



Vorsorgekasse

Ihre Vorsorge im grünen Bereich.

**Sustainable investment criteria
VBV - Vorsorgekasse AG**

Acting and investing responsibly

VBV-Vorsorgekasse is the leading of a total of eight severance funds in Austria: around one in three companies and employed persons is a customer of VBV. Our job is investing the provision contributions our customers entrust us with in a secure, stable and profitable manner within the framework of statutory severance pay schemes (“Severance Pay NEW system” and “Self-employed provision”).

Ethical and sustainable investment criteria



Mag. Andreas Zakostelsky
(CEO of VBV-Vorsorgekasse)

„We have made a commitment to our stakeholders to act in a particularly forward-looking and sustainable manner when investing trust assets.“

In addition to our inclusion and exclusion criteria, it is important to us to highlight the holistic approach that is reflected in the CSR strategy of the entire VBV Group. This comprises six sustainable, strategic overarching objectives for the investments of the severance and pension fund. These overarching investment objectives are based on the Sustainable Development Goals (SDGs) and aim to ensure that the entire VBV Group, which invests more than EUR 14.8 billion, helps achieve the SDGs.

We focus above all on SDG 13 “Climate action”, where we can make the biggest impact. Accordingly, one of the main objectives of our investment activities is: “Climate protection, limiting global warming to 1.5 °C”.

This objective aligns with the Paris Agreement, which states that global warming should be limited to 1.5 °C above pre-industrial levels. VBV has expressed its commitment to this agreement and to helping achieve its goals.

We also, for example, refrain from participating in high-frequency trading and distance ourselves from speculating with agricultural commodities. We promote Austria as a business hub and financial centre and also offer our support and services as a partner for sustainable and forward-looking infrastructure and real estate projects.

Sustainability is our strategy

Back in 2020, the VBV Group defined a series of sustainable overarching strategic investment objectives in accordance with the United Nations (UN)’s investable Sustainable Development Goals (SDGs).

These form the overall framework for sustainable investment within the VBV Group.



Ensuring people’s standard of living for generations (SDG 1)

The strategic goal is to contribute to ensuring people’s quality of life for generations by making profitable investments.



Investing in good health and well-being (SDG 3)

The strategic goal is to contribute to ensuring that every generation can enjoy a healthy life and a good sense of well-being by investing in companies in the healthcare sector and in social infrastructure.



Climate protection, limiting global warming to 1.5 °C (SDG 13)

The strategic goal is to achieve the climate target specified in the Paris Agreement by 2030.



Investing in affordable and clean energy (SDG 7)

The strategic goal is to contribute to the sustainable energy transition by investing in renewable energy and energy efficiency.



Investing in sustainable industry, innovation and infrastructure (SDG 9)

The strategic goal is to invest in sustainable infrastructure and innovative technologies.



Investing in Austria as a competitive and sustainable hub

The strategic goal is to promote local value creation and the local economy by investing in Austria as a business hub.

Inclusion criteria

Corporate governance and active stakeholder relationships

We prefer to invest in companies where the structuring of fair relationships with interest groups is

- anchored in their basic principles and strategies,
- integrated in their management systems and their reporting,
- pursued systematically in their ongoing processes and actions.

Examples of this include:

- ensuring good working conditions for employees by means of workplace safety, social standards, promotion of education, remuneration, job security, diversity, protecting co-determination rights, etc.
- fostering good customer relationships through quality, good cost-effectiveness, product safety, service orientation, fair communication, etc.
- maintaining good relationships with suppliers and other business partners through fair pay, long-term partnerships, etc.
- maintaining good relationships with lenders with regard to profitability, creditworthiness, stability and transparency
- maintaining good relationships with the society as a whole in the form of media, state and administration, neighbours and the general public by complying with tax regulations, ensuring transparency in reporting (country-by-country reporting).

Sustainable products and services

We prefer to invest in companies whose economic and business activities are environmentally and socially sustainable and that offer sustainable products and services that

- take environmental and social consequences into account right from the product development stage,
- exhibit a good eco-balance over their entire life cycle, from production and utilisation to disposal,
- exhibit a good social balance over their entire life cycle, from production and utilisation to disposal
- and create meaning for the users as well as for society as a whole.

Examples of this include:

- products and services from the areas of medicine and health-care,
- environmental technologies and products from the renewable energy segment,
- products and services related to purifying and providing water,
- products and services that serve to transfer knowledge and provide education,
- products and services that serve to promote and support economically or socially disadvantaged population groups,
- products and services that make a significant contribution to the transition to a circular economy and pursue the objective of keeping the benefits and value of products, services and materials as high as possible for as long as possible throughout their life cycle (e.g. durability, reparability, reusability) or that exhibit a good eco-balance.

Environment and climate protection

We prefer to invest in companies where the best-possible protection of the natural environment, climate protection measures and measures for adapting to climate change are

- anchored in their basic principles and strategies,
- integrated in their management systems and their reporting,
- pursued systematically in their ongoing processes and actions.

Examples of this include:

- established environmental management systems, e.g. in accordance with the International Organization for Standardization (ISO) or the Eco-Management and Audit Scheme (EMAS) and other recognised reporting standards, e.g. in accordance with the Global Reporting Initiative (GRI), the Task Force on Climate-related Financial Disclosures (TCFD) or the integration of science-based climate targets (SBTi),
- the use of renewable energy and the reduction of fossil sources of energy,
- a lower or more efficient utilisation of resources, such as energy or raw materials,
- a large share of recycled or reused materials,
- a small impact on water, air and land as a result of emissions,
- a good carbon footprint,
- measures to protect and restore biodiversity and ecosystems,
- the transition to a circular economy.

Sustainable countries and international organisations

We prefer to invest in countries, member states, government-related and supranational organisations that

- maintain peaceful relationships with their neighbours and are committed internationally to preserving and promoting peace,
- treat their residents fairly and grant them comprehensive political/democratic rights and civil freedoms,
- provide their residents with a high degree of physical and economic safety and security,
- promote the personal and professional development of their residents,
- protect the natural environment and take measures to protect the climate and adapt to climate change,
- actively implement the climate agreement adopted in Paris on 12 December 2015 ("Paris Agreement"),
- take measures to protect and restore biodiversity and ecosystems and
- provide the highest level of transparency.



Exclusion criteria

Human and labour rights violations

Companies and countries must respect human and labour rights. Countries and companies are excluded that

- systematically violate human rights as stipulated by the “UN Declaration on Human Rights”,
- violate employee rights in the form of the principles of the “ILO Declaration on Fundamental Principles and Rights at Work” (concerning freedom of association, compulsory labour, child labour, discrimination) or other standards (for example, with respect to safety, remuneration or working hours).

Nuclear energy

Companies are excluded that to a significant degree

- generate electricity from nuclear energy*,
- produce nuclear fuels*,
- manufacture nuclear power plants or major components for nuclear power plants or provide related services**.

Genetic engineering

Companies are excluded that to a significant degree

- produce or distribute genetically manipulated seeds*,
- produce genetically engineered animals*,
- manipulate human genetic material or conduct experiments with human embryos*.

Controversial economic and tax practices

Companies are excluded that

- systematically disregard statutory provisions or
- disregard generally accepted rules of good conduct (e.g. corruption) or
- shirk their social responsibility by engaging in tax avoidance practices or aggressive tax planning that result in a significantly reduced effective corporate tax income rate.

Fossil fuels

Companies are excluded that to a significant degree

- engage in the extraction of coal**, natural gas** or crude oil**,
- engage in the distribution of coal**, natural gas** or crude oil**,
- engage in the refining of coal** or crude oil**,
- engage in the production of energy using coal** or crude oil**.

Massive environmental impact and heavy pollution

Companies are excluded that

- massively impact or heavily pollute, either directly or indirectly, the natural, marine and aquatic environment with their products, services, technologies or actions.

Tobacco

Companies are excluded that to a significant degree

- manufacture tobacco and tobacco products*.

Authoritarian regimes

Countries are excluded that

- are classified as “not free” by the NGO “Freedom House”.

Death penalty

Countries are excluded that

- practise the death penalty.

Weapons and munitions

Companies are excluded that to a significant degree

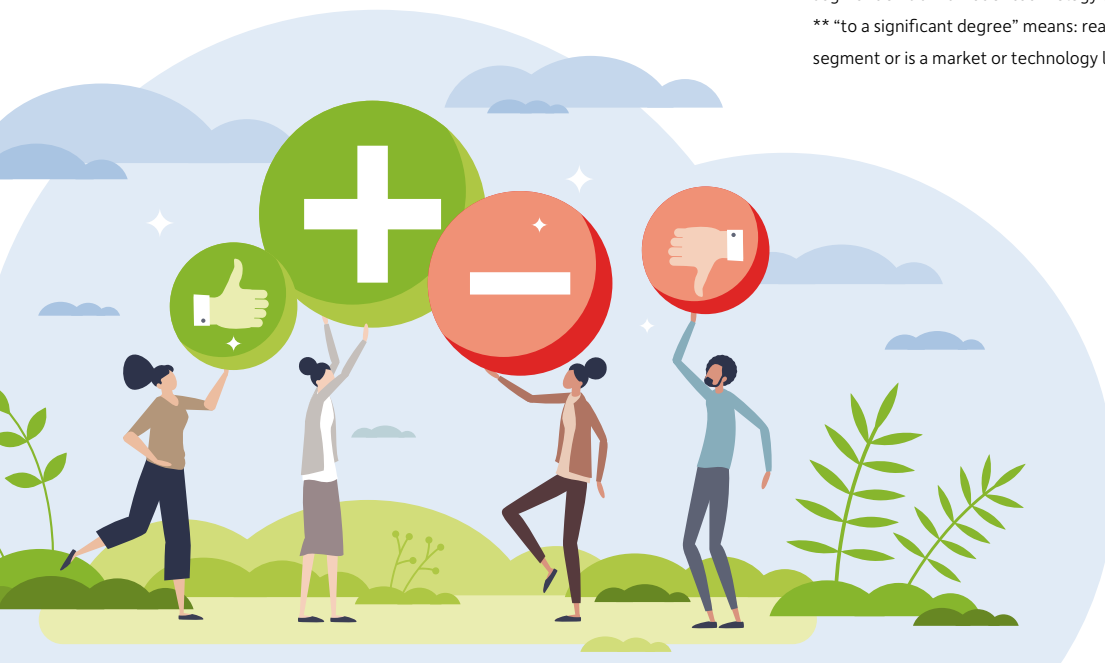
- produce or deal in military weapons or weapon systems*,
- produce or deal in other munitions**.

Countries are excluded that

- possess weapons of mass destruction (atomic, biological, chemical or radiological).

* “to a significant degree” means: realises more than 1% in sales revenues in this segment or is a market or technology leader.

** “to a significant degree” means: realises more than 5% in sales revenues in this segment or is a market or technology leader.



VBV-Vorsorgekasse: Highest standards for our customers

We are open to scrutiny and are regularly audited and evaluated by external experts. The certifications and distinctions awarded to VBV are evidence of our achievements.

Responsible investment



In 2023, VBV was the only severance fund to be certified with the Austrian Society for Environment and Technology (ÖGUT)'s "Gold Standard" for an impressive thirteenth time. ÖGUT is a non-profit organisation that has been committed to making the economy and society more sustainable for more than 30 years. Moreover, many of the funds that we invest in have been awarded the Austrian eco-label.

VBV is a pioneer – also in the Green Finance Alliance

VBV's pension fund and severance fund are two of the first members of the Ministry of Climate Action's newly launched Green Finance Alliance, making VBV a pioneer in this field. Members of the Green Finance Alliance play a pioneering role when it comes



to climate protection and demonstrating the compatibility of climate protection and sustainable economic development. As part of its membership to the Green Finance Alliance, VBV-Vorsorgekasse also developed an ambitious climate strategy in 2022 and published its first climate report in 2023.

Family-friendly employer

It is important to us for our employees to be happy. The re-certification of the work-and-family (berufundfamilie) audit highlights the team spirit at VBV. Furthermore, we regularly monitor the satisfaction of our employees in partnership with the globally



active "Great Place to Work" Institute and derive targeted measures from the feedback provided.

Superior quality management

VBV-Vorsorgekasse was named as the winner in the "Small Business" category for the second time in a row at the "Staatspreis Unternehmensqualität 2024" (quality award ceremony). The EFQM's "Recognised for Excellence 6 Star" certification, which is recognised throughout Europe, once again underscores our leading position as a pioneer and thought leader in the area of sustainability.



Clear commitment to biodiversity

VBV-Vorsorgekasse is the first Austrian financial company to sign the "Finance for Biodiversity Pledge" and in doing so became a member of the "Finance for Biodiversity Foundation". The aim of this global biodiversity organisation is to reverse the loss of nature and biodiversity in this decade.



This is how we are making a clear commitment to biodiversity as a sustainability pioneer.

Certified environmental management

The certification of our environmental management system in accordance with ISO 14001 and EMAS confirms our commitment to operational environmental protection and contributes to the continuous improvement of our environmental performance.

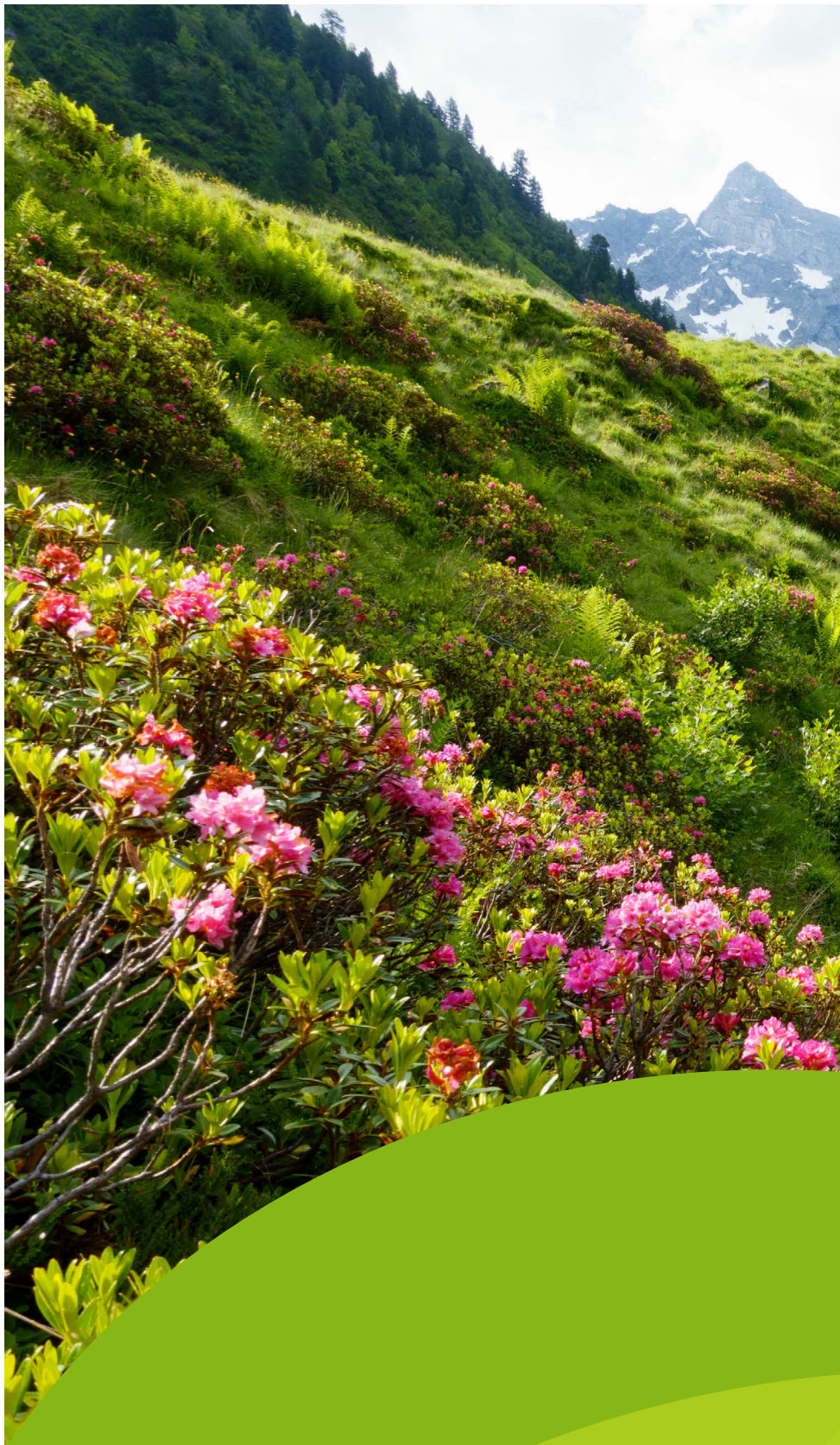


Do you have any questions?

Our experts would be happy to advise you.

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