”, which is made up of members of the managing boards of the primary banks, is informed about the implementation of project measures on a regular basis.

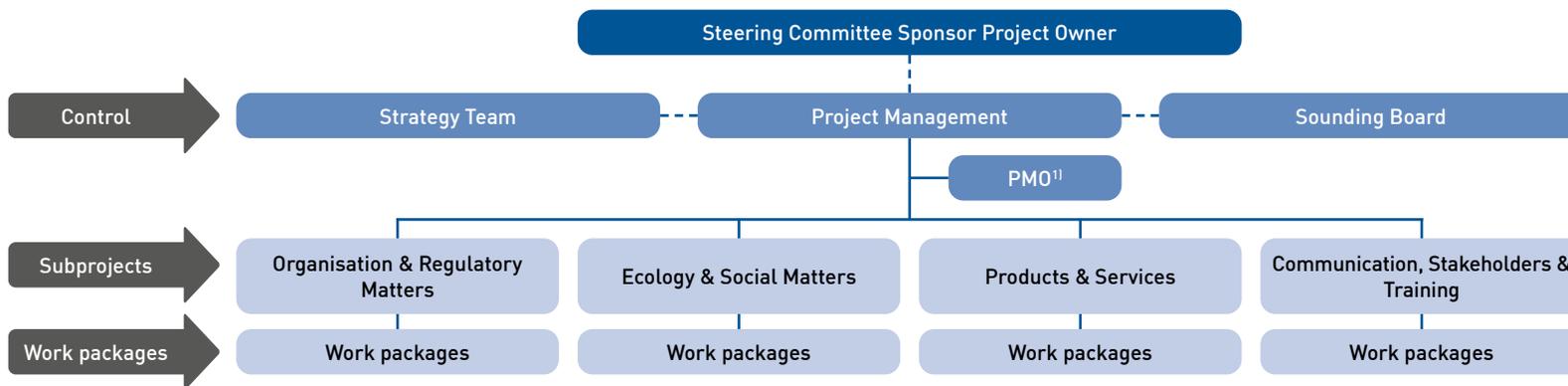
In a first step, the project was set up at VOLKSBANK WIEN AG as the central organisation of the Association of Volksbanks, but was subsequently

extended to the entire Association of Volksbanks. To this end, sustainability officers were defined by the banks within the Association of Volksbanks, who are responsible for coordinating the measures and internal communication at the individual banks. The managing board members of the Association of Volksbanks are directly involved in implementing the measures in the context of a “Sounding Board”.

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 of 2022, a Sustainability Committee (“Nachhaltigkeitskomitee” = NAKO) is established at VOLKSBANK WIEN AG, the objective of which is to provide the Managing Board of VOLKSBANK WIEN AG with a holistic view of relevant aspects as well as an overview of regulatory and other sustainability-related issues.

The NAKO is chaired by the Joint Managing Board of VOLKSBANK WIEN AG. The NAKO consists of permanent members of many divisions of VOLKSBANK WIEN AG; additional guests or experts may be invited. The committee is headed by the sustainability officer. The NAKO will replace the project structure after the end of the project.

Sustainability goals

The Association of Volksbanks is committed to a sustainable corporate culture, to integrating ESG criteria into its core business and, within the scope of the Sustainability Project, to expanding the measures and targets expected by the regulatory authorities in the areas of social affairs, governance and the environment:

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.

Together with the Managing Board of VOLKSBANK WIEN AG, the strategy team defined further sustainability goals in mid-2021. As of 2022, these will be quantified and included in the planning for the individual areas, in addition to the existing qualitative goals for the Association of Volksbanks.

The sustainability goals of the Association for 2022¹⁾:

- » The Volksbanks aim for a “low risk” sustainability rating.
- » 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 on target agreements of top management regarding sustainability
- » Creation of a sustainability committee
- » Implementation of ESG aspects in the “Three Lines of Defence”²⁾

A climate strategy is planned to be established.

1) Summary of the quantitative targets of the Association 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

Statutory disclosure

Eligibility for taxonomy

Art. 10	Gross carrying amount (in euro million)	% of coverage (of total assets) ¹⁾
2a Total assets	32,095	100.00 %
of which taxonomy-eligible	9,713	30.26 %
of which non-taxonomy-eligible	22,382	69.74 %
2b Exposures to sovereigns, central banks and supranational issuers	8,145	25.38 %
2c Exposures to entities not subject to the NFRD	10,244	31.92 %
Trading book	0	0.00 %
Short-term interbank loans	200	0.62 %
Exposures in derivatives	115	0.36 %

Disclosures

Following publication of the Taxonomy Regulation, companies subject to the NFRD must report their eligibility for taxonomy for the first time. For business year 2021, a simplified disclosure requirement applies, which will expand to the full scope specified in the taxonomy by the time of disclosure for business year 2023. The Association of Volksbanks, 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 the Association of Volksbanks 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.

SUSTAINABILITY MANAGEMENT

Art. 10 Implementation within the Association of Volksbanks

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 of the Association of Volksbanks as at 31 Dec. 2021. 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 no information from counterparties regarding eligibility for taxonomy was available at the time the report was prepared, and estimates were explicitly excluded in the FAQs as at 2 February 2022 (Question 20), corporate exposure was initially classified as non-taxonomy-eligible as a whole. The Association of Volksbanks expects changes here in subsequent years when more and more counterparties subject to the NFRD will publish their taxonomy reporting. The disclosure of taxonomy-eligible exposure therefore relates exclusively 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. 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 to entities subject to the NFRD reporting were first determined and then deducted from the total exposure of the Association of Volksbanks.

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. The Association of Volksbanks concludes from this that double counting is not desirable and will be avoided when calculating exposures. Therefore, in the opinion of the Association of Volksbanks, 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 the Association of Volksbanks:

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) > Disclosure under Art. 10 (3) (b)
2. Identification and isolation of derivatives > Disclosure under Art. 10 (3) (b)
3. Identification and isolation of the trading portfolio > Disclosure as separate ratio
4. Identification and isolation of overnight interbank loans > Disclosure 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).

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 within the Association of Volksbanks
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 on 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, the Association of Volksbanks is committed to a sustainable business policy and to taking sustainability into account. Regulation (EU) No. 2020/852 (EU environmental taxonomy) is of very high importance for the Association of Volksbanks. For the year under review 2021, 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, the Association of Volksbanks will observe the EU Taxonomy Regulation in terms of 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. However, great importance is attached to the taxonomy compliance of economic activities. Many aspects of the modern understanding of sustainability are a given for the Association of Volksbanks 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 central organisation 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 Volksbanks. 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, just 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)

Financed emissions (Scope 3) were calculated for the Association of Volksbanks for the first time in 2021. The calculation logics used here are based on the PCAF method (Partnership for Carbon Accounting Financials), which aims to support financial institutions in the assessment and disclosure of greenhouse gas emissions arising from their financial transactions.

The calculation approach follows the formula below:

Financed emissions = on-balance-sheet exposure in sector x
sector emission intensity (sector CO₂e / fixed assets per sector)

The presentation of results is divided into Corporate Financing and Real Estate Financing – a distinction was made between the two areas based on the purpose of the respective transactions. Transactions in the trading portfolio and derivatives in general are not included in the population, as in the PCAF framework. 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 NACE code. For the property-specific emissions, the data

source used was the Climate Protection Report 2021 of the Austrian Federal Environment Agency. In order to determine the sector-specific emission factors, these sector emissions were set in relation to the reference quantity “fixed assets per sector”. This was based on statistical data from the OECD for Austria per NACE sector. For the real estate sector, the fixed assets were taken from the Eurostat data source.

Overall, the Association of Volksbanks can be attributed approx. 313.2 kilotons of CO₂e through the business portfolio according to the method presented. This figure covers approx. 86.8% of total assets in the Association of Volksbanks.

SUSTAINABILITY MANAGEMENT

Category	Amount outstanding (in euro million)	Financed emissions (in t CO ₂ e)
Corporates	12,798	223,917
of which		
A Agriculture, forestry and fishing	390	59,114
B Mining and quarrying	20	4,720
C Manufacturing	472	60,450
D Energy supply	116	21,634
E Water supply; sewerage, waste management and remediation services	56	3,233
F Construction	469	13,311
G Wholesale and retail trade; maintenance and repair of motor vehicles	894	21,486
H Transport and warehousing	197	15,132
I Accommodation and catering	899	10,312
J Information and communication	81	204
K Provision of financial and insurance services	7,063	6,754
L Real estate and housing	1,079	62
M Provision of professional, scientific and technical services	399	3,076
N Provision of other economic services	125	1,380
O Public administration, defence, social security	150	1,317
P Education and teaching	16	32
Q Health and social services	194	641
R Arts, entertainment and recreation	51	441
S Provision of other services	128	618
Real estate	15,072	89,243
Total	27,870	313,161
Coverage of total assets	86.84 %	



SUSTAINABILITY MANAGEMENT



ESG INVESTMENTS 2018-2021



Investment strategy of the banking book

In 2020, the implementation of the ESG measures defined in the investment strategy was started. The main content is the simultaneous pursuit of an active and a passive strategy.

In the course of the active strategy, a defined minimum proportion of sustainable investments is made. Approximately euro 94 million in ESG investments were effected in 2021 already.

In the passive strategy, exclusion criteria are applied to ensure that ESG-damaging investments are avoided.

By setting minimum standards, this strategy helps to avoid greenwashing and thus makes the Association of Volksbanks even more sustainable.

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, the Association of Volksbanks 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 15.1 t CO₂e/euro million sales¹⁾ on average.

Green Bond

VOLKSBANK WIEN AG, as the central organisation for the Association of Volksbanks, is working on a framework for issuing sustainable bonds in accordance with the ICMA Sustainable Bond Standards. The objective here is to be 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 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 the Association of Volksbanks: private customers, corporate customers, employees, owners, shareholders, members, supervisory board members, product partners, NGOs, the Austrian Cooperative Association, the media, politicians, suppliers and capital market participants.

¹⁾ These are Scope 1 and 2 values, as many companies do not yet provide Scope 3 values.

SUSTAINABILITY MANAGEMENT

Public relations

In order to inform the stakeholders about news from the bank, the Association of Volksbanks conducts PR activities on a regular basis, in the form of interviews, advertorials or press releases.

“Newsroom”

Press releases containing all relevant corporate news, personnel information or interesting topics from sales are published at regular intervals.

A dedicated “Newsroom” has been set up for journalists and all other interested stakeholders at VOLKSBANK WIEN AG for the Association of Volksbanks, where information about the Managing Board, press releases, event dates, annual reports and sustainability reports, market news and information about sponsorships are announced.

www.volksbankwien.at/presse

Investor Relations

VOLKSBANK WIEN AG, as the central organisation, has set up a website for its investors, where comprehensive information on the topic of sustainability and many other topics can be found, in addition to all information subject to mandatory publication: presentations for investors, rating information, financial calendar, prospectuses etc.

www.volksbankwien.at/investoren

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 WITHIN THE ASSOCIATION OF VOLKSBANKS

The strong relationship of the Association of Volksbanks with its customers and its close ties within the region have manifested themselves also in times of the COVID-19 crisis. A large number of customers were granted COVID-19-related relief measures to counter the liquidity bottlenecks that had arisen and to deal with circumstances that threatened their existence. During this highly challenging period, the bank’s ability to serve its customers was ensured at all times, both with respect to personnel and in technical and organisational terms. Customer service was guaranteed on all channels based on quick and flexible solutions. Excellent teamwork between front office, account managers/loan officers and VB Services für Banken Ges.m.b.H. enabled the organisation to quickly process urgent customer requests regarding deferments and bridging loans.

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

CORPORATE VALUES

CODE OF CONDUCT AND COMPLIANCE



IMPORTANT SUCCESSES AND RESULTS

In 2021, important successes and results were achieved within the Association of Volksbanks:

- » Expansion of compliance training for new employees to include a sustainability module
- » Expansion of industries and business areas where the bank will not enter into business relationships
- » No fines and penalties

GOALS

In 2021, the goals of the Association of Volksbanks with respect to Code of Conduct and compliance were:

- » Avoidance of penalties and fines
- » Use of robotics in compliance processes
- » Establishment of hybrid training courses (face-to-face/virtual)

MEASURES

Measure	Time horizon	Status
Revision of web-based Compliance training, "Sustainability" chapter added	2021	completed
Implementation of fraud detection software	by 2024	ongoing
Alignment of whistleblowing system with new legal requirements	from 2022	being planned

CORPORATE VALUES

CODE OF CONDUCT AND COMPLIANCE

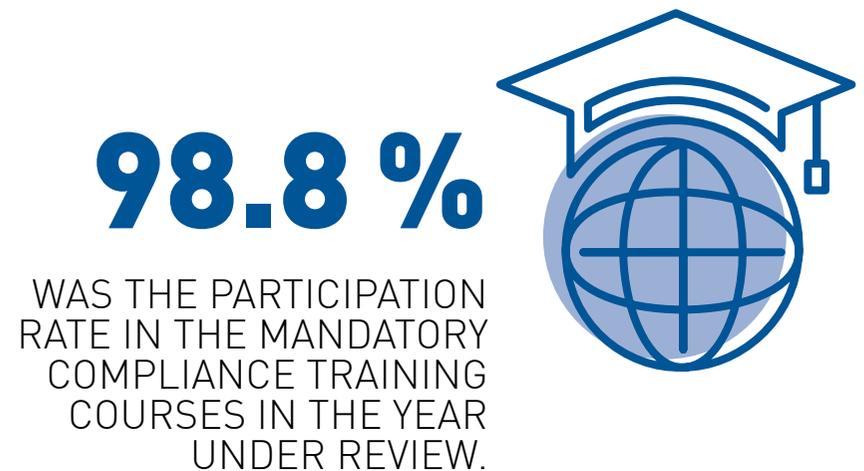
Actively exemplifying the values of the Association of Volksbanks and the commitment to modern compliance are the mandate of all managing boards and part of the permanent management mission across all hierarchical levels. The issue of human rights also has a high priority within the Association of Volksbanks and is taken into account in all units involved in the organisation's core business.

The Code of Conduct was established by the respective supervisory board and documents the values of the Association of Volksbanks in its internal and external relations. The accompanying measures for the implementation of the principles anchored therein support employees in avoiding mistakes and in strengthening the trust of customers and business partners in the Association of Volksbanks.

In addition to the Code of Conduct published internally, there are relevant regulations and measures for internal implementation, 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 2021, the preventive measures taken again led to a high level of awareness of compliance issues and made a significant contribution to counteracting accidental violations.



CORPORATE VALUES

CODE OF CONDUCT AND COMPLIANCE

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 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 the Association of Volksbanks by the Compliance function in the course of an introduction event. A sustainability module was added to the training set in 2021, where 13 individual topics that can be subsumed under the generic term of sustainability are listed and discussed individually. Moreover, employees receive training in relation to the Code of Conduct by way of e-learning modules. In the year under review, training courses on the Code of Conduct were completed by 99.1 % 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 the Association of Volksbanks: Trust – Integrity – Respect – Confidentiality

In addition, the Code of Conduct addresses selected compliance issues which also document the integrity of the Association of Volksbanks in its external relations.

Respect for human rights

The Code of Conduct explicitly states that the Association of Volksbanks 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 10 principles in the area of human rights, among others. To ensure compliance with human rights in the company's core business, for example, sectors and business areas have been defined where the bank will not enter into business relationships, employee training events have been carried out, and care is taken to ensure that partners comply with human rights. Guidelines on sustainable procurement with due regard for human rights are currently being drawn up. A total of 537.25 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

The Association of Volksbanks reserves the right not to enter into any business relationships with sectors or in business areas that are in conflict with the core values of the bank. This list of industries and business areas was expanded in 2021 to include, 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
- » Suspicion of corruption
- » Violations against the environment 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.

Whistle-blowing

By means of the Business Keeper Monitoring System (BKMS®), which has been implemented within the Association of Volksbanks 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. The Managing Board has committed itself to the fundamental protection of the whistle-blower and the persons mentioned in the hint. 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-blowing law announced in 2021 was not yet available at the end of the year; implementation of the legal changes will take place after the law is presented (probably in 2022).

Preventing corruption

The Association of Volksbanks 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. No cases of corruption were found in 2021.

Employees are made aware of the regulations through compliance training and circulars. In the 2021 business year, 98.8% of employees completed the compliance training mandatory for them.

The Association of Volksbanks did not have to pay any fines or penalties in 2021, nor were there any violations of product information and advertising standards. The measures implemented for 2022 are also aimed at avoiding fines and penalties and thus also keeping the associated reputational risk as low as possible.

Sponsorships

The Association of Volksbanks 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 the Association of Volksbanks. Without a culture of sponsorship, any business strategy would be affected by reputational risk that might negatively impact on the company.

Lobbying

The Association of Volksbanks is not involved in any lobbying activities within the meaning of the lobbying act.

CORPORATE VALUES

CODE OF CONDUCT AND COMPLIANCE

Anti-competitive behaviour, cartel arrangements or monopolistic practices

No complaints were filed against companies within the Association of Volksbanks 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 the Association of Volksbanks. In this way, the Association of Volksbanks demonstrates its commitment to acting sustainably. In 2021, the "Sustainability" chapter was also integrated into web-based Compliance training.

Information, communication and public relations

The companies within the Association of Volksbanks set great store by the accuracy and completeness of the information prepared and documented by them. All matters that the Association of Volksbanks gets to know about within the scope of its activity will be treated as confidential in accordance with statutory requirements.

Awareness building

In recent years, the subject areas covered by Compliance have expanded considerably in Austria. Especially the area of combating white-collar crime and other criminal acts turned out to be more and more challenging. In 2021, the Association of Volksbanks and its customers, like many others, were increasingly exposed to various forms of cybercrime.

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 2021, the Association received 78 data protection-related inquiries. All inquiries were processed by the data protection team in a timely manner. Inquiries break down as follows:

- » 43 requests for information under Art. 15 GDPR
- » 15 requests for erasure under Art. 17 GDPR
- » 16 reports to the Austrian Data Protection Agency regarding data protection violations under Art. 33 GDPR
- » 4 objections

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.

The data protection officer of the Association of Volksbanks is available at any time at datenschutz@volksbankwien.at.

Complaint management

Complaint management is controlled centrally by the Compliance department within the Association of Volksbanks. This ensures that an accumulation of complaints is quickly identified and appropriate countermeasures can be initiated.

Within the Association of Volksbanks, complaints are considered as an opportunity to improve existing processes. The companies within the Association of Volksbanks also attach great importance to the rapid and transparent handling of all complaints to further strengthen customer loyalty.

CORPORATE VALUES

CODE OF CONDUCT AND COMPLIANCE

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.

Within the Association of Volksbanks, 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 customer feels that this is not expedient, it is also possible to contact the ombudsperson's office: ombudsstelle@volksbankwien.at

BEST PRACTICE

For Compliance, 2021 was again dominated by the COVID-19 crisis, drawing very heavily on the experience gained in 2020. In 2021, Compliance has driven digitisation efforts within compliance processes and has now designed hybrid training courses for permanent use.

At the same time, the behaviour of customers changed, and there were more opportunities for perpetrators to commit criminal acts. Therefore, within the Association of Volksbanks, numerous preventive measures have been developed to protect customers and the bank from losses in a targeted manner.

*We assume
responsibility and
create trust.*

OUTLOOK

In 2022, the aim is to further expand digitisation measures in Compliance, to meet the challenges of cybercrime by acting quickly, and to deal with sustainability topics in greater detail in the context of compliance training courses.



GOALS

In 2021, the goals of the Association of Volksbanks with respect to data security were:

- » Dealing with data security in managing board meetings of the banks of the Association on a regular basis
- » Maintaining and improving defined safety levels
- » Maintaining and improving the IT security skills of employees



IMPORTANT SUCCESSES AND RESULTS

In 2021, important successes and results were achieved within the Association of Volksbanks:

- » Data security topics were regularly addressed in managing board meetings of the banks of the Association.
- » 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 the Association of Volksbanks. With a security strategy adapted to today's threats, the Association of Volksbanks is fit for the future. The Association of Volksbanks considers the following to be key aspects of data security and the fight against cyber-crime:

- » a secure IT landscape,
- » comprehensive training of employees and
- » stringent contracts with business partners.

IT security

IT security governance is defined centrally by VOLKSBANK WIEN AG together with the other banks in the Association of Volksbanks. Binding requirements for 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.

Training of employees

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

Information security training	Unit	2021
Proportion of employees who have been trained in information security	%	98.7

These training measures lead to enhanced IT security skills among employees, 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 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 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, controlled and checked annually in terms of their compliance with the law, in order to reduce the risk of non-performance, the bank's reputational risk, and to protect the personal rights of customers and employees.

CORPORATE VALUES CUSTOMER SERVICE QUALITY



IMPORTANT SUCCESSES AND RESULTS

In 2021, important successes and results were achieved within the Association of Volksbanks:

- » The Volksbanks were awarded first place as “Industry Champion 2021” in the Customer Service category of the “Branch Banks” sector.
- » ÖGVS study on “Corporate Accounts 2021”: VOLKSBANK WIEN AG achieved first place in the regional evaluation by city in the “Transparency” category.
- » IMAS study of corporate customers: Flawlessness in payment transactions by comparison with competitors was increased, and the accessibility of account managers was improved
- » The Entrepreneur Study was conducted for the fourth time; in 2021, the focus was on “Sustainability”.

GOALS

In 2021, the goals of the Association of Volksbanks with respect to customer service were:

- » Regular feedback from customers on products and services
- » Good customer advice and ease of use in the digital world of finance
- » Customer surveys on the subject of sustainability
- » Feedback from customers also with regard to products and services of product partners

MEASURES

Measure	Time horizon	Status
Customer survey on products and services	periodical	ongoing
Study on Corporates	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 the Association of Volksbanks 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, and 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 become a customer of 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. This is why customer satisfaction in Retail and Corporate banking is assessed at regular intervals, with measures being derived for further improvement of customer service. Basically, studies are commissioned for quality assurance and improvement.

The results from the studies are presented and made available within the Association of Volksbanks. Based on these results, attempts are made to improve and further develop the respective subject areas, products and divisions, etc., 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 2,525 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, flawlessness in payment transactions had increased during the survey period of 2020, by comparison with competitors. Similarly, compared to 2019, satisfaction had improved in terms of electronic banking and mobile banking via APP, and the degree of innovation perceived by SME customers in relation to new technologies had also improved. Particular mention should also be made of the improved accessibility of advisors in the retail branches and prompt responses to inquiries. Another plus for SMEs in 2020 was improved terms compared to competitors.

In the categories

- » Prompt response to inquiries
 - » Availability in person and by phone
 - » Competence, high quality of advice
 - » Close personal relationship with my company
- in the SME segment surveyed, Volksbank was able to improve by 1-2% year-on-year in each case.

CORPORATE VALUES

CUSTOMER SERVICE QUALITY

Austrian Society for Consumer Studies

"First place Customer Service Branch Banks"

In cooperation with NEWS magazine, ÖGVS, the Austrian Society for Consumer Studies, published the "Industry Monitor 2021" in February 2021. In this context, the Volksbanks were ranked first as "Industry Champion 2021" in the Customer Service category of the "Branch Banks" industry.

"First place Transparency" and "Top Corporate Account"

According to a study conducted 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 1st place in the regional ranking for "Vienna" in the category of transparency, among others.



Volksbank Unternehmer-Studie

In 2021, Volksbank's Unternehmer-Studie, or survey of entrepreneurs, addressed the issue of sustainability. 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 and young self-employed people in particular.

www.volksbank.at/unternehmerstudie

Product partners of the Association of Volksbanks

ERGO remains the undisputed service champion with multiple award-winning products

In 2021, ERGO Austria, Volksbank's insurance partner, was distinguished as Service Champion in the insurance industry for the seventh time in a row. The result was again improved compared to the previous year. Once a year, ServiceValue GmbH and Goethe University Frankfurt jointly prepare Austria's most comprehensive service ranking, a broadly based survey on customer service experience based on customer reviews. With a service experience score of 77.3 %, ERGO Versicherung AG clearly exceeds the industry average of 70.0 % and ranks first within the industry. In addition, this year ERGO also improved its overall ranking among all companies from a "silver" to a "gold" medal. ERGO's products were particularly successful in Austria in the "Branchen-Monitor 2021" (Industry Monitor) – the largest national ranking in terms of customer satisfaction, customer service and value for money. ERGO was also named "Top Motor Insurer".

CORPORATE VALUES CUSTOMER SERVICE QUALITY

Another distinction of the quality of service and consultancy for 'der faire Credit'



For the eleventh time in a row, TÜV AUSTRIA awarded a distinction to 'der faire Credit' for the quality of service and consultancy in 2021. The audit focused on education, training and coaching as part of the advisory process of 'der faire Credit'. The audit result confirms excellent services and consultancy with regard to 'der faire Credit' at the partner banks.

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 2022, the Association of Volksbanks 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 2022.

ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES



IMPORTANT SUCCESSES AND RESULTS

In 2021, important successes and results were achieved within the Association of Volksbanks:

- » Integration of ESG issues in loan decision and consideration of these issues in terms of the ability to service the loan (incl. labelling of sustainable financing)
- » Introduction of ESG score to measure sustainability risk for companies and special financing transactions
- » Requirement of energy certificates for real estate financing
- » Customer events, brochure for SMEs and subsidies relating to sustainability
- » Employee training and implementation of internal sales multipliers
- » Cooperation for the foundation and financing of energy cooperatives
- » Over 2,730 new fund customers (+66 % compared to previous year) who received a sustainably produced backpack as a promotional gift
- » Sustainable funds account for over 40 % of gross sales.

GOALS

In 2021, the goals of the Association of Volksbanks with respect to sustainable products and services were:

- » Accompanying customers through the transformation process
- » Driving the financing of energy-reducing measures
- » Expansion of sustainable consulting services
- » Continuation of event with sustainability focus for SMEs
- » Expansion of the product range of sustainable investment funds
- » Expansion of sales of sustainable investment funds
- » Introduction of sustainable insurance solutions



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)	from 2022	being planned
Roll-out of sustainable financing and integration of CO ₂ measurement for the loan portfolio	from 2021	ongoing
Sales campaigns with a focus on sustainability	01-08/2022	being planned
Sustainable debit card (DMC) for selected cooperatives	02/2022	ongoing
Creation of a customer survey on sustainability preferences	since 2021	ongoing
Inclusion of an impact fund of UI in the product range	from 2022	being planned
Customer event on the topic of "sustainable investment"	since 2021	ongoing
ESG Advisor training for investment advisors	from 2022	being planned
Training on sustainability preference query	07/22	being planned

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

ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

42 %

IS THE SHARE OF
SUSTAINABLE FUNDS
IN 2021 FUND SALES.



The greatest lever of the Association of Volksbanks 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 2021, numerous steps were taken to integrate ESG aspects into the core business of the Association of Volksbanks. To this end, steps were taken with regard to technical solutions, in the area of services, customers and customer support, as well as for internal sales.

Sustainable financing

The integration of sustainability into the loan process was a priority. For this purpose, ESG aspects were considered in the course of preparing the loan decision (statement), and their impact on customers' ability to repay the loan (sensitivity analysis) was taken into account. As the majority of the portfolio of the Association of Volksbanks consists of real estate loans, one of the first and 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 (CO₂, among others). An ESG score has been designed to measure sustainability risk in corporate and special financing transactions, and technical solutions are being developed to flag sustainable financing concepts.

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 launched in 2021. One example is the series of entrepreneur events on the topic of sustainability,

ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

in collaboration with “respACT”, Austria’s largest business platform for sustainable action. The sustainability brochure “*Sustainability for SMEs and Cooperatives*” 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, increasing the green asset ratio 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 the Association of Volksbanks was rolled out at the beginning of 2021, and the conception of basic as well as sales training on sustainability for sales staff was started, which is to be rolled out in 2022.

Subsidised housing loans from VOLKSBANK WIEN AG

The financing of subsidised housing is a political steering instrument that can be used to create affordable, high-quality housing in line with demand. 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.

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. The Association of Volksbanks contributes to SDG 11 by providing access to adequate, safe, and affordable housing.

To underpin the relevance of subsidised real estate financing for VOLKSBANK WIEN AG and to be able to take into account the corresponding special features of this type of financing during lending, separate lending criteria have been developed for non-profit housing and builder-owner model financing.

ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

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 2022, 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.

Financing of energy cooperatives

The details are described in the chapter "Cooperative" under the item "Foundation and financing of energy cooperatives".

Sustainable investments

The business model of the Association of Volksbanks is to focus on the affiliated banks' core business and to enter into cooperations with strong product partners. In the area of funds, Union Investment is the product partner of the Association of Volksbanks; it has six sustainable funds on its list of recommended funds for sale in Austria. The share of sustainable funds in total sales has risen to over 40% in 2021 (sales of funds: euro 1,215,068 thousand, of which sales of sustainable funds: euro 519,852 thousand). 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. More details on the cooperation with Union Investment and the sustainable funds can be found in the subsequent chapter/digression "Product partners".

In March 2021, sustainability-related disclosure requirements have been introduced in the financial services sector. The Association of Volksbanks has published information on the strategies for dealing with sustainability risks and on the most important adverse effects of investment decisions on sustainability factors on the website of the banks of the Association as of 10 March 2021.

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.

The product proposals are reviewed by VB 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 ("Produktgenehmigungsverfahren"; "PGP") to be documented in advance.

MiFID II Regulations:

- » Definition of the target market
- » 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, any product successfully tested by Volksbank Tirol AG in the course of the product approval process may only be included in the product range (Volksbank master list) if this product is in line with the business strategy of the Association of Volksbanks.

ECONOMY SUSTAINABLE PRODUCTS AND SERVICES

**Asset management and
mindfulness concept of
VOLKSBANK VORARLBERG e. Gen.**

Signatory of:



Volksbank Vorarlberg's asset management pursues a long-term, mindful and individual investment philosophy. It acts on the global capital markets with foresight and prudence; long-term returns take precedence over short-term investment trends and incalculable risks – because people and their needs are always at the center of its actions.

Think global, act local – this philosophy is deeply rooted in the DNA of Volksbank Vorarlberg. Finally, it is also the international capital market that has a direct impact on investment performance. Volksbank Vorarlberg brings these opposites together by successfully organising its asset management in-house with the highest possible quality standards since 2005. In 2021, the bank was thus able to further expand its position in the sphere of sustainable investment. The in-house equity fund "Premium Selection Sustainable Equity" is geared to particularly sustainable investment. Certain industries and sectors of the economy are excluded as a matter of principle. Only companies that meet ESG criteria are eligible for investment. Impact investing ensures that investors' capital also has a measurable social and environmental impact.

The sustainability concept of this fund is confirmed by two important certificates – the Eurosif transparency logo and the FNG seal with one star (Forum Nachhaltige Geldanlagen) – these were issued to the in-house fund "Premium Selection Sustainable Equity" yet again. For the sixth year in a row, the in-house asset management unit received the certificate of the UN initiative PRI (Principles of Responsible Investment). The "Premium Selection Sustainable Equity" fund was also declared as

an Article 8 fund of the EU Disclosure Regulation and hence is officially allowed to bear the designation "sustainable" in its name. Details are also included in the Sustainability Report of VOLKSBANK VORARLBERG e. Gen.

BEST PRACTICE

Volksbank Niederösterreich AG

Volksbank Niederösterreich has already implemented some financing of photovoltaic projects on industrial roofs. These include, for example, the installations on the roofs of Umdasch, Berglandmilch or AMAG. The aluminum group AMAG in Ranshofen even boasts Austria's largest photovoltaic system installed on the roof of an industrial building. On 55,000 m², around 6.7 gigawatt hours (GWh) of electricity are meant to be generated per year, which corresponds to the consumption of around 1,700 households. In total, Volksbank Niederösterreich finances a photovoltaic portfolio with a capacity of around ten megawatts (MW).



Events of Volksbank Steiermark AG and Volksbank Tirol AG

The need for action in the sphere of sustainability is constantly increasing, even for smaller companies. Therefore, Volksbank is launching events for SMEs in various federal Länder together with experts such as those from respACT or Union Investment. Best practice initiatives from regional companies will also be presented.

ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

Starting with Volksbank Steiermark, Volksbank has brought the value and the market potential but also the risks of sustainable development closer to the SME customers of Volksbank. For large companies, terms such as SDG Compass, EU Taxonomy or Disclosure Regulation (SFRD) are no longer alien concepts. But even small companies can no longer avoid the topic of sustainability, because many of them are part of national or global supply chains. In addition, in the sphere of lending, banks will increasingly have to take sustainability criteria into account in the future, which will subsequently also affect SMEs. In addition to the risks, however, there are above all countless opportunities that arise from the implementation of CSR measures in companies. The bank was accompanied by CSR experts from the respACT sustainability network.

At Volksbank Tirol, too, six round tables in October 2021 focused on sustainability. Six companies offered the bank's corporate customers an insight into their respective businesses and presented their personal path to sustainability. Volksbank Tirol is very concerned to contribute to increasing sustainability and to support the customers of the region in their transformation.

OUTLOOK

As part of the ongoing Sustainability Project, 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. 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 cooperation in the sphere of financing photovoltaic systems. 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
- » 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

Sales campaigns are planned for 2022 in corporate banking and for residential housing construction with a focus 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 “hausbanking” app is planned.

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.).

VOLKSBANK WIEN AG

Subsidised real estate financing

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 2022:

- » Loan growth in the non-profit property development sector of at least 5 % compared to 2021
- » 5 % increase in subsidised real estate financing compared to 2021
- » Follow-up recording of the property or financing data required for the planned green bond issue

Sustainable investments

From August 2022, the EU Commission plans to require advisors, among others, to ask their customers whether they want sustainability preferences to be taken into account in their investments. At the same time, however, this indicates a need for advisor qualification. Investment advisors and private bankers will complete a special ESG Advisor training course. In addition, there will be internal training sessions on the topic of sustainability preference queries, on how advisors can implement the new legal adjustments in their discussions with customers from a sales perspective.

Based on these legal adjustments and the positioning of the Association of Volksbanks 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. Moreover, in the second quarter of 2022, a campaign on the topic of sustainability will be launched in cooperation with Union Investment. ERGO Insurance will launch an e-mobility car insurance policy in 2022, as well as a child care provision scheme that allows people to invest in sustainable funds.

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 2021 as well; the Association of Volksbanks continued to achieve good results with TeamBank and Union Investment in particular, despite the pandemic. In the sphere

of funds, the sixth 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. In the course of a new tender, the insurer has now been selected on the basis of its commitment to sustainability and digitisation. The contract was extended for a further 12 years in January 2021.

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 the Association of Volksbanks. 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.

With over 30 years of experience, Union Investment is 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 the Association of Volksbanks takes a clear stand: taking sustainability criteria into account reduces risks and creates added value. As at the end of December 2021, Union Investment manages more than euro 125.6 billion in sustainable funds and mandates.

In line with the legal setting, customers have always expected transparency and stability in the field of financial investments from the Volksbanks – and they have never been disappointed. The focus of the Association of Volksbanks 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 the Association of Volksbanks 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 the Association of Volksbanks 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 are components of another, even more essential, pillar of statutory or regulatory requirements that was implemented within the Association of Volksbanks, namely to increase the safety, transparency and efficiency of European financial markets.

The Association of Volksbanks further increased the selection of sustainable funds within the meaning of the Disclosure Regulation (Article 8) in 2021 and added, for example, the private fund: Nachhaltig (sustainable) to the list of funds recommended for sale in Austria. The Association of Volksbanks aims to further increase sales of sustainable funds in the coming years. In particular, appropriate steps were taken in advance to establish the first impact-related fund UniZukunft: Klima (climate) (Article 9 within the meaning of the Disclosure Regulation) to be established on the list of recommended funds.

In 2021, the already widely used "immofonds 1" qualified as a sustainable fund within the meaning of the Disclosure Regulation, which, in addition to the enormous demand for sustainable products, additionally fueled the development of the quota in customer portfolios.



ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

Association of Volksbanks Union funds ¹⁾	Unit	2021
Volume of Association of Volksbanks in Union Investment funds	Euro	4,950,728,477
Share of sustainable funds in Union Investment volume	%	37.28
Deposits with Union Investment fund units	Number	99,285
Deposits with units of sustainable Union Investment funds	Number	54,022

A CO₂ footprint was determined for the Union funds portfolio within the Association of Volksbanks. A distinction is made between securities funds and real estate funds. For securities funds, the CO₂ intensity is presented in tons 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	2021
CO ₂ intensity – investment funds ³⁾	t CO ₂ /euro million	154.57
Union Investment securities funds for which CO ₂ intensity is determined	Euro	2,929,186,206
CO ₂ intensity – real estate funds ⁴⁾	kg CO ₂ /m ²	35.07
Union Investment real estate funds, for which CO ₂ emissions are determined	Euro	991,279,494

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:

- » As a first step, portfolio management subjects the companies and countries in question to an ESG (Environmental Social Governance) analysis. The result is expressed in a value, the ESG score. In other words, the ESG score evaluates the extent to which any company or state acts sustainably with a view to the environment, to social factors and Corporate Governance. For companies, the business model is analysed as well.
- » Union Investment then checks whether companies or countries violate fundamental sustainability principles (based on the UN Global Compact guidelines). The relevant factors include, among others: human rights violations, compliance with labour standards, waiver of child labour or animal experiments. Companies or countries that violate the defined standards are excluded from the investment universe by the portfolio management.
- » In a final step, portfolio management checks whether the investment meets not only sustainable but also economic requirements and whether a positive benefit can be expected for the fund. Only if all evaluations are positive, an investment will be possible.

1) Starting in 2021, the Association of Volksbanks has put its focus on the presentation of portfolios that are defined as core business and actively managed within the Association of Volksbanks. 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.

ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

BEST PRACTICE

Commitment in the investors' interest

Being an active shareholder

Union Investment is an active investor. This means that, in contrast to funds of other providers that are managed by machines (so-called ETFs), the fund's portfolio managers will specifically get in touch and exchange information with businesses and states that they invest in. Part of this so-called stakeholder engagement approach are more than 4,000 investor talks and the participation in votes at more than 1,900 general meetings in 28 countries in 2021 (data as at 30 September 2021). The aim of this endeavour is to actively influence companies, in the interests of investors, to make themselves fit for the future in economic terms by acting sustainably. The main topics on the agenda were general corporate governance issues such as board appointments, remuneration and dealing with sustainability issues.

Sustainability by tradition

Due to its cooperative self-image, Union Investment has always considered sustainability to be highly important. Based on the cooperative idea of more than 170 years: What one cannot do alone, many can. 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.



Volksbank Tirol AG

In cooperation with Union Investment, an investment forum was held to show how sustainability can be reconciled with asset investment. Around 400 interested participants received information on the topic of sustainability in investment. It was also shown that sustainable funds can outperform comparable conventional funds in terms of performance development and hence do not represent any disadvantage in terms of returns.

**DIGRESSION
PRODUCT PARTNERS**

ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

DIGRESSION
PRODUCT PARTNERS

TEAMBANK AG

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

Customers are also becoming increasingly aware of ecological and social standards in financial services. According to a representative YouGov survey conducted on behalf of TeamBank in 2021, more than half of Austrians would not want to rely on a bank that does not declare its environmental and social efforts. This shows that many people’s trust in their bank depends on whether it lives up to its social responsibility. Therefore, the sustainability aspect must always be considered in all products and services. TeamBank applies a strong sustainability focus to all of its business activities. This has been evident since the introduction of the fairness positioning in 2011, which TeamBank is continuously developing.

In the 2021 reporting year, the Association of Volksbanks had some 48,600 ‘der faire Credit’ customers. On average, loans in the amount of euro 12,000 were granted.

	Unit	2021	2020	2019
Volume of ‘der faire Credit’ within the Association of Volksbanks	Euro thousand	678,534	630,169	610,681
Joint customers with the Association of Volksbanks	Number	48,636	47,330	47,088

Sustainability as part of the cooperative DNA and corporate values

Fairness is an attitude that defines the way that TeamBank acts: towards customers, partners, society, employees and the environment – in other words, comprising all dimensions of sustainability. The credo logically following from this is: fairness in everything we do.

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. Hence, the essential characteristic of the private instalment credit as a financial product is the individual and free use of funds within the determined creditworthiness – entirely subject to personal discretion. TeamBank has also signed up to the “Responsible Lending for Consumers” code of the banking trade association. The code includes ten items regarding the process of granting loans, from advertising to dealing with payment difficulties.

Through continuous exchange with customers via customer conferences, project-related quantitative and qualitative market research, online communities, user testing, and brand performance monitoring, regular checks are made, among other things, to determine whether efforts to ensure product transparency and understanding, as well as protection

ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

against over-indebtedness, are having the desired effects. Customer satisfaction as a key performance indicator is explicitly measured in the context of the Net Promoter Score.

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, the ISS ESG rating or the joint climate strategy.

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 retail branches of the Association of Volksbanks. 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 402,710 pages of paper¹⁾ and 2,129.9 kg of CO₂ within the Association of Volksbanks.

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. The award was presented for the first time in 2020 and recertification was carried out in this regard in the year under review.

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. For this reason, TeamBank supports the “Deutschland im Plus” foundation, a non-profit public foundation under

civil law initiated by TeamBank in 2007, which 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. School life was demanding in the 2021 school year. The current development offered great opportunities, as it were, to also promote financial literacy more strongly in schools. With its current online lessons, the foundation has struck a chord. Already, more than half of the workshops have taken place digitally, and feedback on the collaborative tools and interactive lessons has been promising. At the same time, the first workshops for the group aged 50+ were launched in the year under review, titled “Carefree retirement”.

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

BEST PRACTICE

Permanent liquidity support based on the financial reserve

The joint customers of the Association of Volksbanks and TeamBank benefit from the permanent liquidity support provided by the financial reserve. SEPA real-time transfers can be used to retrieve the financial reserve in no time, by telephone, on the customer portal, and obviously also in person with the local account manager. The extra financial buffer can be used immediately, also for impulse purchases. With this feature, TeamBank, together with the Association of Volksbanks, offers its customers an innovative tool for forward-looking liquidity management. The financial reserve is also available independent of “der faire Credit”. Especially in unpredictable moments, customers thus remain flexible by reserving their personal financial cushion just in case.

DIGRESSION
PRODUCT PARTNERS

1) when using virgin fibre paper

ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

ERGO VERSICHERUNG AG

ERGO Versicherung AG is part of the Munich Re Group. Volksbanken and ERGO have been working together successfully for many years in the sale of insurance products on the Austrian market.

It is not only insurance solutions for private customers – from comprehensive life, health, and accident insurance solutions to property insurance such as motor and household/homeowners insurance – and commercial and industrial insurance solutions for corporate customers that ERGO brings to this partnership, but also a strong focus on sustainability.

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

The introduction of digital signatures on insurance applications can be mentioned here as an example. The Association of Volksbanks was able to save around 428,000 sheets of paper in the year under review by using the ERGO sales portal in combination with digital signatures to process insurance applications without paper.

**DIGRESSION
PRODUCT PARTNERS**

	Unit	2021	2021	2021	2020	2019
			Applications via Portal	of which DigiSign		
Number of ERGO insurance contracts by customers of the Association of Volksbanks	Number [contract density]	149,283			154,172	162,255
Association of Volksbanks and ERGO customers	Number [contract density]	101,632			105,226	110,356
New insurance policies taken out by customers of the Association of Volksbanks ¹⁾	Number [production unit]	14,720	13,424	4,749	14,870	16,595
New business volume of ERGO insurance contracts by customers of the Association of Volksbanks	Euro [production premium]	24,722,598	22,589,132	5,998,307	22,293,613	22,904,115

1) Of the 14,720 insurance contracts, 13,424 were brought in via the ERGO sales portal, 4,749 of which were signed digitally.

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 Versicherung AG is aware of its responsibility and is committed to fulfilling this responsibility within the scope of the aforementioned areas of action. In 2021, based on the joint strategy of ERGO Group AG and Munich Re, a separate sustainability strategy was developed and measures were defined therein to further reduce climate-damaging activities and promote social justice. 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 for Life, ERGO for Savings and ERGO for Investment – customers of the Association of Volksbanks can determine the sustainability of their products themselves through their choice of funds. As part of the homeowner’s insurance, the customers of the Association of Volksbanks can also insure a photovoltaic system and thus secure their high investment for environmentally conscious energy generation.



ECONOMY

SUSTAINABLE PRODUCTS AND SERVICES

BEST PRACTICE

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 by the 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 – be it energy, paper, water or avoiding waste and business trips – the contribution of every single employee is needed. For this reason, information on environmentally friendly behaviour is provided at events and on the intranet, and action days are held on individual topics.

In 2021, the following measures and actions were implemented:

- » Paper-reduction days: On the one hand, Paper-reduction days encourage transformation towards a paperless office. On the other hand, employees were made aware of the need to digitally map future filing requirements and thus further reduce print output. In addition, with a digitally managed filing system, access to all data is possible at any time, even when working from home. The action also helps to further ensure compliance with the clean desk policy and data protection.
- » “Together we care for nature” was the motto in October 2021. As part of a group-wide “Tree Planting Campaign”, 29 ERGO employees spent a day implementing a regional reforestation project in the northern Waldviertel region. The goal was to plant an ERGO forest with 1,000 trees and make an important and active contribution towards more biodiversity.
- » Implementation of the national “Climate Launch Pad”, the world’s largest ideas competition on sustainable entrepreneurship, was again supported as part of the sponsorship activities.
- » In December, a sustainable charity campaign was carried out in cooperation with Caritas, in which a large number of employees took part once again.





IMPORTANT SUCCESSES AND RESULTS

In 2021, important successes and results were achieved within the Association of Volksbanks:

- » Numerous information events and a brochure on sustainability support customers in the region.
- » Regional procurement was further intensified.
- » Initiative "Bewusstessen21" with a focus on supporting regional businesses
- » Communication concept "purely Austrian company/regional"
- » Share of financing abroad 4.7 %



GOALS

In 2021, the goals of the Association of Volksbanks with respect to regionality were:

- » 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⁾
- » Reinforcement of communication and advertising "Purely Austrian company/regionality"



MEASURES

Measure	Time horizon	Status
Strengthening the regional economic cycles through consultancy and products	periodical	ongoing
Implementation of specifications on regional and sustainable procurement	from 2022	being planned
Communication of regional positioning	periodical	ongoing
Focus on sustainable, regional employer branding	since 2019	ongoing
Introduction of the "Hermann Award" as appreciation for regional SMEs ²⁾	from 2022	being planned

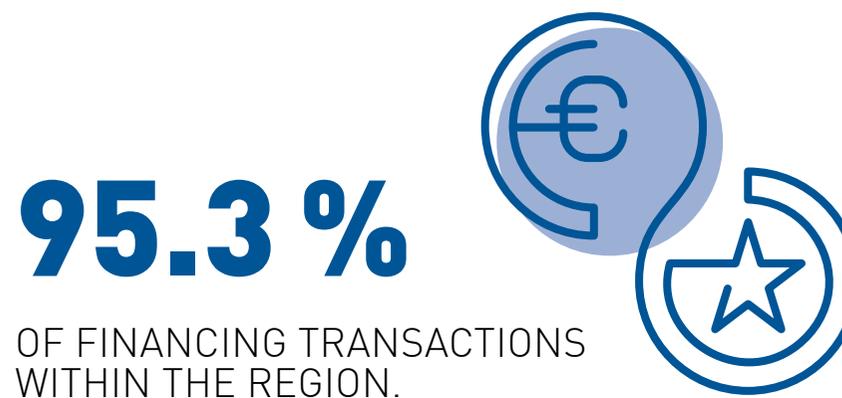
¹⁾ see chapter "Employees"
²⁾ see chapter "Cooperative"

ECONOMY REGIONALITY

The Association of Volksbanks operates almost exclusively in its catchment area. There are no foreign shareholders. The focus of the Association of Volksbanks 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 on other ESG aspects, for example, due to environmental conditions, market circumstances and the legal framework in Austria. The core of the sales activities of the Association of Volksbanks is the Austrian 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 very 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 from within the region.

The Association of Volksbanks focuses on customers in Austria. In regions close to the border, the Association of Volksbanks 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 has vindicated the business model of the Association of Volksbanks. The trend towards regionality was further strengthened by the crisis.

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. Consumer credits are offered in the form of the TeamBank credit, Union Investment is the partner of the Association of Volksbanks in fund business. For more detailed information, see the “Product partners” chapters.

The following table shows the regional roots of the Association of Volksbanks. The share of regional financing in all financing transactions amounted to 95.3 % in 2021. At 4.7 %, the share of financing abroad is well below the target set out in the risk strategy (max. 5 %). 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.

Regional investment and share of foreign financing transactions

Euro thousand			Total	2021	
	Regional	Foreign		Regional share	Foreign share
Financing of all customers	20,810,735	1,025,758	21,836,493	95.30 %	4.70 %
of which private customers	8,345,054	340,475	8,685,529	96.08 %	
of which SMEs	10,492,134	447,882	10,940,016	95.91 %	
of which corporate customers	498,891	125,027	623,918	79.96 %	
of which others	1,474,656	112,373	1,587,029	92.92 %	
Savings deposits and other deposits			22,746,798		
Share of regional financing in savings deposits and other deposits			91.49 %		

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). The Association of Volksbanks 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.

The Association of Volksbanks is making an essential contribution to creating value and prosperity in its regions, by fulfilling the following core functions for private households as well as small and medium-sized business enterprises in a very special way: financing investments, ensuring payment transactions, and facilitating needs-based financial investments that offer a risk/return profile appropriate to the respective goal.

Retail branches and offices

The employees of the Association 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 banks 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 advisors are characterised by trust and professional competence.

– Private Customers

The Association of Volksbanks is a competent investment, retirement pension provision and housing bank for private customers. In the service business, the Association 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. Hence, the need for housing loans remains high. 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, the Association of Volksbanks is working with the lifeblood of the economy within its 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, the Association of Volksbanks 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 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 within the region. In order to give SMEs a helping hand here, Volksbank 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

Subsidies

The Association of Volksbanks 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.

Using state bridging guarantees for financing provided by the Association of Volksbanks, above all in the core segment of small and medium-sized enterprises, these are provided with liquidity in a sustainable and unbureaucratic manner, for them to be able to continue their operations in the time after the COVID-19 crisis. Pandemic relief measures and public sector stimulus programmes in combination with the bank's own financing to strengthen the Austrian economy round off the financing spectrum – with a focus on expanding environmental investments and other sustainable investments in line with EU climate targets. Apart from personal consulting on site at the regional Volksbanks or via digital communication channels, the public funding services of the Association of Volksbanks for commercial projects include an online subsidy 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.

Österreichische Ärzte- und Apothekerbank AG

The professional bank of Austrian physicians and pharmacists specialises in the needs of its target group. The high market share among physicians, dentists and pharmacists reflects the long-standing focus on these professional groups. The experienced teams of experts are

characterised by industry know-how and a high level of customer understanding. For Österreichische Ärzte- und Apothekerbank, a personal advisor is at the heart of a long-term successful cooperation between customers and the bank based on fairness and trust. The account manager develops customised solutions for customers, tapping into the networks of both professions.

As a professional bank, Österreichische Ärzte- und Apothekerbank has made it its business to support the economic and financial interests of its customers.

Ärzte- und Apothekerbank is aware of its responsibility towards its stakeholders and has therefore anchored its sustainable economic, ecological and social goals in its business strategy. Many of the customers served have a long-standing commitment to sustainability due to their work in the healthcare sector. This also explains the continuing demand for sustainable investment opportunities.

In order to ensure compliance with all regulations, persons have been defined internally at Ärzte- und Apothekerbank who are responsible for implementing the four sub-projects in the area of sustainability throughout the Association. This business policy is intended to create awareness of sustainable issues among customers and employees. By engaging and motivating employees and through close interaction with customers and network partners, the bank for the healthcare professions will take the next step towards customer satisfaction, product innovation, transparency, and employee loyalty with an expanded focus on sustainability. This change, namely the integration of sustainability into the company's core values and DNA, has a positive impact on everyone's quality of life in a changing society.

Sustainability in sales

In the first quarter of 2021, Österreichische Ärzte- und Apothekerbank implemented a sales focus on the topic of sustainable investments:

- » Sustainable investment opportunities as a focus of securities advisory services
- » Edition of a new sustainability folder in cooperation with Union Investment
- » Online event with focus on sustainability in cooperation with Union Investment
- » Sustainable communication measures such as sustainable giveaways and gifts.

Other brands within the Association of Volksbanks

Apart from the "Volksbank" brand, SPARDA-Bank and Gärtnerbank are important, valuable components of the brand strategy due to their well-established brand strategy. They are briefly described in the sustainability report of VOLKSBANK WIEN AG. These brands will not be discussed in detail below.

Sustainable and regional procurement

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.

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. In selecting the printing shops, the Association of Volksbanks pays attention to their environmental certifications.

In the wake of the COVID-19 crisis, rapid antigen tests were purchased from Austrian distributors. Disinfection dispensers with stands and disinfectants were purchased from a supplier in Brunn/Gebirge. The Plexiglas screens used in the retail branches were manufactured in Upper Austria. In this context, the Association of Volksbanks tried to award contracts to local companies in order to support the regional economy.

Gifts

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. With regard to young people, we rely on invitations to events, 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.

ECONOMY

REGIONALITY

Sustainability in communication

In order to consolidate its positioning as a sustainable regional bank, the Association of Volksbanks has defined that both PR/communications and advertising messages should pay special attention to its positioning as a purely Austrian, regional banking group. As early as 2021, the focus of communications in press releases and advertorials was therefore set on Austria and regional activities. This also applies in particular to Managing Board communications and business performance reporting. Guidelines for regional sponsorships, regional Managing Board communications, and sustainable events were developed.

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 the Association of Volksbanks 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. The “www.bewusstessen21.at” initiative also focuses on economic activities in the region. Participants receive tips on how the CO₂ consumption of each individual can be significantly reduced through conscious and regional purchasing. A study conducted by the Johannes Kepler University in Linz shows that buying

20 percent more domestic food alone would create 46,000 new jobs in Austria. Another sponsoring partner is Österreichische Sporthilfe, which supports over 250 Austrian athletes in all regions of the country. In this way, the Association of Volksbanks is able to establish the connection between Austria and regionality in a unique manner. As regards business conducted with companies, the Association of Volksbanks 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 employer branding, various activities were launched to target employees from the respective regions. The Association of Volksbanks considers it important for a regional bank that employees live in the region and also come from the region.

BEST PRACTICE

VOLKSBANK VORARLBERG e. Gen. – BaM (The Bank as Marketplace)

BaM positions Volksbank Vorarlberg as a networking hub in the region, offering customers real added value as a communication platform, and bringing the vision “We are the relationship bank for entrepreneurs and business-minded individuals” to life – one of the goals being to generate new areas of income for Volksbank Vorarlberg. Every employee has the opportunity to actively and creatively contribute to BaM’s success, generating a “community architecture” within the company.

Short distances thanks to regional focus.

The premises of the retail branches are made available for exhibitions or events. The relevant projects are manifold and range from art, painting, leather goods or Panini exhibitions and opening events to club meetings. Moreover, fundraising campaigns for various non-profit organisations were launched, in-house sustainability projects were implemented, and the youth platform VB-Stage was designed and went live, to name just a few fields of action.

Corporate customers are additionally offered a digital communication platform. Here, they can place their company presentation via digital screens in the windows of selected retail branches. Details are also included in the Sustainability Report of VOLKSBANK VORARLBERG e. Gen.



Volksbank Kärnten eG

Strong personalities need strong partners. In 2021, Volksbank Kärnten supported the election of the “Heads of the Year” in cooperation with the daily “Kleine Zeitung”. Volksbank was responsible for the “Strong Personalities” category in all four major regions. This regionalisation is in line with the corporate concept of the Carinthians’ relationship bank, which is strongly rooted in the region.

Volksbank Oberösterreich AG

As part of a communication campaign on sustainable investment, Volksbank communicated the topic in a regionalised way in the Upper Austrian “Bezirksrundschau” newspaper together with its product partner Union Investment. The focus was on sustainability and regionality. The articles also introduced the private banking advisors from the region, whom interested customers can turn to.

OUTLOOK

In 2022, the topic of regionality will continue to be included in various measures within the entire Association of Volksbanks, whether in terms of Volksbank’s positioning as a regionally sustainable bank, in terms of employer branding, where regionality plays an important role, or in terms of the selection of suppliers, partners and projects that are supported by the bank.



GOALS

In 2021, 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 within the Association of Volksbanks.



IMPORTANT SUCCESSES AND RESULTS

In 2021, important successes and results were achieved within the Association of Volksbanks:

- » 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
- » Consideration of ESG-related scenarios in the internal stress test
- » 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

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.

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

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. Both physical and transitory risks are taken into account with regard to the environment.

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 designed with respect to the portfolio composition of the Association of Volksbanks and also take into account the assumptions of the NGFS. In 2022, the scenario analyses will be extended to a long-term horizon of 10 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 ESG heat map is used, for example, to analyse the loan portfolio on the basis of individual industries. As a result of the risk inventory, the Association of Volksbanks prepares a risk inventory in which ESG risks are mapped accordingly.

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. 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.

SKI AUSTRIA



DIGITISATION



IMPORTANT SUCCESSES AND RESULTS

In 2021, important successes and results were achieved within the Association of Volksbanks:

- » 88 % of customers are very satisfied/satisfied with Banking, 10 % of them are interested in active participation in further development
- » Product and service orders in the "hausbanking" app increased by 38.5 % and 1,611 days of bank time and 2,839.5 days of customer time were saved
- » Introduction of qualified electronic signature (QES) and increase in licences by 123 % from April to December 2021
- » Provision of a MiFID- and IDD¹⁾-compliant intuitive online (video) consulting solution (Opti-Channel)

GOALS

In 2021, the goals of the Association of Volksbanks with respect to digitisation were:

- » Use digitisation to save resources and protect the environment (CO₂, distances, paper etc.)
- » Improve customer satisfaction and increase interactions with customers
- » Introduction of the qualified electronic signature (QES) and expansion of digital signature (ID app and name stamp)
- » Expansion of Opti-Channel approach to processes and consulting



MEASURES

Measure	Time horizon	Status
Increase in product and service orders in "hausbanking"	2018 – 2022	ongoing
Provision of a secured workflow path for signing with QES	2021	completed
Provision of a solution for IDD- and MiFID-compliant video consultancy	2021	completed
Online customer survey Banking and recruitment Closed User Group	2021	completed

1) IDD (Insurance Distribution Directive) is a directive of the European Union to protect the rights of consumers who seek direct advice on insurance products.

DIGITISATION

The Digitisation department of VOLKSBANK WIEN AG as central organisation supports 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 for increasing customer satisfaction. Important customer processes are optimised or redesigned (sometimes in collaboration with FinTechs), thereby enhancing customer experience and convenience. Key indicators for digitisation are measured and made available “on demand” in an interactive KPI dashboard. These are the reference points in implementing continuous improvements.

In 2021, an additional focus was placed on expanding product and service orders in “hausbanking”. On the one hand, usage was increased by a further 38.5 % and, on the other, important product partners such as ERGO (with 5 online insurance policies) and TeamBank (consumer credit) were integrated. This has significantly increased the reach for customers via the online channel and further expanded online contracting options, it also leads to an avoidance of travel costs and hence CO₂ reduction as well as reduction of printing costs (through online contracting). Increased customer usage and expanded Robotix processing levels saved a total of 2,839.5 days of customer time and 1,611 days of bank time in 2021.



INCREASE IN THE USE OF PRODUCT AND SERVICE ORDERS VIA “HAUSBANKING”.

DIGITISATION

Personal messages to customers in “hausbanking” were expanded. This mainly concerned notifications regarding safety instructions, recommendations on products, and information on new functions in online banking. These feature notes were very well received and also rated by customers. Customers can easily give feedback on new functions or explanatory videos in “hausbanking” by giving a thumbs-up or thumbs-down assessment, and can also give reasons for their assessment. This feedback leads to further optimisation of services, descriptions or FAQs. Around 56 % of all online banking users have also agreed to receive e-notifications, which means that they no longer receive important information from the bank (e.g. changes to the terms and conditions) by mail but electronically in their “hausbanking” safe deposit box. This saves postage and paper costs.

The processes for opening an account online or for the online account switching service were further improved and their functionality expanded. On average, this saves more than 70 minutes per business case, and the purely electronic processing significantly reduces or completely eliminates the effort required to print out, fill in and scan the documents again.

The training of service managers in the retail branches to become digital ambassadors was further expanded. Together with Volksbank Akademie, “fit für hausbanking” was designed in 3 modules (digitisation strategy, “hausbanking”, digital processes) and implemented as web-based training with over 1,000 completions. As a digital ambassador, the service manager acts as the first point of contact with the customer and as a multiplier for digital topics in the retail branch. In this way, a digital mindset is being developed continuously through measures lasting several years. The community of “Digital Executives” at VOLKSBANK WIEN AG

has also worked out the stance of the Association of Volksbanks on the subject of “Virtual Currencies/Crypto Assets” via an internal working group.

The application of digital signatures was encouraged by providing a secure workflow path and using qualified electronic signatures (QES). Document security is ensured by the signature servers (PrimeSign and A-Trust) at the ARZ (data centre). The signature solution enables quick and easy signing with the mobile phone signature. In addition, the signature process for customer contracts to be signed by the bank was simplified. By using the name stamp (showing the names of two board members), the manual signatures of two departments are no longer required for 95 % of the forms (active and passive forms according to ÖGV standard). This reduces the workload for employees, keeps distances shorter and reduces paper consumption by eliminating printing costs.

In order to be able to advise customers in an IDD- and MiFID-compliant manner independently of a visit to the retail branch, a provider evaluation was carried out in 2021. One important aspect was to find a market-tested system that meets the security and data protection requirements of the Association of Volksbanks and can be easily used by account managers. From online appointment invitations to video telephony, the selected solution also enables live chats, joint document editing and individual consultancy supported by a virtual whiteboard. This means that all requirements for a trustful personal consultation with the customer can also be met online. The audio recordings of the conversations are stored in the data centre in an audit-proof manner.

In autumn 2021, an online survey throughout Austria was launched among Volksbank customers to gauge their satisfaction with the banking solution in terms of performance, functionality and usability. 88 % of the customers are very satisfied/satisfied. Particularly high scores were achieved in the areas of security (85 %) and login (90 %). Performance and design were assessed somewhat more critically, especially among younger user groups.

DIGITISATION

Despite high satisfaction, the survey also resulted in important optimisation approaches, mainly with regard to loading speed, a revision of the navigation structure and the retrievability of information (also with regard to filter and search functions). With a view to developing the banking app together with customers, the survey also asked about customers' interest in active participation. About 10% of the participants showed interest in actively participating in a closed user group. Suitable measures such as co-creation workshops or user testing will be defined and implemented in 2022.

In 2021, VOLKSBANK WIEN AG started to establish a dedicated Robotic team. This should especially relieve the back office units of recurring, time-consuming routine work. By the end of 2022, 25 bot processes are going to be implemented.

BEST PRACTICE

Volksbank Niederösterreich AG

As part of Volksbank Niederösterreich's annual internal kick-off event "The Wings of the Year", the award was presented in the category "Best Regional Network in the Area of Digitisation", among others. The highest penetration with digital customer services was measured, the prerequisites for which are consent to the GDPR and a telephone agreement. This is currently being expanded to include ERGO online contracts and digital contracting.

88 %



OF CUSTOMERS ARE VERY SATISFIED/SATISFIED WITH THE ONLINE BANKING APP ("HAUSBANKING").¹⁾

OUTLOOK

In 2022, further digital implementation projects will be launched to achieve the sustainable goals of the Association of Volksbanks. On the one hand, the focus is on gaining efficiency by, for example, optimising account opening in the retail branch by adopting and expanding facilities from online onboarding, and on the other hand, on solutions that add value for customers, thus further increasing customer satisfaction. This includes, for example, the planned implementation of a secure document exchange and custody function (including inheritance in the event of death) as well as the expansion of the QES solution for customer-relevant use cases for both private and corporate customers.

1) online survey on performance, functions and usability, autumn 2021



IMPORTANT SUCCESSES AND RESULTS

In 2021, important successes and results were achieved within the Association of Volksbanks:

- » Optimisation of retail branches and headquarters with respect to various environmental aspects
- » Green electricity through framework agreement with electricity supplier for the Association
- » Paper purchasing database includes recycled paper
- » Optimisation of the vehicle fleet with regard to climate and environmental issues



MEASURES

Measure	Time horizon	Status
Development and implementation of a climate strategy	by 2030	ongoing
Implementation of guidelines on sustainable procurement	from 2022	being planned
Calculation of CCF for the Association	from 2022	ongoing
Sustainable aspects taken into account in the construction sector	2022-2023	being planned
Addition of sustainable aspects to the guideline for company cars	2021	completed
Acquisition of electric and hybrid vehicles	since 2021	ongoing



GOALS

In 2021, the goals of the Association of Volksbanks in the area of energy and climate were:

- » Green electricity through framework agreement with electricity supplier for the Association
- » The prerequisite for the use of recycled paper was created within the Association.
- » Implementation of sustainable procurement strategy within the Association
- » Strategic goal: climate-neutral operations by 2030

ECOLOGY ENERGY AND CLIMATE

Despite the small direct environmental impact of any bank's operations, the Association of Volksbanks 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.

In the Association of Volksbanks, facility management was transformed from a decentralised organisation to a collaborative model (centralised-decentralised). However, this does not apply to all areas such as vehicle fleet, waste management or paper purchasing.

Overall, the Association of Volksbanks attaches great importance to successively introducing and implementing optimisations with regard to the environment and climate in the areas of electricity purchasing, heating, vehicle fleet, paper and waste management. For this reason, the strategy of the Association of Volksbanks stipulates that operations should become climate-neutral in terms of its CO₂ emissions by 2030.

Therefore, in the course of preparing the first Sustainability Report for the Association of Volksbanks, an attempt was made to create an initial basis for a climate strategy and to collect and consolidate data on energy and climate as well as paper and waste from all banks. The key figures for resources and energy were collected by the individual banks of the Association and reported to 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.



FIRST-TIME
DATA COLLECTION ON
“ENERGY AND CLIMATE” FOR
THE ENTIRE ASSOCIATION

ECOLOGY

ENERGY AND CLIMATE

Corporate Carbon Footprint (CCF)

In the reporting year 2021, the process for collecting climate and environmental data was launched throughout the Association of Volksbanks. The electricity, heating and fuel consumption of the Association was surveyed. The aim is to calculate a corporate carbon footprint (Scope 1 and 2 CO₂ emissions) for the years 2021 and 2022. At the time of publication of this report, the data collection and calculation of CO₂ emissions for 2021 had not yet been completed. The Scope 1 and 2 CO₂ emissions for the Association of Volksbanks will therefore not be published until the Sustainability Report 2022.

BEST PRACTICE

Corporate Carbon Footprint (in kg CO₂e) of VOLKSBANK WIEN AG

VOLKSBANK WIEN AG has been calculating Scope 1 and 2 CO₂ emissions (Corporate Carbon Footprint) for 3 years now. Direct (Scope 1) emissions include thermal energy consumption at the retail branches and the head-quarters and fuel consumption for company cars. Indirect (Scope 2) emissions include electricity and district heating consumption. In total, VOLKSBANK WIEN AG emitted approximately 822 tons (Scope 1) and 400 tons (Scope 2) of CO₂ equivalent emissions in 2021. Overall, a reduction of 9 %

was achieved compared to the previous year. Details on the calculations are contained in the Sustainability Report of VOLKSBANK WIEN AG.

Corporate Carbon Footprint (in kg CO ₂ e) of VOLKSBANK WIEN AG		2021
Total	Direct emissions (Scope 1)	821,826
	Indirect emissions (Scope 2) – market-based	399,537
	Indirect emissions (Scope 2) – location-based	925,558
	Total Scope 1 + 2 emissions (market-based)	1,221,363
	Total Scope 1 + 2 emissions (location-based)	1,747,385

Energy

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.

As part of the “Sustainability Project”, templates were created for all banks of the Association as “Best Practice”, showing examples of measures for optimising the retail branches and head offices with regard to various environmental aspects.

Electricity

In terms of electricity purchasing, a framework agreement has been in place for the Association of Volksbanks since 2020, ensuring that the banks in the Association of Volksbanks only purchase green electricity. The strategy for 2022 will be, among other things, to push the sustainability concept even further, also for electricity purchasing.

By consolidating the electricity data of all banks of the Association in 2022, the basis for a strategy to reduce CO₂ can be created for the Association.

Heat

By consolidating the heat data of all banks of the Association in 2022, the basis for a strategy to reduce CO₂ can be created for the Association.

Vehicle fleet

When it comes to managing their vehicle fleets, the banks of the Association of Volksbanks act independently. In some cases, measures have already been taken to reduce CO₂, and electric and hybrid vehicles have been purchased. But the switch to e-cars is not the only green measure in the area of the vehicle fleet.

As part of the "Sustainability Project", templates were created for all banks of the Association as "Best Practice" to provide a guideline for the procurement of company cars. Strict limits for maximum fuel consumption and maximum carbon dioxide emissions were also imposed on the purchase of new petrol- or diesel-fueled vehicles. It is also planned to use low-viscosity oil for oil changes in the future.

By consolidating the vehicle fleet data of all banks of the Association in 2022, the basis for a strategy to reduce CO₂ can be created for the Association.

Paper

For the reporting year 2021 and for the years 2020 and 2019, the total paper consumption of the Association of Volksbanks was surveyed for the first time. Paper is always purchased via the VB Infrastruktur online

portal. However, the banks of the Association are free to place orders independently. In the year under review, a total of 174 tons of paper were purchased by the banks of the Association. Due to a better data situation in 2021, this value is higher than in previous years.

A large proportion of the paper procured is either produced in a CO₂-neutral manner or at least provided with the EU Ecolabel certification. The Association of Volksbanks pays attention to the economical use of paper as a resource and aims to ensure a continuous reduction in paper consumption.

As part of the "Sustainability Project", templates were created for all banks of the Association as "Best Practice", showing examples of measures for optimising paper consumption and the procurement of recycled paper.

Consumption of printing and copying paper	Unit	2021	2020	2019
Printing and copying paper	kg	173,556	101,481	99,714
Printing and copying paper	kg per FTE	55.5	*	*

Waste

Together with the paper consumption data, the waste volume of all banks of the Association was also surveyed for the reporting year 2021. The volume of data waste, residual waste, glass, cardboard, metal and plastics was recorded at all sites. Waste data were not available for some sites

*not collected in the year under review

ECOLOGY

ENERGY AND CLIMATE

due to the relevant entities renting their premises in third-party buildings, so a qualified extrapolation of the data was performed. The volume of waste in the Association of Volksbanks has been continuously reduced since 2019.

Waste generation ¹⁾	Unit	2021	2020	2019
Waste	kg	286,932	307,828	355,840
Waste	kg per FTE	91.7	*	*

Climate-optimised local transport

As regards climate-optimised local transport, the banks of the Association were shown numerous ideas as “Best Practice”, such as leasing bicycles, car sharing, the ‘Austria Cycles’ campaign, etc., with a view to optimising local transport in terms of climate and environmental aspects.

Sustainable procurement

The details are described in the chapter “Regionality” under the item “Sustainable and regional procurement”.

BEST PRACTICE

VOLKSBANK VORARLBERG e. Gen.

Facility Management

In facility management, various new measures saved environmental resources and further reduced the CO₂ footprint. Another thing worth mentioning here is the “wohngsund” certificate awarded by Energieinstitut Vorarlberg. Volksbank Vorarlberg was the first company in Vorarlberg to receive this award for the eco-minded and low-emission renovation work carried out at its Am Garnmarkt retail branch in Götzis.

At Volksbank Vorarlberg, continuous measures to reduce CO₂ emissions are also planned for the coming year, such as the ongoing switch to LED lighting, the expansion of the in-house e-fuelling station or the optimisation of space utilisation in the real estate portfolio. The newly implemented “Get your Jobbike” project offers employees the opportunity to obtain e-bikes on attractive terms due to tax savings and, by going car-free to their place of work, to reduce CO₂ emissions.

Even in a year when business trips were permitted again, efforts continued to reduce the emissions generated by such trips. Hence, both regional and national business trips were reduced to a minimum. In addition, employees continued to use web-based formats for conferences, meetings, and training whenever possible. This technology not only has the advantage of reducing business travel, but also allows colleagues to get back to their daily business more quickly, thus eliminating overtime and providing employees with better control over their work-life balance. Details are also contained in the Sustainability Report of VOLKSBANK VORARLBERG e. Gen.

VOLKSBANK WIEN AG replaces almost 40 percent of its vehicle fleet by e-cars

VOLKSBANK WIEN AG is consistently pushing ahead with its strategy as a sustainable, regional relationship bank. All employees entitled to a company car were given a one-time option in 2021 to trade in their diesel- or petrol-fueled company car for a new e-car – regardless of the vehicle’s age or mileage. Pool vehicles, which are regularly used for shorter trips, were also candidates for a switch to e-drive. In total, 26 of the company’s fleet of 68 cars were replaced. In some cases, the bank has even cancelled pool vehicles that are hardly used or have become uneconomical without replacing them. Not only were charging stations for e-cars installed in Dietrichgasse, but sockets for charging e-bikes

1) Includes total waste generated by all banks within the Association of Volksbanks. Only data waste could be included for VOLKSBANK WIEN AG.
*not collected in the year under review

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

were also installed in the basement. But the switch to e-cars is not the only green measure in the area of the vehicle fleet. Strict limits were also imposed on the purchase of new petrol- or diesel-fueled vehicles: maximum carbon dioxide emission of 130 g/km and maximum standard consumption of 6.5 l/100 km.



Volksbank Salzburg eG

In 2021, a photovoltaic system on the roofs of the headquarters of Volksbank Salzburg eG was put into operation. Photovoltaic panels were installed on all suitable roof surfaces. With an area of 222 sqm, the entire plant provides a maximum output of 46.5 kWp. The majority of the electricity is consumed by the company itself. The electricity from this photovoltaic system is also used to supply the company's own charging stations. These can be used by customers and employees. Further photovoltaic systems including charging stations are already being implemented. Employees at the headquarters have access to one e-car and two e-bikes as well as to a transferable annual ticket for public transport in Salzburg for their business trips.

OUTLOOK

Measures for optimisation in the real estate area of the Association of Volksbanks are planned for 2022, primarily to increase energy efficiency. Furthermore, a set of rules for sustainable procurement is being established within the Association of Volksbanks. To achieve climate neutrality by 2030, the course is being set for a climate strategy. Sustainability aspects in the area of construction are being included in project planning and will be successively implemented from 2023. The travel policy will be reviewed for sustainability in 2022 and adjusted if necessary.

SOCIAL MATTERS EMPLOYEES



IMPORTANT SUCCESSES AND RESULTS

In 2021, important successes and results were achieved within the Association of Volksbanks:

- » Deeper anchoring of the employer values elaborated by the employees
- » Definition of sustainability goals across the Association
- » Implementation of the Success Stories campaign where employees could present their personal success stories
- » The foundations have been laid for a systematic review of a potential gender pay gap
- » Roll-out of an employee survey throughout the Association
- » Expansion of the remote skills in connection with an allowance for working from home
- » Optimum protection of employees in the COVID-19 pandemic through a consistently safe work environment and "COVID-19 rules"
- » Granting of a coronavirus bonus in recognition of the exceptional commitment and dedication of employees
- » Enhancement of the digital education offered in the form of modern online training courses

GOALS

In 2021, the goals of the Association of Volksbanks with respect to employees were:

- » Positioning of the Association of Volksbanks as an attractive employer
- » Strengthening identification with the company (e.g. Success Stories campaign)
- » Focused development of employees and creation of a systematic framework for this purpose
- » Full equal treatment and recognition of employees
- » Ensuring safe working conditions in times of COVID-19
- » New and further development of training formats
- » Development of digital skills

*Our employees
are the basis of
our success!*



MEASURES

Measure	Time horizon	Status
Increase in the proportion of women in managerial positions by 10 %	2022	end of 2023
Employee satisfaction is evaluated with an NPS (Net Promoter Score) survey	2022	ongoing
The employer branding values are being made a reality in the Association of Volksbanks.	since 2019	ongoing
Implementation of a standardised gender pay gap analysis	since 2021	ongoing
Measures to strengthen identity-building with the Association of Volksbanks	2021	completed
Establishment of a structured framework for remote work	2021	completed

SOCIAL MATTERS

EMPLOYEES

3,919

ARE WORKING FOR THE ASSOCIATION OF VOLKSBANKS.¹⁾



The Association of Volksbanks 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 the Association of Volksbanks as an employer in its relationship with its employees. That is why the Association relies on mutual trust through partnership.

Employees are represented by the authentic employer values of the Association of Volksbanks – encounters at eye level, the courage to get involved, and making the company ‘fit for the future through flexibility’ – encouraging them to work together. Behind all three employer values is an individual value proposition that the individual Volksbanks and Österreichische Ärzte- und Apothekerbank guarantee their employees. This value proposition has become an integral part of the value framework practiced by the Association of Volksbanks, helping the Volksbanks to improve as employers. 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-fulfillment. The Association of Volksbanks is building on this, because this is how Volksbank will remain fit for the future and sustainably successful.

Employment development

The Association of Volksbanks currently has 3,919 employees. The figures indicated in the employee area refer to those employees that were employed within the Association of Volksbanks (8 regional Volksbanks, Österreichische Ärzte- und Apothekerbank, and fully consolidated affiliated companies) on 31 December of the reporting year. Full-time equivalents are rounded mathematically to whole numbers.

SOCIAL MATTERS
EMPLOYEES

Employees ¹⁾	Gender	Unit	2021
Headcount		Number	3,919
	F	Number	2,322
	M	Number	1,597
Employees by full-time equivalents		FTE	3,128
	F	FTE	1,614
	M	FTE	1,514
White-collar workers	F	FTE	1,589
	M	FTE	1,471
Blue-collar workers	F	FTE	3
	M	FTE	26
Apprentices	F	FTE	22
	M	FTE	17
Full-time employees		Number	2,466
	F	Number	1,047
	M	Number	1,419
Part-time employees		Number	1,453
	F	Number	1,275
	M	Number	178
Employees with permanent employment contract		Number	3,881
	F	Number	2,300
	M	Number	1,581
Employees with a fixed-term employment contract		Number	38
	F	Number	20
	M	Number	18

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

The materiality matrix and the link to the HR guiding principles of the Volksbanks

As part of a stakeholder survey conducted throughout the Association on the views of the most important sustainability issues of the Association of Volksbanks, 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:

- » Unrestricted equal rights & recognition
- » Targeted development of employees and creation of a systematic framework for this purpose
- » Consistent use of employee feedback as development drivers for the organisation & for executives
- » Creating a framework for and supporting the 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

Unrestricted equal rights & recognition

The Association of Volksbanks 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 meant 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, the Association of Volksbanks 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. The Association 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, the Association of Volksbanks 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 proportion of women in managerial positions is meant to increase steadily in order to achieve equal participation in decision-making and responsibility.

SOCIAL MATTERS EMPLOYEES

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 within the Association of Volksbanks

Another key success factor for equal treatment and equal opportunities is a structured analytical process on gender pay gaps. In the future, significant differences between average male and female remuneration will be documented and justified annually – as part of the remuneration report – and appropriate measures will be taken, if necessary (see General Instruction Remuneration Policy and work standard).

Fit & Proper training for supervisory board members

For years, the supervisory board members and executives of the Association of Volksbanks have been trained on regulatory issues, sustainability issues and the practical implementation of sustainability measures within the Association of Volksbanks. In 2021, these training courses were attended by 127 people, 41 of whom were supervisory board members.

Supervisory board	Gender	Unit	2021
Supervisory board members		Number	117
	F	%	22
	M	%	78

Managing board	Gender	Unit	2021
Managing board members		Number	20
	F	%	10
	M	%	90

Managerial responsibility	Gender	Unit	2021
Employees with managerial responsibility		Number	440
	F	%	24
	M	%	76

Managerial responsibility	Gender	Unit	2021
Employees without managerial responsibility		Number	3,479
	F	%	64
	M	%	36

BEST PRACTICE

Women’s advancement programme of VOLKSBANK WIEN AG

To promote equal opportunities and a work-life balance, VOLKSBANK WIEN AG relies not only on family-friendly initiatives but also on a women’s advancement programme consisting of a network of female executives and high potentials who want to develop their skills, think outside the box and try out new things. The aim is to strengthen their professional competences and personal skills. This year, too, the supporting measures were continued. These include:

SOCIAL MATTERS

EMPLOYEES

The talent training course

The talent training course was designed with the aim of offering participants a profound education to strengthen their own skills and personality, to work on cross-divisional projects and to strengthen their network. In 2021, the following topics were covered in the course:

- » Measures to increase employee motivation
- » KEEP IT – motivated market employees in Austria’s most modern banking association
- » New world of work – agility in the company
- » Efficient knowledge management

Technical presentations

The 2021, technical presentations were held as part of the International Women’s Day and an autumn meeting on the following topics: work-life balance while working at home and collaboration in hybrid teams.

WoMentoring

VOLKSBANK WIEN AG has set itself the goal to put a special focus on promoting women within the company and to qualify them for executive functions. All managing board members and division heads are available as mentors to support them along this path, and this offer was taken up by female employees in 2021 as well.

Further training

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

For the Association of Volksbanks, 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 and supervisors 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/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, 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 40 audio books, with topics

SOCIAL MATTERS
EMPLOYEES

ranging from IT via HR development through to self-management and many others, is available for download from the moodle training platform throughout Austria, in addition to the script library. Since 2020, the latest book additions are presented with short videos. For the third 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 “relationship bank of the future” project received the “eLearning Award 2021” in the “Learning Experience” category. The jury praised the opportunity for learners to get involved in the implementation of the strategy of the Association of Volksbanks and the learning experience during the transfer of 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.

Internal training on sustainability

Early in 2021, the second episode of the eLearning format “relationship bank of the future” on the topic of sustainability was rolled out on a mandatory basis for all employees of the Association of Volksbanks. In addition to the topics of positioning, strategy and measures for integrating ESG aspects into the Association of Volksbanks, specialist topics such as an explanation of the SDGs, etc. were also included. By 31 December 2021, 3,662 employees of the Association of Volksbanks, or 93% of all employees, have completed the sustainability episode. A further episode of the format is already being planned for 2022.

Average training hours	Gender	Unit	Total	Akademie	in-house	external
Total employees		Ø hours	49.89	42.90	4.23	3.36
	F	Ø hours	43.11	37.12	3.67	2.96
	M	Ø hours	48.52	39.93	5.11	3.97
Employees without managerial responsibility		Ø hours	46.75	40.40	4.10	2.77
	F	Ø hours	41.48	35.85	3.68	2.51
	M	Ø hours	46.67	38.87	4.95	3.23
Employees with managerial responsibility		Ø hours	51.96	41.84	5.03	6.44
	F	Ø hours	71.57	53.37	5.07	11.67
	M	Ø hours	47.78	38.77	4.99	5.76

SOCIAL MATTERS

EMPLOYEES

BEST PRACTICE

The trainee programme of VOLKSBANK VORARLBERG e. Gen. Training in rotation and with career perspectives

Volksbank Vorarlberg offers young graduates or career starters the choice between direct entry into the job or participation in a trainee programme after completion of their commercial/business management training. Trainees will specifically be prepared for a career in the company. The benefits of this training concept are that participants are trained to become specialists or managers relatively quickly, efficiently and in a company-specific manner. After completing their training, successful trainees can very often count on a permanent position. In principle, the regional bank offers the training under the name "trainee programme to become a customer advisor", although trainees may still choose different specialist focuses, for example financing or securities. The trainees pass through various departments and retail branches and are trained internally by experienced employees, which makes their training intensive and company-specific. Depending on performance and interest, trainees can develop in their desired direction and make the best possible use of their skills and strengths. The Volksbank Vorarlberg trainee programme was successfully launched in 2019 and has grown in recent years. A successful sustainable concept with potential for the future.

Employee satisfaction

Consistent use of employee feedback as development drivers for the organisation & for executives

The Association of Volksbanks 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.

Employee surveys

It is the goal of the Association of Volksbanks to conduct an employee survey every two years that leaves room not only for standardised questions but also for questions relating to current developments. In the medium term, the surveys are also meant to be coordinated in terms of content within the Association. In 2021, an employee survey on the topic of "Volksbank as an employer" was conducted across the Association in conjunction with a customer survey.

A total of 1,122 employees¹¹ participated in this survey. A few of the responses are shown here as examples:

- » Employees are aware of the goals of the Association of Volksbanks (82 %).
- » Employees see a successful future for the Association of Volksbanks (67 %).
- » The majority of employees continue to rate their sense of belonging as good, with an increasing tendency.
- » 67 % say they can work well to excellently in a remote setting.
- » 63 % of employees would like to work remotely 1 or 2 days a week.

Based on the survey results, in 2021, specific measures were initiated or measures already in progress were adjusted. This includes:

- » Implementation of the remote concept in connection with an allowance for working from home
- » Granting of a coronavirus bonus to recognise the exceptional commitment and dedication of employees

Starting in 2022, an NPS (Net Promoter Score) survey will be conducted throughout the Association to clarify the extent to which employees would recommend the Association as an employer. The result is going to be used as a guide and yardstick with respect to employee satisfaction and compared over time.

Appraisal interviews

The Association of Volksbanks 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 and satisfactory 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 maternity leave) are exempt from the interview.

BEST PRACTICE

Employee survey VOLKSBANK VORARLBERG e. Gen.

At Volksbank Vorarlberg, an employee survey is conducted every two years focusing on vision, strategic objectives, value proposition, leadership, employees, culture/cultural change, loyalty, fluctuation, crisis management, and sustainability.

This analysis serves to identify the strengths and potentials and to derive necessary measures from them. One of these measures is workshops with executives, who discussed the areas of development, working out new focal points of action and implementing them. This consistent approach has enabled Volksbank Vorarlberg to achieve significant improvements in all areas (strategy, leadership, employees and corporate culture).

Employee survey 2020 VOLKSBANK WIEN AG

It is VOLKSBANK WIEN AG's goal to conduct an employee survey every two years that leaves room not only for standardised questions but also for questions relating to current developments. The results of the last survey were available at the beginning of 2021 and were successively analysed and made use of during the year.

At the overall company level, the results were evaluated and translated into measures by a steering group consisting of representatives from HR management, occupational medicine/occupational psychologist, works council, executives and employees. Subsequently, the findings were also broken down to the individual organisational units (divisions) and discussed by the division managers with their employees.

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.

SOCIAL MATTERS

EMPLOYEES

In addition to the measures listed above, the content of training courses for executives has already been expanded and internal communications strengthened. Additionally, the following specific measures were initiated or measures already in progress were adjusted:

- » Design and implementation of the first "Service Heroes Award" as a visible sign of appreciation
- » Development of expert career as further career path in addition to sales and management careers

Volksbank Niederösterreich AG uses employee feedback before product launch

As part of the employer branding project, Volksbank Niederösterreich employees have the opportunity to test new products in advance before they are launched (e.g. Garmin Pay). Involvement is based on the skills and personal interests of employees. This creates an additional feedback loop, and sales management, which is responsible for most product launches, has the opportunity to optimise processes even before the customer roll-out, or service managers and customer service center staff can prepare for frequently asked questions. This successful measure, which in turn proves how employees can use their skills and interests in the right way, enhances motivation and satisfaction. The employer value "the courage to get involved" is also confirmed and made a reality through this measure.

Employee health and safety

Creating a framework for, and supporting, work-life balance

Employee health

The Association of Volksbanks 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.

Depending on local conditions, further points of emphasis will be the following:

- » "Keep Balance" co-operation with Hilfswerk Österreich
- » Offer of online lectures on the subject of work-life balance
- » Digitisation of the training offered
- » Information packages on the topic of family and nursing for employees with care responsibilities
- » Offers and preventive measures to help employees stay healthy
- » Company doctor or company psychologist to help in personal stress situations

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 (ArbeitnehmerInnenschutzgesetz; ASchG) for the Association of Volksbanks. According to the ASchG, employers are obliged to ensure the safety and health 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 within the Association of Volksbanks as well as compliance with or observance of the provisions of other laws

SOCIAL MATTERS EMPLOYEES

such as the Austrian Workplace Ordinance (Arbeitsstättenverordnung; 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, and 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 and 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 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 security training events for employees at retail branches.

Safety training	Gender	Unit	2021
Participants in crisis intervention and security training	F	Number	701
	M	Number	535

In total, 2,472 hours were spent on crisis intervention and safety training in 2021.

The following section describes the measures relating to COVID-19 in the area of social and employee matters.

THE FOLLOWING MEASURES WERE TAKEN DURING THE COVID-19 PANDEMIC TO PROTECT CUSTOMERS AND EMPLOYEES:

- » Incident-related, up-to-date information in the form of FAQs was communicated to employees as quickly as possible.
- » Protection of employees and customers has been a top priority at all times (masks, A/B teams, antigen testing, vaccination offers, etc.).
- » Clear rules of conduct and distancing rules were communicated to protect employees.
- » Employees in areas without customer contact performed much of their work outside the office/working from home during periods of heightened risk of infection (COVID-19 waves of infection).
- » Face-to-face meetings have been replaced by virtual meetings to the greatest possible extent.
- » Increased protective measures have been taken for banking operations in the retail branches (e.g. max. number of people in the customer area).
- » In addition to clear rules of conduct and distancing rules, hand and surface disinfectants, disinfectant wipes, FFP2 masks and Plexiglas protective screens are used to protect customers and employees.
- » The local crisis teams and the crisis team of the Association evaluate the COVID-19 situation and COVID-19 regulations on an ongoing basis.

SOCIAL MATTERS

EMPLOYEES

BEST PRACTICE

Volksbank Niederösterreich AG has been certified according to the berufundfamilie audit since 2007

The state quality mark “berufundfamilie” is awarded annually to companies that have successfully participated in the audit and have thus created needs-based framework conditions for a family-friendly working environment. The measures are aimed at giving employees the greatest possible flexibility. The spectrum of individual measures is wide, ranging from flexible working time models via childcare allowances through to remote working options. Even in the sphere of part-time models after expiry of the statutory entitlement to parental part-time work, Volksbank Niederösterreich accommodates the needs of employees with children to the greatest possible extent. In the area of diversity, Volksbank Niederösterreich has already focused on the topic of “women in leadership” in recent years. As a result, the proportion of women in managerial positions is now a gratifying 30 %.

Volksbank Salzburg eG presents: the bank headquarters as a nursery

Childcare on the employer’s premises has become more important with the outbreak of the COVID-19 pandemic: When programmes such as children’s camps or other private initiatives cannot be offered during the vacation season, coordinating a job and childcare responsibilities may become a challenge for many young parents, especially part-time working mothers. To alleviate the situation, Volksbank Salzburg, together with the “Kinderfreunde Salzburg”, offered all-day childcare at the bank. The “Kinderfreunde” provided pedagogically trained staff for this and developed a varied programme with many creative elements, outdoor activities and excursions – for example to an adventure farm. The pilot project worked well, and the children, aged six to twelve, had a lot of fun and enjoyed the varied programme at Volksbank.

Volksbank Tirol AG and its initiative “Volksbank Fit – Fit and Active Together”

In order to keep Volksbank Tirol employees fit and healthy, an attractive and comprehensive programme was put together with the works council under the name “Volksbank Fit – Gemeinsam fit und aktiv”. This programme comprises four main topics:

- » Training opportunities at VitAreaL, an Innsbruck-based cooperation partner. This in-house gym offers state-of-the-art equipment for endurance and strength training, professional supervision by celebrity trainers, locker room and shower facilities, infrared cabin and relaxation loungers to unwind.
- » The offer includes health-promoting events such as regular appointments with the company doctor, fruit baskets to be taken free of charge during the vitamin weeks in the fall, blood analysis and recommendations on micronutrients, health days with lectures and personal nutrition coaching, body fat measurements including analysis and individual nutritional advice. Volksbank Tirol has also been running a free TBE vaccination campaign in the spring and a flu vaccination campaign in the fall for years.
- » Sports events such as Winter Sports Day (skiing, guided ski tour or winter hike), Tirol Mobil (bicycle competition for the climate with dinner and vouchers), Tyrolean Company Run (sports shirts and indoor area for Volksbank teams), Volksbank Winter Games (three-day winter sports competition in Schladming), and regular volleyball, soccer and running events are designed to ensure a positive working atmosphere.
- » There is also support to promote employee health in the form of subsidies for gym memberships, yoga or gymnastics classes, Pilates, Zumba, climbing or dance classes.

Volksbank Tirol employees are happy to take advantage of this successful programme.

SOCIAL MATTERS

EMPLOYEES

Volksbank Kärnten eG Award as best employer in Carinthia and East Tyrol



In 2021, the “Best Employer in Carinthia and East Tyrol 2021” quality seal was awarded to Volksbank Kärnten by Market Institut Linz, which surveyed the attractiveness of 140 leading companies based on 1,400 interviews conducted among professionals in Carinthia and East Tyrol. The Carinthian cooperative bank was awarded TOP 10 rankings in the overall ranking as well as in the categories “well-being at work” and “working conditions”.

OUTLOOK

The Association of Volksbanks has agreed on the following sustainability goals for 2022:

- » The Association of Volksbanks 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 in September each year. The score for 2022 will then be used as a baseline for defining specific targets.

Other measures being pursued in 2022 include:

- » Ongoing measures to position the Association of Volksbanks as an attractive employer in order to create employee loyalty and acquire external talent and experts
- » Continuation of unrestricted equal rights and recognition measures and the expansion of measures to include:
 - Gender pay gap analysis & possible measures
 - Expansion of the women’s advancement programme
- » Focused development of employees and creation of a systematic framework for this purpose
 - Further development of the digital training offer for the vocational training courses of the Association in sales and operations such as Service Manager, KSC/MSK, KKB¹⁾
 - Anchoring of learning support for trainees in the form of mentoring and additional initiatives for mentors in the training courses for KKB, KUBE²⁾, investment advisors or executives.
 - Further development of the online training modules according to uniform Akademie standards to increase quality and ensure up-to-dateness
- » Continuation of professional crisis management (example COVID-19)
- » Increase HR productivity through targeted optimisation of HR processes and systems
- » Continuous organisational development and ongoing optimisation

SOCIAL MATTERS

EMPLOYEES



80

ELECTED WORKS COUNCIL MEMBERS REPRESENT THE INTERESTS OF EMPLOYEES WITHIN THE ASSOCIATION OF VOLKSBANKS.

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 Association of Volksbanks are committed to sustainable principles:

Sustainability principles of the works council members

The works councils of the banks in the Association of Volksbanks

- » 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, and
- » attend to conflicts with a view to a reconciliation of interests.

Within the Association of Volksbanks, there is a works council in every Volksbank (with the exception of VOLKSBANK VORARLBERG e. Gen.) and in Österreichische Ärzte- und Apothekerbank AG. 80 elected works council members (28 of them women) in the Association of Volksbanks represent the interests of employees. 40 works council members (23 men, 17 women) were delegated by the works councils to the supervisory boards and various committees of the supervisory boards at the banks of the Association.

SOCIAL MATTERS
EMPLOYEES

*Strong
representation of
employee interests.*

Association of Volksbanks Works Councils	Unit	2021 total	female	male
Works council members	Number	80		
Österreichische Ärzte- und Apothekerbank AG	Number		4	1
Volksbank Kärnten eG	Number		0	6
Volksbank Niederösterreich AG	Number		2	7
Volksbank Oberösterreich AG	Number		3	9
Volksbank Salzburg eG	Number		4	5
Volksbank Steiermark AG	Number		6	1
Volksbank Tirol AG	Number		4	4
VOLKSBANK VORARLBERG e. Gen.	Number		0	0
VOLKSBANK WIEN AG	Number		5	19
Works council members on supervisory boards and in various committees	Number	40		

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. The banks of the Association offer a variety of services (e.g. flu vaccinations, TBE vaccinations, arrangement of appointments for COVID-19 vaccinations at the company, pregnancy talks, vision checks, etc.). Due to COVID-19 restrictions, physical education classes offered in some banks have been suspended or made available online. Group health insurance and cooperative agreements with fitness centers are also offered to employees. Company doctors are available at the banks. The free counseling service "Keep Balance" offered by Hilfswerk Österreich to help with challenges and questions in all situations in life was gladly used by employees. Other examples that

have been implemented include an ideas competition to improve everyday working life, burnout prevention or the possibility of childcare in the summer of 2021 on the premises of Volksbank Salzburg.

Individual works councils have implemented the position of women's affairs officer / non-discrimination officer. In case of need, employees may contact this person in all confidence. At VOLKSBANK WIEN AG, 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 have a great variety of services (e.g. dressmaker's shop, cleaning shop, pharmacy orders, assistance with cultural and arts events) at their disposal at favourable terms. The "CorpLife-Mitarbeiterwelt" (employees' world) platform provides various offers to employees on culture, sports and leisure, housing and much more on a regular basis. Products of renowned manufacturers and brands are also available via "corporate benefits".

SOCIAL MATTERS

SOCIAL COMMITMENT



GOALS

In 2021, the goals of the Association of Volksbanks with respect to social commitment were:

- » to promote sports, culture and social issues, thus contributing to the common welfare in Austria.
- » to encourage the population to go to bewusstessen21.at and obtain information about the responsible use of foodstuffs and their related CO₂ footprint.
- » to further encourage and promote young athletes of the Goldi Talent Cup to become the best in ski jumping.



IMPORTANT SUCCESSES AND RESULTS

In 2021, important successes and results were achieved within the Association of Volksbanks:

- » The initiative www.bewusstessen21.at raised donations in the amount of euro 15,000 for Österreichische Sporthilfe.
- » A bee sponsorship for 10,000 bees in cooperation with Hektar Nektar
- » Launch of Financial Literacy series on social media

Bewusstessen21.at

Assuming responsibility and making a contribution to the common welfare is an integral part of the vision of the Association of Volksbanks. 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 the Association of Volksbanks are precisely defined and were laid down in guidelines for regional and sustainable sponsorships.

One essential aspect of the sustainability policy of the Association of Volksbanks 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. The Association of Volksbanks 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.

15,000
EUROS DONATED TO
ÖSTERREICHISCHE
SPORTHILFE BY CALCULATING
THE CO₂ FOOTPRINT ON
WWW.BEWUSSTESSEN21.AT



SOCIAL MATTERS

SOCIAL COMMITMENT

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

[bewusstessen21.at](#)

In order to encourage consumers to be more aware of what they eat, the Association of Volksbanks has launched the sustainability initiative Bewusstessen21 for the year 2021. The initiative was based on a carbon footprint calculator on the landing page [bewusstessen21.at](#). Around 15,000 participants used the platform to calculate how much CO₂ they themselves produce through their consumption behaviour and picked up tips for a more conscious approach to food. The Association of Volksbanks celebrated the high level of participation with a donation to Österreichische Sporthilfe and presented the organisation with a cheque in the amount of euro 15,000.

A cooperation with the Austrian Food Bloggers Awards put the initiative into the spotlight once again and, with the category “bewusstessen21”, brought all those bloggers and influencers to the fore who are concerned about their carbon footprint in the sphere of nutrition and actively demonstrate how to deal with food in a conscious and sustainable manner.

In addition to “Too Good to Go”, “Hakuma”, Leitbetriebe Austria, byritadavidson.at, ausgewogengut.at and many other partnerships, Hektar Nektar was among the partners who promoted their initiative by organising a competition on [bewusstessen21.at](#). In 2018, the goal set by the initiative within the context of “Project 2028” was to increase the bee population in the region by 10 percent within the next 10 years. In order to consciously support biodiversity, the Association of Volksbanks also gave 10,000 bees a new life with a sponsorship.

[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 ski-jumping talent throughout the country. It is a great concern of the Association of Volksbanks, 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.



Volksbank Salzburg eG

Volksbank Salzburg has been committed to its region (Salzburg and Salzkammergut) for many decades by actively supporting various initiatives, activities, associations and projects. In particular, social and charitable institutions are supported; the bank has also put this in writing in its mission statement. In 2021, over 115,000 euros in the form of small and larger donations and sponsorships reached people, associations and NGOs in Salzburg and the Salzkammergut region. A special fundraising event took place during the General Assembly: Chairman of the managing board Andreas Höll presented the head of Diakoniewerk Salzburg with a car for the “Diakonie.mobil” project. “Diakonie.mobil” stands for mobile care and nursing. In order to perform this valuable work efficiently, the highest possible mobility of employees is necessary. A well-equipped fleet with reliable and maneuverable cars is crucial to this.

Volksbank Oberösterreich AG

Every year, Volksbank is the main sponsor of the “Christkindllauf” running event, the proceeds of which benefit families in Upper Austria who have to deal with blows of fate. In 2021, numerous employees also joined in the campaign, thus providing additional support.

Volksbank Niederösterreich AG

Every year in the run-up to Christmas, Volksbank Niederösterreich organises an internal fundraising campaign for customers, but also for employees’ relatives, who have been hit by a heavy blow of fate and are in need of financial support. The proceeds of the donation collected by the managing board and the team of employees are presented to the family selected in advance as a monetary gift shortly before Christmas.

OUTLOOK

The cooperation with Österreichische Sporthilfe launched by the Association of Volksbanks in 2021 will be continued in the coming year due to its great success. Volksbank is also celebrating 15 years of cooperation with the ÖSV men’s and women’s ski jumping teams. The Goldi Cup and the Goldi talent development will be continued to build up more ski jumping talent for the future. The Association of Volksbanks clearly demonstrates that long-term partnerships ensure sustainable success. As part of its social media strategy, the Association of Volksbanks brings selected SME customers of the regional Volksbanks to the fore on further blog videos. The “Veronica” Financial Literacy series will also be continued. For the first time, the Association of Volksbanks will participate as a partner in the Green Marketing Award in 2022, actively supporting people in making their lifestyles more sustainable.

ANNEX/ENCLOSURE

SIGNIFICANT NON-FINANCIAL RISKS

Presentation of risks from the activities of the Association of Volksbanks

Sustainability topic	Important risks	Measures	Opportunities
Regionality	<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 the Association of Volksbanks 	<ul style="list-style-type: none"> » Positioning the Association of Volksbanks 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"> » Insufficient consideration of sustainability in the core business » Financing of high-emission companies 	<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 footprint for investments and financing » Measures for refinancing with sustainable (ESG) capital market instruments 	<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"> » Support does not meet customers' expectations » Loss of customers » Excessive bureaucracy with considerable effort in providing documents on the part of the customer 	<ul style="list-style-type: none"> » Customer satisfaction monitoring » Constant improvement of the quality of consultancy and decision-making processes » Examination of the necessity of documents/evidence, Opti-Channel strategy, involvement of customers in further developments of "hausbanking" 	<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 » More trust on the part of the customer

ANNEX/ENCLOSURE

SIGNIFICANT NON-FINANCIAL RISKS

Sustainability topic	Important risks	Measures	Opportunities
Digitisation	<ul style="list-style-type: none"> » Missing out on digitisation trends » Insufficient range of services offered to customers 	<ul style="list-style-type: none"> » Continuous further development of digital services ("hausbanking") and digital processes » Digitisation of the banking business with state-of-the-art options 	<ul style="list-style-type: none"> » Taking the lead in the industry » Competitive advantages » Facilitating banking transactions for customers » More transparency and traceability for the customer » Efficiency increase
Employee health and safety	<ul style="list-style-type: none"> » Occupational diseases due to sedentary work » Sick leave due to pandemics (e.g. COVID-19) 	<ul style="list-style-type: none"> » COVID-19 crisis management and comprehensive protection measures » Regular evaluation of occupational safety risks » Ergonomics training courses » Sports opportunities offered to employees 	<ul style="list-style-type: none"> » Positioning as an attractive employer » Low number of sick days » Better employer branding
Training and education	<ul style="list-style-type: none"> » Inadequate training of employees 	<ul style="list-style-type: none"> » Extensive training and education programme by Volksbank Akademie 	<ul style="list-style-type: none"> » Improved employee skills » Competitive advantages » Low fluctuation » Better employer branding
Employee satisfaction	<ul style="list-style-type: none"> » Employee fluctuation » Image loss in the labour market » Loss of know-how due to key personnel leaving the company 	<ul style="list-style-type: none"> » Wide range of training options » Diversity concept » Sports activities » Feedback culture » Clear development stages » Service Heroes Award » Regular employee surveys 	<ul style="list-style-type: none"> » 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	<ul style="list-style-type: none"> » Equal opportunities to a limited extent only » Diversity deficit » Discrimination against individual employees for reasons of gender, sexual orientation, ethnic affiliation, religious affiliation, age discrimination » Discrimination against female employees 	<ul style="list-style-type: none"> » Diversity concept » Equal treatment study of the Chamber of Labour shared by works council » Foundation of women's network 	<ul style="list-style-type: none"> » 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	Important risks	Measures	Opportunities
Energy and climate	<ul style="list-style-type: none"> » No consideration of environmental criteria in the operation of office buildings » Excessive energy consumption in buildings 	<ul style="list-style-type: none"> » Energy efficiency measures at headquarters and in retail branches » Annual calculation of Scope 1 and 2 CO₂ emissions » Future calculation of Scope 3 CO₂ emissions » Reduction of energy consumption » Sparing use of resources » Sustainability criteria in procurement » Greening of vehicle fleet 	<ul style="list-style-type: none"> » Improving resource efficiency » Leading by example in the ecological design of office operations » Image improvement » Competitive advantages » Cost savings » Contribution to climate protection through CO₂ savings
Data protection and security	<ul style="list-style-type: none"> » Theft » Loss of customer data 	<ul style="list-style-type: none"> » State-of-the-art IT security systems » Training regarding the General Data Protection Regulation/handling of customer data » Compliance management » E-learnings 	<ul style="list-style-type: none"> » Carefree banking for customers » Strengthened trust on the part of customers
Human rights	<ul style="list-style-type: none"> » Insufficient respect for human rights in granting financing and in investment products 	<ul style="list-style-type: none"> » Human rights training courses » Exclusion criteria for financing » Approval procedure 	<ul style="list-style-type: none"> » Protection of human rights » Image improvement » Competitive advantages
Professional ethics and compliance	<ul style="list-style-type: none"> » Non-compliance with laws and regulations » Corruption cases 	<ul style="list-style-type: none"> » Corruption prevention » Compliance manual » Compliance training courses » Code of Conduct » Exclusion criteria 	<ul style="list-style-type: none"> » Image improvement » Competitive advantages

ANNEX/ENCLOSURE

COMPANIES INCLUDED/ FULLY CONSOLIDATED AFFILIATED COMPANIES

Companies included	Employees FTE	Share in capital
Österreichische Ärzte- und Apothekerbank AG	77.18	100.00
Volksbank Kärnten eG	168.48	100.00
Volksbank Niederösterreich AG	327.61	100.00
Volksbank Oberösterreich AG	242.29	100.00
Volksbank Salzburg eG	288.57	100.00
Volksbank Steiermark AG	243.33	100.00
Volksbank Tirol AG	305.86	100.00
VOLKSBANK VORARLBERG e. Gen.	180.19	100.00
VOLKSBANK WIEN AG	891.70	100.00
Fully consolidated affiliated companies	Employees FTE	Share in capital
3V-Immobilien Errichtungs-GmbH	0.00	100.00
BBG Beratungs- und Beteiligungsgesellschaft m.b.H.	0.00	100.00
Domus IC Leasinggesellschaft m.b.H.	0.00	100.00
Gärtnerbank Immobilien GmbH	0.00	100.00
GB IMMOBILIEN Verwaltungs- und Verwertungs-GmbH	0.00	100.00
VB Aktivmanagement GmbH	0.00	100.00
VB Buchführung GmbH	12.29	100.00
VB Infrastruktur und Immobilien GmbH	55.82	100.00
VB Kärnten Leasing GmbH	4.00	100.00
VB Rückzahlungsgesellschaft mbH	0.00	100.00
VB Services für Banken Ges.m.b.H.	322.60	100.00
VB Verbund-Beteiligung Region Wien eG in liqu.	0.00	90.63
VB-Immobilienverwaltungs- und -vermittlungs GmbH	0.00	100.00
VOBA Vermietungs- und Verpachtungsges.m.b.H.	0.00	99.00
Volksbank Salzburg Leasing Gesellschaft m.b.H.	3.75	100.00
Volksbank Vorarlberg Leasing GmbH	4.40	100.00
Volksbank Vorarlberg Marketing- und Beteiligungs GmbH	0.00	100.00
VVG Vermietung von Wirtschaftsgütern Gesellschaft m.b.H.	0.00	100.00

ANNEX/ENCLOSURE
GRI CONTENT INDEX

GRI Content Index

GENERAL DISCLOSURES

GRI 102: General Disclosures 2016

Organisation profile

GRI Standard	GRI Disclosure	Page	Comments and omissions
GRI 102: General Disclosures 2016	102-1: Name of the organisation	113	
	102-2: Activities, brands, products and services	7, 42-50, 63-65	
	102-3: Location of headquarters	113	
	102-4: Location of operations	11-12	
	102-5: Ownership and legal form	11-12, 105	
	102-6: Markets served	7, 11-12, 63-65	
	102-7: Scale of the organisation	Cover, 4-5, 62, 84	www.volksbank.at/volksbanken-verbund/verbundbericht2021
	102-8: Information on employees and other workers	84-85	GRI 102-8 b) is not applicable to the Association of Volksbanks.
	102-9: Supply chain	7, 11-12, 50	
	102-10: Significant changes to the organisation and its supply chain	8	
	102-11: Precautionary principle or approach	68-70	
	102-12: External initiatives	16-18	
	102-13: Membership of associations	Cover	

GENERAL DISCLOSURES

GRI 102: General Disclosures 2016

Strategy

GRI Standard	GRI Disclosure	Page	Comments and omissions
GRI 102: General Disclosures 2016	102-14: Statement from senior decision-makers	6-7	
	102-15: Key impacts, risks, and opportunities	68-70, 102-104	

Ethics and integrity

GRI Standard	GRI Disclosure	Page	Comments and omissions
GRI 102: General Disclosures 2016	102-16: Values, principles, standards and norms of behaviour	6, 14	

Corporate governance

GRI Standard	GRI Disclosure	Page	Comments and omissions
GRI 102: General Disclosures 2016	102-18: Governance structure	11-14	www.volksbank.at/volksbanken-verbund/verbundbericht2021

Stakeholder engagement

GRI Standard	GRI Disclosure	Page	Comments and omissions
GRI 102: General Disclosures 2016	102-40: List of stakeholder groups	15	
	102-41: Collective bargaining agreements	85	
	102-42: Identifying and selecting stakeholders	15, 28	
	102-43: Approach to stakeholder engagement	15, 28-29, 39	
	102-44: Key topics and concerns raised	15, 39-41	

ANNEX/ENCLOSURE

GRI CONTENT INDEX

GENERAL DISCLOSURES

GRI 102: General Disclosures 2016

Reporting procedure

GRI Standard	GRI Disclosure	Page	Comments and omissions
GRI 102: General Disclosures 2016	102-45: Entities included in the consolidated financial statements	105	
	102-46: Defining report content and topic boundaries	15	
	102-47: List of material topics	15	
	102-48: Restatement of information	-	No restatements since initial report.
	102-49: Changes in reporting	8	
	102-50: Reporting period	8	
	102-51: Date of most recent report	-	First Report of the Association of Volksbanks.
	102-52: Reporting cycle	8	
	102-53: Contact point for questions regarding the report	8	
	102-54: Claims of reporting in accordance with the GRI Standards	8	
	102-55: GRI Content Index	106-112	
	102-56: External assurance	-	No external audit.

MATERIAL TOPICS

Regionality

GRI Standard	GRI Disclosure	Page	Comments and omissions
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	60-61	
	103-2: The management approach and its components	60-67	
	103-3: Evaluation of the management approach	60-67	
Own indicator	Share of regional financing	62	

ANNEX/ENCLOSURE

GRI CONTENT INDEX

MATERIAL TOPICS

Sustainable investment

GRI Standard	GRI Disclosure	Page	Comments and omissions
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	42-44	
	103-2: The management approach and its components	42-43, 46-53	
	103-3: Evaluation of the management approach	42-43, 46-53	
GRI 305: Emissions 2016	305-3: Other indirect (Scope 3) GHG emissions	52	
GRI G4 Financial Sector Supplement	FS11: Percentage of assets subject to positive and negative environmental or social screening	52	
Own indicator	Share of sustainable funds	52	

Sustainable financing

GRI Standard	GRI Disclosure	Page	Comments and omissions
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	42-44	
	103-2: The management approach and its components	42-46, 54-55	
	103-3: Evaluation of the management approach	42-46, 54-55	
GRI 305: Emissions 2016	305-3: Other indirect (Scope 3) GHG emissions	26	

Customer satisfaction

GRI Standard	GRI Disclosure	Page	Comments and omissions
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	38-39	
	103-2: The management approach and its components	38-41	
	103-3: Evaluation of the management approach	38-41	
GRI 417: Marketing and Labelling 2016	417-3: Incidents of non-compliance concerning marketing communications	33	
Own indicator	Customer satisfaction awards	39-41	

ANNEX/ENCLOSURE

GRI CONTENT INDEX

MATERIAL TOPICS

Digitisation

GRI Standard	GRI Disclosure	Page	Comments and omissions
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	72-73	
	103-2: The management approach and its components	72-75	
	103-3: Evaluation of the management approach	72-75	
Own indicator	Use of "hausbanking"	73	
Own indicator	Banking user satisfaction	74-75	

Employee health and safety

GRI Standard	GRI Disclosure	Page	Comments and omissions
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	82-83, 92	
	103-2: The management approach and its components	82-83, 92-93	
	103-3: Evaluation of the management approach	82-83, 92-93	
GRI 403: Occupational health and safety 2018	403-1: Occupational health and safety management system	92	
	403-2: Hazard identification, risk assessment, and incident investigation	93	
	403-3: Occupational health services	92	
	403-4: Worker participation, consultation and communication on occupational health and safety	92-93	
	403-5: Worker training on occupational health and safety	93	
	403-6: Promotion of worker health	93-94	
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-	Not relevant for the Association of Volksbanks.
	403-8 through 403-10: Indicators on occupational health and safety	-	No GRI indicators on occupational health and safety can be reported. However, suitable indicators of our own are reported.
Own indicator	Number of safety training courses	93	

ANNEX/ENCLOSURE
GRI CONTENT INDEX

MATERIAL TOPICS

Training and education

GRI Standard	GRI Disclosure	Page	Comments and omissions
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	82-83, 88	
	103-2: The management approach and its components	82-83, 88-90	
	103-3: Evaluation of the management approach	82-83, 88-90	
GRI 404: Training and education 2016	404-1: Average hours of training per year per employee	89	

Employee satisfaction

GRI Standard	GRI Disclosure	Page	Comments and omissions
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	82-83, 90	
	103-2: The management approach and its components	82-83, 90-92	
	103-3: Evaluation of the management approach	82-83, 90-92	
Own indicator	Result of employee survey	90-91	

Diversity and equal opportunities

GRI Standard	GRI Disclosure	Page	Comments and omissions
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	82-83, 86	
	103-2: The management approach and its components	82-83, 86-88	
	103-3: Evaluation of the management approach	82-83, 86-88	
GRI 405: Diversity and equal opportunities	405-1: Diversity of governance bodies and employees	87	A breakdown by age group cannot be analysed at present.

Energy and climate

GRI Standard	GRI Disclosure	Page	Comments and omissions
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	76-77	
	103-2: The management approach and its components	76-81	
	103-3: Evaluation of the management approach	76-81	
Own indicator	Consumption of printing and copying paper	79	
Own indicator	Waste generation	80	

ANNEX/ENCLOSURE

GRI CONTENT INDEX

MATERIAL TOPICS

Data protection and security

GRI Standard	GRI Disclosure	Page	Comments and omissions
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	34, 36-37	
	103-2: The management approach and its components	34, 36-37	
	103-3: Evaluation of the management approach	34, 36-37	
GRI 418: Customer Privacy 2016	418-1: Substantiated complaints concerning breaches of customer privacy or losses of customer data	34, 37	

Human rights

GRI Standard	GRI Disclosure	Page	Comments and omissions
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	32	
	103-2: The management approach and its components	32	
	103-3: Evaluation of the management approach	32	
GRI 412: Human Rights Assessment 2016	412-2: Employee training on human rights policies or procedures	32	

Other indicators

GRI Standard	GRI Disclosure	Page	Comments and omissions
GRI 205: Anti-corruption 2016	205-3: Confirmed incidents of corruption and actions taken	33	
GRI 206: Anti-competitive behaviour 2016	206-1: Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	34	
GRI 419: Socioeconomic Compliance 2016	419-1: Non-compliance with laws and regulations in the social and economic area	33	In 2021, no penalties or non-monetary sanctions were imposed on the Association of Volksbanks.

LEGAL NOTICE

The Managing Board
Vienna, 10 March 2022



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 2022

Editorial team

Monika Bäuml, Christina Eder
and members of the sustainability
report team (page 9).

Design and production

Bianca Statna

Photos

iStockphoto ilyast, Robert Polster,
Marko Mestrovic

Consultancy

denkstatt GmbH
A-1130 Vienna, Hietzinger Hauptstrasse 28



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).

