

# Second-Party Opinion

## Vienna Insurance Group

### Sustainability Bond Framework

#### Evaluation Summary

Sustainalytics is of the opinion that the Vienna Insurance Group Sustainability Bond Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021 and Social Bond Principles 2023. This assessment is based on the following:



**USE OF PROCEEDS** The eligible categories for the use of proceeds – Green Buildings, Renewable Energy, Clean Transportation, Energy Efficiency, Affordable Housing and Access to Essential Services – are aligned with those recognized by the Green Bond Principles and Social Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 3, 4, 7, 9 and 11.



**PROJECT EVALUATION AND SELECTION** VIG’s Sustainability Bond Committee will be responsible for evaluating and selecting projects in line with the Framework’s eligibility criteria. The Sustainability Bond Committee will be responsible for identifying and managing the environmental and social risks associated with the eligible projects and implementing related mitigation measures in accordance with applicable laws and regulations. Sustainalytics considers these processes to be in line with market practice.



**MANAGEMENT OF PROCEEDS** VIG’s ESG Project Leader and Manager of Proceeds, a member of the Sustainability Bond Committee, will be responsible for the management of proceeds and will track their allocation through a portfolio approach by using an internal register. The Group intends to fully allocate the net proceeds within 36 months of the date of issuance. Pending full allocation, proceeds will be temporarily invested in cash, cash equivalents or sustainable investment funds. This is in line with market practice.



**REPORTING** VIG commits to report on allocation and corresponding impact on its website on an annual basis until full allocation and in the event of material developments. Allocation reporting will include a list or summary of financed projects, the proportion of net proceeds allocated by eligible category, the share of new financing and refinancing, and the amount of unallocated proceeds, if applicable. Sustainalytics views VIG’s allocation and impact reporting as aligned with market practice.

#### Alignment with the EU Taxonomy

Sustainalytics has assessed the Framework for alignment with the EU Taxonomy’s criteria for Substantial Contribution to its environmental objectives and Minimum Safeguards. For more details, please see Section 1 and Appendix 1.



<b>Evaluation Date</b>	March 21, 2025 <sup>1</sup>
<b>Issuer Location</b>	Vienna, Austria

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<sup>1</sup> This document updates the Second-Party Opinion dated December 2020.

## Introduction

Vienna Insurance Group AG, Wiener Versicherung Gruppe (“VIG” or the “Group”), is an insurance provider operating in 30 countries in Europe, with a focus on Central and Eastern Europe (CEE). VIG’s product offerings include property and casualty insurance, life insurance and health insurance. Established in 1824, the Group employed more than 30,000 employees as of 30 June 2024.<sup>2</sup>

VIG has developed the Vienna Insurance Group Sustainability Bond Framework dated March 2025 (the “Framework”), under which it intends to issue green, social and sustainability bonds and use the proceeds to finance or refinance, in whole or in part, existing or future projects intended to provide environmental and social benefits in the EU. The Framework defines eligibility criteria in six areas:

1. Green Buildings
2. Renewable Energy
3. Clean Transportation
4. Energy Efficiency
5. Affordable Housing
6. Access to Essential Services

VIG engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework’s environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2021 (SBG), Green Bond Principles 2021 (GBP) and Social Bond Principles 2023 (SBP).<sup>3</sup> The Framework will be published in a separate document.<sup>4</sup>

### Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent<sup>5</sup> opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2023, as administered by ICMA.
- The credibility and anticipated positive impacts of the use of proceeds.
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.18, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with representatives of VIG to understand the sustainability impact of its business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. VIG representatives have confirmed (1) they understand it is the sole responsibility of VIG to ensure that the information provided is complete, accurate and up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and VIG.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated impacts of eligible projects but does not measure the actual impacts. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

<sup>2</sup> Vienna Insurance Group, “Half Year Financial Report 2024”, (2025), at: <https://group.vig/en/investor-relations/results-reports/downloads/>

<sup>3</sup> The Sustainability Bond Guidelines, Green Bond Principles, and Social Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/>

<sup>4</sup> The Vienna Insurance Group Sustainability Bond Framework is available at: <https://group.vig/investor-relations/anleihen/>

<sup>5</sup> When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realized allocation of proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that VIG has made available to Sustainalytics for the purpose of this Second-Party Opinion.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the Vienna Insurance Group Sustainability Bond Framework

Sustainalytics is of the opinion that the Vienna Insurance Group Sustainability Bond Framework is credible, impactful and aligned with the SBG and the four core components of the GBP and SBP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
  - The eligible categories – Green Buildings, Renewable Energy, Clean Transportation, Energy Efficiency, Affordable Housing and Access to Essential Services – are aligned with those recognized by the GBP and SBP.
  - VIG has communicated to Sustainalytics that financing under the Framework will be limited to the European Union.
  - The Framework defines a three-year look-back period for its refinancing activities, which Sustainalytics considers to be in line with market practice.
  - Under the Green Buildings category, VIG may finance or refinance the construction, acquisition, ownership and renovation of residential and non-residential commercial buildings<sup>6</sup> according to the following criteria:
    - Buildings built before 31 December 2020 that meet one of the following criteria:
      - Residential buildings with an energy performance certificate (EPC) A.
      - Residential buildings in the top 15% of the national or regional building stock in terms of operational primary energy demand (PED), with the corresponding certification as evidence of energy efficiency.
    - Buildings built on or after 1 January 2021 that meet the following criteria:
      - PED at least 10% lower than the national threshold for nearly zero-energy buildings and verified by an EPC.
      - For residential buildings larger than 5,000 m<sup>2</sup>, VIG has confirmed that testing for air tightness and thermal integrity will take place upon completion or, alternatively, a verifiable quality control process will be conducted during the construction process.
    - Expenditures related to the renovation of existing buildings that meet the applicable requirements for major renovations upon the completion of the renovation. VIG has confirmed to Sustainalytics that financing will be limited to the retrofit costs and that the total asset value of the building will not be financed.
      - Sustainalytics notes that the EU Taxonomy<sup>7</sup> stipulates that renovations should comply with the requirements for major renovations of the applicable national and regional building regulations that implement the Energy Performance of Buildings Directive (EPBD) so that the energy performance of the building or renovated part meets the cost-optimal minimum energy requirements of the EPBD. Sustainalytics therefore encourages VIG to report on the actual improvement in PED performance or energy savings achieved in comparison with the existing building stock in the area or region.
    - New or renovated residential and non-residential buildings that are certified or are expected to be certified to one of the following green buildings certification levels:

<sup>6</sup> Non-residential commercial buildings primarily comprise office spaces.

<sup>7</sup> European Commission, "Annex to the Commission Delegated Regulation supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council", at: [https://eur-lex.europa.eu/resource.html?uri=cellar:d84ec73c-c773-11eb-a925-01aa75ed71a1.0021.02/DOC\\_2&format=PDF](https://eur-lex.europa.eu/resource.html?uri=cellar:d84ec73c-c773-11eb-a925-01aa75ed71a1.0021.02/DOC_2&format=PDF)

- i) BREEAM<sup>8</sup> Outstanding, Excellent or Very Good; ii) LEED<sup>9</sup> Platinum or Gold; iii) ÖGNI<sup>10</sup> Platinum or Gold; iv) DGNB<sup>11</sup> Platinum or Gold; or v) Klimaaktiv<sup>12</sup> Gold or Silver. Sustainalytics notes that in case of BREEAM Very Good, VIG will finance buildings that achieve an average score of at least 70% in the energy category.
    - VIG has confirmed to Sustainalytics that it will exclude the financing of industrial buildings and buildings that are used for the storage, extraction or manufacture of fossil fuels.
    - Sustainalytics considers the expenditures under this category to be in line with market practice.
- Under the Renewable Energy category, VIG may finance or refinance the construction, development, acquisition, maintenance and operation of renewable energy projects, facilities and pure play companies<sup>13</sup> according to the following criteria:
  - Solar photovoltaic power generation projects.
  - Onshore and offshore wind power. VIG has confirmed to Sustainalytics that in the case of offshore wind facilities, fossil fuel backup will be limited to power monitoring, operating and maintenance equipment, and resilience or protection measures and restart capabilities.
  - Hydropower plant projects that are:
    - Run-of-river projects without an artificial reservoir.
    - Projects with a power density above 5 W/m<sup>2</sup> for facilities built before 2020 and above 10 W/m<sup>2</sup> for facilities that became operational in or after 2020; or projects with a life cycle GHG emissions intensity from electricity generation lower than 100 gCO<sub>2</sub>e/kWh for facilities built before 2020 and below 50 gCO<sub>2</sub>e/kWh for facilities that became operational in or after 2020.
    - VIG has confirmed that all new hydropower projects will undergo an environmental and social risk assessment and that no new projects will be undertaken if the assessment has identified significant negative impacts or associated controversies.
  - Geothermal energy projects with life cycle emissions less than 100 gCO<sub>2</sub>e/kWh.
  - Sustainalytics considers the expenditures under this category to be in line with market practice.
- Under the Clean Transportation category, VIG may finance or refinance the development, manufacture, construction, operation, purchase and renting of zero direct emissions vehicles and associated infrastructure, in accordance with the following criteria:
  - Zero emissions electric passenger and freight rail. Sustainalytics notes that the Framework excludes freight rails dedicated to transporting fossil fuels.
  - Infrastructure for zero emissions transport, such as EV charging stations, electrified trackside infrastructure, trackside control command and signalling subsystem.
  - Zero emissions battery electric vehicles (EVs).
  - VIG has confirmed that infrastructure enabling zero emissions transportation excludes: i) new construction and existing road infrastructure retrofits; ii) parking facilities; and iii) assets that prolong the use of fossil fuel-powered transportation.
  - Sustainalytics considers investments under this category to be aligned with market practice.
- Under the Energy Efficiency category, VIG may finance or refinance:
  - Energy efficiency improvements in transmission and distribution infrastructure. VIG has confirmed to Sustainalytics the exclusion of energy efficiency applications to transmission lines connected or dedicated to fossil fuel power.
  - VIG has communicated to Sustainalytics that the Framework allows for allocation to smart grid investments. Despite the variety of definitions and applications of smart grid technology, Sustainalytics views positively investments that are designed to improve grid efficiency and encourages VIG to select projects that are clearly anticipated to deliver tangible efficiency improvements.

<sup>8</sup> BREEAM: <https://breeam.com/standards/new-construction>

<sup>9</sup> LEED: <https://www.usgbc.org/leed>

<sup>10</sup> ÖGNI: <https://www.ogni.at/leistungen/zertifizierung/>

<sup>11</sup> DGNB: <https://www.dgnb.de/en>

<sup>12</sup> Klimaaktiv: <https://www.klimaaktiv.at/>

<sup>13</sup> The Framework defines pure play companies as those that derive more than 90% of revenue from activities in the renewables industry.

- Energy storage capacity, including battery, thermal and pumped hydro storage, connected to: i) renewables; or ii) a grid that has an average life cycle emissions intensity of incremental new generation below 100 gCO<sub>2e</sub>/kWh over the past five years.
  - VIG has confirmed that a credible body will conduct an environmental and social impact assessment for all pumped hydro projects and that no projects with significant risks or expected negative impacts identified will be financed under the Framework.
  - Sustainalytics considers investments under this category to be aligned with market practice
- Under Affordable Housing category, VIG may finance or refinance the construction, refurbishment, maintenance and operation of affordable rental housing that meets the statutory definition of affordable housing and relevant eligibility criteria in Slovakia and Austria. VIG has confirmed to Sustainalytics that it will implement relevant measures to ensure the affordability of housing units after the refurbishment.
- In Slovakia, the state supported rental (SSR) housing regulation assists individuals in renting affordable housing units subject to state regulated rent.<sup>14</sup> The SSR defines the target population for supported rental housing as individuals whose income is up to eight times the subsistence minimum.<sup>15,16</sup> In each development, 10% of apartments will be assigned to people with severe disabilities or social disadvantages.<sup>17</sup> Letting agencies may prioritize 20-40% of apartments in the development for individuals working in certain civil servant positions<sup>18</sup> or employed by other preferred employers established by the letting agency.<sup>19</sup> The government enforces a cap on the maximum rent that can be charged for rent-controlled housing, taking into consideration the average annual nominal wage of the region in which the dwelling is provided and its size.<sup>20</sup>
  - In Austria, subsidized housing criteria are defined by the Austrian Federal Act on Non-Profit Housing,<sup>21</sup> which considers ratio of the area rented to the usable area of all usable space in the property in order to determine a tenant's rent.<sup>22,23</sup> Additionally, the respective housing subsidy directives of the federal states outline regulations in the allocation of housing units, considering factors such as the applicant's income and household size, among other criteria.
  - Sustainalytics notes that VIG's role in affordable housing projects is limited to providing financing for the construction, refurbishment, maintenance and operation of housing units, and the Group does not have control over deciding the detailed criteria for determining the target populations deemed eligible for the affordable housing units and the corresponding affordability mechanisms. Where income thresholds are used as a qualifying criterion, Sustainalytics considers it good practice to define target populations as those that earn less than 80% of the area median income. While noting that Slovakian and Austrian government

<sup>14</sup> Government of Slovakia, "Nariadenie vlády Slovenskej republiky o niektorých opatreniach v súvislosti so štátnou podporou nájomného bývania", (2022), at: <https://www.slov-lex.sk/ezbierky/pravne-predpisy/SK/ZZ/2022/327/20250130>

<sup>15</sup> Slovakian Ministry of Labour, Social Affairs and Family, "Životné minimum", (2024), at: <https://www.employment.gov.sk/sk/rodina-socialna-pomoc/hmotna-nudza/zivotne-minimum/>

<sup>16</sup> Government of Slovakia, "Nariadenie vlády Slovenskej republiky o niektorých opatreniach v súvislosti so štátnou podporou nájomného bývania", (2022), at: <https://www.slov-lex.sk/ezbierky/pravne-predpisy/SK/ZZ/2022/327/20250130>

<sup>17</sup> Ibid.

<sup>18</sup> Preferred categories of civil servants include: employees of the Slovakian Supreme Audit Office, members of the police force, members of the Slovak Information Service, members of the National Security Authority, members of the prison and prison corps judicial guards, members of the railway police, members of the fire and rescue corps, members of the mountain rescue service or professional soldiers and persons employed by an employer who is a public administration entity.

Government of Slovakia, "Nariadenie vlády Slovenskej republiky o niektorých opatreniach v súvislosti so štátnou podporou nájomného bývania", (2022), at: <https://www.slov-lex.sk/ezbierky/pravne-predpisy/SK/ZZ/2022/327/20250130>

<sup>19</sup> Ibid.

<sup>20</sup> Government of Slovakia, "Pravidlá výpočtu a aplikácie maximálnej výšky nájomného", (2022), at: [https://static.slov-lex.sk/pdf/prilohy/SK/ZZ/2022/327/20250130\\_5452868-2.pdf](https://static.slov-lex.sk/pdf/prilohy/SK/ZZ/2022/327/20250130_5452868-2.pdf)

<sup>21</sup> Government of Austria, "Bundesrecht konsolidiert: Gesamte Rechtsvorschrift für Wohnungsgemeinnützigkeitsgesetz", (2024), at: <https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10011509>

<sup>22</sup> Ibid.

<sup>23</sup> Housing2030, "Austrian legislation and auditing of limited-profit housing", at: <https://www.housing2030.org/project/austrian-legislation-and-auditing-of-limited-profit-housing/>

- thresholds exceed this limit,<sup>24,25</sup> Sustainalytics acknowledges that both programmes also incorporate additional targeting designed to prioritize populations that are considered in need of support or those that are considered essential for the country in terms of employment. While these criteria do not guarantee that the financed affordable housing will be provided only to those who are most in need, Sustainalytics is of the opinion that these programmes are likely to enhance access to affordable housing in these countries. Sustainalytics encourages VIG to provide further disclosure on the affordable housing programmes financed and relevant beneficiaries defined by the applicable governments and to report on the social impact achieved.
- Under the Access to Essential Services category, VIG may finance or refinance the construction, purchase, maintenance, refurbishment and development of public and subsidized private healthcare, research laboratories, education and vocational training facilities and services, and housing for the retired and elderly.<sup>26</sup> VIG has confirmed that these services and facilities will be accessible to all, regardless of ability to pay.
    - VIG has communicated that investments related to educational and vocational training facilities may include the financing of elementary and high schools in Austria. Sustainalytics notes that the Austrian government offers various forms of support for vocational training facilities, including financial assistance for apprentices from low-income families;<sup>27</sup> programmes covering expenses for textbooks, tools and workwear; and scholarships and stipends for high-achieving or disadvantaged vocational students.<sup>28</sup>
    - Sustainalytics considers investments under this category to be socially impactful.
  - Sustainalytics views positively the Framework's exclusion of investments linked to fossil fuels, alcohol, gaming, tobacco and weapons.
  - Project Evaluation and Selection:
    - VIG has in place a Sustainability Bond Committee (SBC) to oversee the evaluation and selection of assets, ensuring alignment with the Framework's eligibility criteria. The SBC is composed of the ESG Project Leader and Manager of Proceeds and representatives from the Sustainable Finance Expert, Asset Management (including Real Estate), Group Treasury & Capital Management and Compliance (including AML) teams.
    - VIG has a groupwide risk inventory guideline for identifying and assessing environmental and social risks, which is also applicable to all allocation decisions made under the Framework. The SBC will be responsible for identifying and managing the environmental and social risks associated with the eligible projects and implementing related mitigation measures, in accordance with applicable laws and regulations. Please refer to Section 2 for more details on these processes.
    - Based on the established process for project selection and the presence of risk management processes, Sustainalytics considers this process to be in line with market practice.
  - Management of Proceeds:
    - The ESG Project Leader and Manager of Proceeds will be responsible for the management of proceeds through a portfolio approach by using an internal register.
    - VIG intends to fully allocate proceeds, on a best-effort basis, within 36 months of issuance. Sustainalytics considers it to be good practice to allocate proceeds within no more than 36 months and encourages VIG to report on the allocation period of their issuance. Pending allocation, unallocated proceeds will be temporarily held in cash, cash equivalents or similar instruments, which include green, social or sustainability bonds by other issuers, as well as sustainable investment funds that have been awarded the Austrian Eco-label,<sup>29</sup> the FNG-seal<sup>30</sup> or the EU Ecolabel.<sup>31</sup>

<sup>24</sup> European Commission, "Mean and median income by age and sex", (2025), at: [https://ec.europa.eu/eurostat/databrowser/view/ilc\\_di03/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/ilc_di03/default/table?lang=en)

<sup>25</sup> OECD, "Global State of National Urban Policy 2024, (2024), at: [https://www.oecd.org/en/publications/global-state-of-national-urban-policy-2024\\_4db6994c-en.html](https://www.oecd.org/en/publications/global-state-of-national-urban-policy-2024_4db6994c-en.html)

<sup>26</sup> VIG defines elderly individuals as those who have reached the respective state retirement age or have retired early, such as those receiving a disability pension.

<sup>27</sup> The Framework uses the Government of Austria's definition of low-income.

European Commission, "Austria", at: <https://national-policies.eacea.ec.europa.eu/youthwiki/chapters/austria/41-general-context>

<sup>28</sup> Government of Austria, "Beihilfen und Förderungen", at: <https://www.bmbwf.gv.at/Themen/schule/befoe.html>

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

<sup>30</sup> Forum Nachhaltige Geldanlagen: <https://www.forum-ng.org/en/fng-the/about-us.html>

<sup>31</sup> Ecolabel: [https://environment.ec.europa.eu/topics/circular-economy/eu-ecolabel\\_en](https://environment.ec.europa.eu/topics/circular-economy/eu-ecolabel_en)

- Based on the presence of an internal tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
  - VIG will report on the allocation of proceeds and, where possible, relevant impact metrics on its website on an annual basis until full allocation and in cases of material developments.
  - VIG will appoint an independent verifier to provide limited assurance on the annual allocation report from issuance until the full allocation of the green, social or sustainability bond proceeds.
  - Allocation reporting may include the amount allocated per category, a description of the eligible green and social projects funded, the share of financing versus refinancing and the balance of unallocated proceeds.
  - Impact reporting may include relevant impact indicators per category, such as the level of green buildings certifications achieved, renewable energy generated (in MWh), annual GHG emissions reduced or avoided (in tCO<sub>2</sub>e), number of EVs, number of affordable housing units, number of beneficiaries from healthcare and educational services, among other indicators.
  - Based on the commitments to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

### Alignment with Sustainability Bond Guidelines 2021

Sustainalytics has determined that the Vienna Insurance Group Sustainability Bond Framework aligns with the SBG and the four core components of the GBP and SBP.

### Alignment with the EU Taxonomy

Sustainalytics has assessed each of the Framework's eligible use of proceeds criteria against the relevant criteria in the EU Taxonomy. For Substantial Contribution (SC) criteria, please see Table 1. For Minimum Safeguards, please see below.

Table 1 provides an overview of the alignment of the Framework with the applicable SC criteria of the EU Taxonomy.

**Table 1: Summary of Alignment of Framework Criteria with the EU Taxonomy**

EU Taxonomy Activities corresponding to Framework Criterion	Alignment with Technical Screening Criteria		Alignment per EU Environmental Objective					
	SC	DNSH	Mitigation	Adaptation	Water	Circular Economy	Pollution	Eco-systems
4.1. Electricity generation using solar photovoltaic technology	■	*						
4.3. Electricity generation from wind power	■	*						
4.5. Electricity Generation from hydropower	■	*						
4.6. Electricity Generation from geothermal energy	■	*						
4.9. Transmission and distribution of electricity	■	*						
4.10. Storage of electricity	■	*						
6.1. Passenger interurban rail transport	■	*						

6.2. Freight rail transport	■	*						
6.3. Urban and suburban transport, road passenger transport	■	*						
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	■	*						
6.14. Infrastructure for rail transport	■	*						
6.15. Infrastructure enabling low-carbon road transport and public transport	■	*						
7.1. Construction of new buildings	□	*						
7.2. Renovation of existing buildings	■	*						
7.3. Installation, maintenance and repair of energy efficiency equipment	■	*						
7.7. Acquisition/ownership of buildings	□	*						

Legend	
Aligned	■
Partially aligned	□
Not aligned	☒
Not applicable	–
Not assessed	*
Grey shading indicates the primary EU Environmental Objective	

### Alignment with the EU Taxonomy's Minimum Safeguards

The EU Taxonomy recommends companies have policies that align with international and regional guidelines and regulations pertaining to human rights, labour rights, and combating bribery and corruption. Specifically, activities should be carried out in alignment with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Additionally, companies should comply with the International Labour Organisation's (ILO) declaration on Fundamental Rights and Principles at Work.

Based on a consideration of the policies and management systems applicable to the Framework criteria, as well as the regulatory context in which financing will occur, Sustainalytics is of the opinion that the Framework meets the EU Taxonomy's Minimum Safeguards requirements.

### Human and Labour Rights

VIG has implemented the following policies and procedures regarding human and labour rights:

- VIG's Code of Business Ethics incorporates compliance with international conventions, including the UN Global Compact,<sup>32</sup> the UN Sustainable Development Goals<sup>33</sup> and the International Bill of Human Rights.<sup>34</sup> The code establishes minimum standards for ethical business conduct, including the protection of human and labour rights, non-discrimination, equal opportunity, and fair working conditions. Each company within VIG is responsible for implementing the code, with mandatory training to ensure compliance.<sup>35,36</sup>
- The Group adheres to the principles outlined in the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, including the eight core ILO

<sup>32</sup> UN Global Compact, "The Ten Principles of the UN Global Compact", at: <https://unglobalcompact.org/what-is-gc/mission/principles>

<sup>33</sup> UN, "The 17 Goals", at: <https://sdgs.un.org/goals>

<sup>34</sup> UN, "International Bill of Human Rights", at: <https://www.ohchr.org/en/what-are-human-rights/international-bill-human-rights>

<sup>35</sup> VIG, "Code of Business Ethics", at: <https://group.vig/en/vig-inside/corporate-governance/code-of-business-ethics/>

<sup>36</sup> VIG, "Sustainability Report 2023", at: <https://group.vig/media/cjvnrftx/2023-sustainability-report.pdf>

conventions. These principles are incorporated into VIG's policies, safeguarding fair and safe working conditions, freedom of association and protection against discrimination.<sup>37</sup> The Group's diversity strategy promotes equal opportunities in hiring and career advancement, irrespective of gender, age, nationality, ethnicity or disability. VIG also actively supports an inclusive workplace culture, fostering a respectful and fair working environment across its subsidiaries.<sup>38</sup>

- VIG has implemented social due diligence processes to assess risks related to human and labour rights. The Group monitors compliance with labour standards through internal audits, employee engagement initiatives, and training programmes. Each subsidiary is responsible for adhering to these standards, with oversight mechanisms in place to ensure alignment with legal and regulatory requirements. The governance framework includes structured reporting mechanisms, enabling continuous evaluation of potential risks and areas for improvement.<sup>39</sup> VIG's Corporate Governance Report is based on the Austrian Code of Corporate Governance, which sets principles for transparency, accountability, and responsible management. While the code is designed for Austrian companies, VIG applies these governance principles across its international operations to uphold ethical and compliance standards.<sup>40</sup> The Group also requires its business partners to comply with international human and labour rights standards.<sup>41</sup>
- VIG maintains formal reporting channels for employees and stakeholders to raise human rights concerns. Compliance officers at both the Group and subsidiary levels are responsible for addressing concerns related to workplace conditions, fair treatment and adherence to labour standards. Reporting mechanisms ensure that all grievances are handled with transparency and appropriate remedial actions are taken where necessary.<sup>42</sup>

Based on the work of its research services and its ESG Risk Rating assessment, Sustainalytics evaluated the performance of VIG in the areas of human and labour rights and has not detected involvement in any relevant controversies that would suggest that the above policies are not adequate in addressing key risks. Sustainalytics is of the opinion that these measures appropriately safeguard minimum standards on human and labour rights in relation to the activities of the Framework.

#### **Anti-bribery and anti-corruption**

VIG has implemented the following anti-bribery and anti-corruption policies and procedures:

- VIG's Code of Business Ethics defines its approach to anti-bribery and anti-corruption, outlining policies to prevent conflicts of interest, bribery and fraud. The Code establishes mandatory compliance requirements for all employees and ensures ethical business conduct across all operations.<sup>43</sup> Additionally, VIG has communicated that at its annual Supervisory Board meeting, the VIG Managing Board provides the Supervisory Board with a comprehensive overview of the measures and safeguards the company has implemented to combat corruption.
- To mitigate procurement-related risks, VIG has communicated that it has implemented Group-wide procurement guidelines that establish minimum standards for supplier selection and internal procurement rules. In particular, the guidelines require all Group companies to draft internal rules for procurement based on legal requirements, types of procurement, costs and suppliers. The rules require market research, multiple offers or public tenders depending on procurement type and cost. In addition, all Group companies must conduct due diligence for potential service providers and suppliers, including legally binding criteria such as sanctions screening. The procurement guidelines also mandate compliance with ethical business practices, reinforcing anti-bribery principles across supplier relationships.<sup>44</sup>

Based on the work of its research services and its ESG Risk Rating assessment, Sustainalytics evaluated the performance of VIG in relation to anti-bribery and anti-corruption matters, and has not detected involvement in any relevant controversies that would suggest that the above policies are not adequate in addressing key risks. Sustainalytics is of the opinion that these measures provide the minimum safeguards required for anti-bribery and anti-corruption matters in relation to the activities of the Framework.

<sup>37</sup> Ibid.

<sup>38</sup> Ibid.

<sup>39</sup> Ibid.

<sup>40</sup> VIG, "Corporate Governance", at: <https://group.vig/en/vig-inside/corporate-governance/>

<sup>41</sup> VIG, "Code of Business Ethics", at: <https://group.vig/en/vig-inside/corporate-governance/code-of-business-ethics/>

<sup>42</sup> VIG, "Sustainability Report 2023", at: <https://group.vig/media/cjvnrtx/2023-sustainability-report.pdf>

<sup>43</sup> VIG, "Code of Business Ethics", at: <https://group.vig/en/vig-inside/corporate-governance/code-of-business-ethics/>

<sup>44</sup> VIG has shared this information with Sustainalytics.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that VIG's policies, guidelines and commitments are sufficient to demonstrate that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy's Minimum Safeguards.

## Section 2: Sustainability Strategy of VIG

### Contribution to VIG's sustainability strategy

VIG's sustainable business strategy focuses on the following environmental and social areas: i) emissions reduction within asset management; ii) emissions reduction in the underwriting divisions; iii) climate neutrality of corporate operations; iv) societal improvement through the provision of risk literacy education; v) customer protection and satisfaction; and vi) employee satisfaction.

VIG aims to achieve net zero emissions from its investment portfolio<sup>45</sup> and within its own operations by 2050.<sup>46,47</sup> The Group has set an interim target to reduce its emissions by almost 30% by 2030, compared to a 2023 baseline, through emission reductions in its underwriting, asset management and office operations.<sup>48</sup> As part of its efforts to achieve its 2030 and 2050 targets, the Group aims to increase its share of sustainable investments,<sup>49,50</sup> and reduce emissions in its corporate and large-client underwriting portfolio, corporate bonds, equities, and other fixed-income investment portfolios.<sup>51</sup> VIG has increased its green bond portfolio annually, from EUR 154 million in 2019 to EUR 2.2 billion in 2023.<sup>52</sup> The Group previously issued a sustainability bond in 2021, through which it invested EUR 500 million in green buildings, renewable energy, clean transportation and affordable housing projects.<sup>53</sup> VIG has also established exclusionary investment criteria to screen companies across investments, asset management and underwriting activities to avoid investments in controversial sectors or those with a negative environmental impact, such as thermal coal involvement, unconventional oil and gas, and banned weapons.<sup>54,55</sup> Furthermore, VIG offers environmentally themed life insurance policies, which invest in funds that have attained the Austrian Ecolabel, and motor vehicle insurance that offers favourable insurance premiums to drivers who demonstrate environmentally responsible driving practices, as monitored through digital tracking.<sup>56</sup> Additionally, VIG actively engages with investee companies to encourage them to develop sustainable practices, including related to net zero targets and decarbonization strategies.<sup>57</sup>

Regarding social impact, VIG focuses on making socially responsible investments, such as in affordable housing, healthcare, and risk literacy in the CEE region.<sup>58,59</sup> The Group invests in Austrian real estate companies that provide affordable housing in the region, including affordable rental houses where rental caps are in place.<sup>60</sup> VIG has also made several healthcare-related investments in digital startups, which facilitate remote healthcare consultations and digital prescription services for its customers.<sup>61</sup>

Sustainalytics is of the opinion that the Vienna Insurance Group Sustainability Bond Framework is aligned with the Group's overall sustainability strategy and initiatives and will further the Group's action on its key environmental and social priorities.

### Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental or social impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include issues involving: i) emissions, effluents and waste from construction; ii) land use and

<sup>45</sup> VIG's investment portfolio refers to its corporate bonds, equity and corporate underwriting portfolio.

<sup>46</sup> Vienna Insurance Group, "Sustainability Report 2023", (2024), at: <https://group.vig/media/cjvnrfx/2023-sustainability-report.pdf>

<sup>47</sup> Vienna Insurance Group, "Operations", at: <https://group.vig/en/sustainability/sustainability-programme/operations/>

<sup>48</sup> Vienna Insurance Group, "2024 Preliminary Results Presentation", (2025), at: <https://group.vig/media/4uulh4o2/250313-12m-2024-results-presentation.pdf>

<sup>49</sup> Ibid.

<sup>50</sup> Vienna Insurance Group, "Sustainability Report 2023", (2024), at: <https://group.vig/media/cjvnrfx/2023-sustainability-report.pdf>

<sup>51</sup> Vienna Insurance Group, "Vienna Insurance Group Sustainability Bond Framework", (2025), at: <https://group.vig/investor-relations/anleihen/>

<sup>52</sup> Vienna Insurance Group, "Asset Management", at: <https://group.vig/en/sustainability/sustainability-programme/asset-management/>

<sup>53</sup> Ibid.

<sup>54</sup> Vienna Insurance Group, "Responsible Investment", (2024), at: [https://group.vig/media/noblcmxl/vig\\_responsible-investments\\_en.pdf](https://group.vig/media/noblcmxl/vig_responsible-investments_en.pdf)

<sup>55</sup> Vienna Insurance Group, "Responsible insurance in corporate business", (2024), at: [https://group.vig/media/vxdbtzjp/p24006\\_vig\\_responsible-insurance\\_en\\_170724.pdf](https://group.vig/media/vxdbtzjp/p24006_vig_responsible-insurance_en_170724.pdf)

<sup>56</sup> Vienna Insurance Group, "Sustainability Report 2023", (2024), at: <https://group.vig/media/cjvnrfx/2023-sustainability-report.pdf>

<sup>57</sup> Vienna Insurance Group, "VIG Engagement Report", (2023), at: <https://group.vig/media/h5sfdgtp/2023-vig-engagement-report.pdf>

<sup>58</sup> VIG defines risk literacy to be the ability to make informed and considered decisions in relation to risks.

<sup>59</sup> Vienna Insurance Group, "Sustainability Report 2023", (2024), at: <https://group.vig/media/cjvnrfx/2023-sustainability-report.pdf>

<sup>60</sup> Ibid.

<sup>61</sup> Ibid.

biodiversity loss from large-scale infrastructure development; iii) occupational health and safety; iv) business ethics and predatory lending and v) community relations.

Sustainalytics is of the opinion that VIG is able to manage and mitigate potential risks through implementation of the following:

- Regarding emissions, effluents and waste, EU regulations, such as the EU Construction and Demolition Waste Protocol and Guidelines<sup>62</sup> and the EU Waste Framework Directive,<sup>63</sup> require waste management without endangering human health or causing harm to the environment.<sup>64</sup>
- Regarding risks related to land use and biodiversity loss from infrastructure development, projects financed in the EU are expected to comply with Directive 2014/52/EU,<sup>65</sup> which requires projects that are likely to have a significant impact on the environment are adequately assessed before approval. The directive requires that measures must be taken to avoid, prevent, reduce and, where possible, offset significant adverse effects on the environment, species and habitats. The directive also integrates land use issues associated with land-intensive projects and requires large-scale projects to limit impacts on land and on soil.<sup>66</sup> Additionally, projects in the EU must follow the Habitats Directive and Birds Directive, which are part of the EU's Biodiversity Strategy for 2030. EU Member States are also required to conserve the diversity of their wild flora and fauna, with a special focus on threatened and endemic species.<sup>67,68</sup>
- For risks related to occupational health and safety, the Group has a Responsible Investment policy, where the Group commits to excluding new direct investments in companies that severely violate human rights or violate any of the UN Global Compact principles.<sup>69</sup> Furthermore, for projects in EU member states, EU Directive 89/391/EEC<sup>70</sup> ensures minimum safety and health requirements throughout Europe, requiring employers to ensure the safety and health of workers in every aspect related to the work.
- VIG's Code of Business Ethics (the "Code") prohibits employees from using deceptive or misleading practices when dealing with customers and requires them to provide all relevant information to enable customers to make well-informed decisions.<sup>71</sup> The Code governs VIG's policy on the acceptance of gifts and benefits from customers, donations and sponsorships, ensuring that these are managed in line with local standards and legislation.<sup>72</sup> The Code further prohibits political contributions. Local compliance departments in VIG are responsible for ensuring that business units comply with local anti-money-laundering legislation.<sup>73</sup> VIG has established a whistleblower portal to handle reports of legal misconduct confidentially, in compliance with the EU Whistleblower Directive.<sup>74,75</sup>
- Regarding community relations, VIG engages in dialogue with relevant stakeholders, including the communities within which it operates. The Group solicits feedback from its customers through social media channels, surveys and market analyses.<sup>76</sup>

Based on these policies, standards and assessments, Sustainalytics is of the opinion that VIG has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

### Section 3: Impact of Use of Proceeds

All six use of proceeds categories are aligned with those recognized by the GBP or SBP. Sustainalytics has focused below on where the impact is specifically relevant in the local context.

<sup>62</sup> European Commission, "EU Construction and Demolition Waste Protocol and Guidelines", (2018), at: [https://single-market-economy.ec.europa.eu/news/eu-construction-and-demolition-waste-protocol-2018-09-18\\_en](https://single-market-economy.ec.europa.eu/news/eu-construction-and-demolition-waste-protocol-2018-09-18_en)

<sup>63</sup> European Parliament, "Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives", at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32008L0098>

<sup>64</sup> European Commission, "Waste Framework Directive", at: [https://environment.ec.europa.eu/topics/waste-and-recycling/waste-framework-directive\\_en](https://environment.ec.europa.eu/topics/waste-and-recycling/waste-framework-directive_en)

<sup>65</sup> European Parliament, "Directive 2014/52/EU on the assessment of the effects of certain public and private projects on the environment ", (2014), at: <https://eur-lex.europa.eu/eli/dir/2014/52/oj/eng>

<sup>66</sup> European Parliament, "Directive 2014/52/EU", (2014), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0052>

<sup>67</sup> European Commission, "Biodiversity strategy for 2030", at: [https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030\\_en](https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en)

<sup>68</sup> European Parliament, "Directive 2009/147/EC of the European Parliament and of the Council", (2009), at:

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02009L0147-20190626>

<sup>69</sup> Vienna Insurance Group, "Responsible Investment", (2024), at: [https://group.vig/media/noblcmxl/vig\\_responsible-investments\\_en.pdf](https://group.vig/media/noblcmxl/vig_responsible-investments_en.pdf)

<sup>70</sup> European Parliament, "Directive 89/391/EEC", at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31989L0391&from=FR>

<sup>71</sup> Vienna Insurance Group, "VIG Code of Business Ethics", at: <https://group.vig/en/vig-inside/corporate-governance/code-of-business-ethics/>

<sup>72</sup> Ibid.

<sup>73</sup> Vienna Insurance Group, "Sustainability Report 2023", (2024), at: <https://group.vig/media/cjvnrfx/2023-sustainability-report.pdf>

<sup>74</sup> Vienna Insurance Group, "Group Annual Report 2023", (2024), at: <https://group.vig/media/g20lihkx/2023-vig-group-annual-report.pdf>

<sup>75</sup> Vienna Insurance Group, "Whistleblowing", at: <https://group.vig/en/vig-inside/corporate-governance/whistleblowing/>

<sup>76</sup> Vienna Insurance Group, "Sustainability Report 2023", (2024), at: <https://group.vig/media/cjvnrfx/2023-sustainability-report.pdf>

### Importance of financing affordable housing in Central and Eastern Europe

The availability of affordable housing in CEE, including Austria and Slovakia, is constrained by several factors, including rising housing costs, low rental market availability and limited public housing stock. Between 2015 and 2022, real house prices in several CEE countries rose at a faster rate than the OECD average, increasing the price-to-income ratio and reducing accessibility for lower-income groups. According to the OECD, homeownership rates in Slovakia are among the highest in the OECD, at 91.4%, while only 6.8% of households reside in the private rental sector and 0.7% in social housing, as of 2024.<sup>77</sup> The rental market in Slovakia and other CEE countries remains underdeveloped, with a significant portion of rental transactions occurring informally, making it difficult to regulate and provide adequate tenant protections. Additionally, Slovakia has a high rate of overcrowding among low-income households, with more than 25% of those in the bottom income quintile residing in overcrowded conditions, as of 2022.<sup>78</sup> The lack of affordable rental options particularly affects young people, as Slovakia has one of the highest rates of young adults living with their parents in the OECD.<sup>79</sup> Austria, in contrast, has a more developed rental market, with 23% of its total housing stock classified as social housing. However, housing affordability pressures persist, particularly in urban areas where rental demand continues to rise.<sup>80</sup>

Efforts to address affordable housing in CEE, including Austria and Slovakia, involve a combination of public and private initiatives. For example, in Slovakia, the State Housing Development Fund (SHDF), established in 1996, provides low-interest loans for the construction of social rental housing, homeownership support and renovations. However, public investment in social housing remains low, with only 0.06% of GDP allocated to the construction or acquisition of social rental housing in Slovakia in 2022 compared to 0.25% in Austria.<sup>81</sup> In 2022 the Slovak government passed the State-Supported Rental Housing Act,<sup>82</sup> under which private sector investment partners will provide rental accommodation let subject to government eligibility criteria and rent controls.<sup>83</sup> Austria has a more established model for social housing financing, with government-backed loans and subsidies supporting limited-profit housing associations and municipal housing projects. The Austrian government plans to commit EUR 300 million annually to 2028 under the Future Fund to support the renovation of public housing and the development of affordable residential units.<sup>84</sup> Additionally, regulatory measures have been introduced to streamline housing development and encourage sustainable urban expansion. In Slovakia, municipalities receive direct subsidies and loans from the SHDF, although bureaucratic complexities and funding constraints limit their ability to expand housing supply.<sup>85</sup> In addition to public programmes, private initiatives in Slovakia have contributed to expanding affordable rental options. A partnership initiative between the Slovak Investment Holding and the Slovak Savings Bank has made more than 350 rental apartments available at prices between 5% and 30% below market rates. This initiative has provided housing for more than 600 individuals, including elderly persons, victims of domestic violence and the homeless.<sup>86</sup>

Based on the above, Sustainalytics is of the opinion that VIG's financing of affordable housing is expected to contribute to improving accessibility and affordability of housing in CEE.

### Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Vienna Insurance Group Sustainability Bond Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater

<sup>77</sup> OECD, "OECD Economic Surveys: Slovak Republic 2024", at: [https://www.oecd.org/en/publications/oecd-economic-surveys-slovak-republic-2024\\_397ca086-en/full-report.html](https://www.oecd.org/en/publications/oecd-economic-surveys-slovak-republic-2024_397ca086-en/full-report.html)

<sup>78</sup> Ibid.

<sup>79</sup> Ibid.

<sup>80</sup> OECD, "OECD Economic Surveys: Austria 2024", at: [https://www.oecd.org/en/publications/oecd-economic-surveys-austria\\_19990189.html](https://www.oecd.org/en/publications/oecd-economic-surveys-austria_19990189.html)

<sup>81</sup> OECD, "OECD Economic Surveys: Slovak Republic 2024", at: [https://www.oecd.org/en/publications/oecd-economic-surveys-slovak-republic-2024\\_397ca086-en/full-report.html](https://www.oecd.org/en/publications/oecd-economic-surveys-slovak-republic-2024_397ca086-en/full-report.html)

<sup>82</sup> Government of Slovakia, "Nariadenie vlády Slovenskej republiky o niektorých opatreniach v súvislosti so štátnou podporou nájomného bývania", (2022), at: <https://www.slov-lex.sk/ezbierky/pravne-predpisy/SK/ZZ/2022/327/20250130>

<sup>83</sup> DLA Piper, "State-supported rental housing in Slovakia", (2023), at: <https://www.dlapiper.com/en/insights/publications/real-estate-gazette/real-estate-gazette-living-capital/9-slovakia-state-supported-rental-housing-in-slovakia>

<sup>84</sup> OECD, "OECD Economic Surveys: Austria 2024", at: [https://www.oecd.org/en/publications/oecd-economic-surveys-austria\\_19990189.html](https://www.oecd.org/en/publications/oecd-economic-surveys-austria_19990189.html)

<sup>85</sup> OECD, "OECD Economic Surveys: Slovak Republic 2024", at: [https://www.oecd.org/en/publications/oecd-economic-surveys-slovak-republic-2024\\_397ca086-en/full-report.html](https://www.oecd.org/en/publications/oecd-economic-surveys-slovak-republic-2024_397ca086-en/full-report.html)

<sup>86</sup> European Commission, "SIH: Fostering integration through affordable housing", (2024), at: <https://www.fi-compass.eu/showcase-2024/sih-fostering-integration-through-affordable-housing>

		adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
Affordable Housing	11. Sustainable Cities and Communities	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
Access to Essential Services	3. Good Health and Well-being	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all
	4. Quality Education	4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and Goal-4 effective learning outcomes  4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university  4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

## Conclusion

VIG has developed the Vienna Insurance Group Sustainability Bond Framework under which it may issue green, social or sustainability bonds and use the proceeds to finance projects under the following categories: Green Buildings, Renewable Energy, Clean Transportation, Energy Efficiency, Affordable Housing and Access to Essential Services. Sustainalytics considers that the eligible projects are expected to provide positive environmental or social impacts.

The Vienna Insurance Group Sustainability Bond Framework outlines processes for tracking, allocation and management of proceeds and makes commitments for reporting on allocation and impact. Sustainalytics considers that the Vienna Insurance Group Sustainability Bond Framework is aligned with the overall sustainability strategy of the Group and that the use of proceeds will contribute to the advancement of UN Sustainable Development Goals 3, 4, 7, 9 and 11. Additionally, Sustainalytics considers that VIG has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Sustainalytics has assessed the Framework for alignment with the EU Taxonomy's criteria for Substantial Contribution to its environmental objectives and Minimum Safeguards. For more details, please see Section 1 and Appendix 1.

Based on the above, Sustainalytics is confident that VIG is well positioned to issue green, social or sustainability bonds and that the Vienna Insurance Group Sustainability Bond Framework is robust, transparent and in alignment with the Sustainability Bond Guidelines 2021 and the four core components of the Green Bond Principles 2021 and Social Bond Principles 2023.

# Appendices

## Appendix 1: Approach to Assessing Alignment with the EU Taxonomy

Sustainalytics has assessed each of the eligible green use of proceeds criteria in the Framework against the criteria for the relevant activity in the EU Taxonomy. This appendix describes Sustainalytics' process, and presents the outcome of its assessment of alignment with the Taxonomy's applicable technical screening criteria for substantial contribution (SC) to an environmental objective of the EU Taxonomy. Sustainalytics' assessment involves two steps:

### 1. Mapping Framework Criteria to Activities in the EU Taxonomy

The initial step in Sustainalytics' assessment process involves mapping each criterion in the Framework to a relevant and applicable activity in the EU Taxonomy. Note that each Framework criterion may be relevant and applicable to more than one activity in the EU Taxonomy and vice versa. Sustainalytics recognizes that some Framework criteria relate to projects that do not map well to a specific activity in the EU Taxonomy. In such cases, Sustainalytics has mapped to the activity that is most relevant with respect to the primary environmental objective established in the EU Taxonomy.

In some cases, the Framework criteria cannot be mapped to an activity in the EU Taxonomy, as some activities are not yet covered by the EU Taxonomy. In other cases, some categories which are traditionally included in green bonds and loans may not be associated with a specific EU Taxonomy activity. While recognizing that financing projects in these areas may still have environmental benefits, Sustainalytics has not assessed these criteria for alignment.

Table 2 below displays the outcome of Sustainalytics' mapping process for this report.

### 2. Determining Alignment with EU Taxonomy Criteria

The second step in Sustainalytics' process is to determine the alignment of each criterion with relevant criteria in the EU Taxonomy. Alignment with the SC criteria is usually based on the specific criteria contained in the issuer's Framework, and may in many cases also be based on management systems and processes or regulatory compliance. To assess alignment with the EU Taxonomy's Minimum Safeguards Sustainalytics has conducted an assessment of policies, management systems and processes applicable to the use of proceeds criteria, including the regulatory context in the geographical location of activities and projects. (See Section 1, above.)

Sustainalytics' detailed assessment of alignment is provided in Appendix 2.

Table 2: Framework mapping table

Framework Category	Framework Criterion (Eligible Use of Proceeds)	EU Taxonomy Activity	Corresponding NACE Code	Environmental Objective	Refer to Table
Green Buildings	Investments and financing towards residential and non-residential Green Buildings, built on or after 1 January 2021, new or existing buildings that have a primary energy demand (PED), which defines the energy performance of a building after construction, is at least 10% below the national threshold for nearly zero energy buildings (NZEB) and verified by an Energy Performance Certificate (EPC).  For residential buildings over 5,000 m <sup>2</sup> : Testing for air tightness and thermal integrity upon completion or, alternatively,	7.1. Construction of buildings	F41.1, F43 F41.2,	Mitigation	Table 3

	verifiable quality control processes during the construction process.				
	Renovations of existing buildings that have undergone refurbishments resulting in an increase in energy efficiency of at least 30% against a baseline.	7.2. Renovation of existing buildings	F41, F43		Table 4
		7.3. Installation, maintenance and repair of energy efficiency equipment	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22, C33.12		Table 5
	Investments and financing towards residential and non-residential Green Buildings, built prior to 31 December 2020, buildings with EPC A.  Alternatively, buildings that belong to the top 15% most energy-efficient buildings at the national or regional level in terms of operational PED, with the corresponding certification.	7.7. Acquisition and ownership of buildings	L68		Table 6
Renewable Energy	Investments relating to the construction, development, acquisition, maintenance, and operation of renewable energy projects, facilities and companies including solar power.	4.1. Electricity generation using solar photovoltaic technology	D35.11 and F42.22	Mitigation	Table 7
	Investments relating to the construction, development, acquisition, maintenance, and operation of renewable energy projects, facilities and companies including wind power.	4.3. Electricity generation from wind power	D35.11 and F42.22		Table 8
	Investments relating to the construction, development, acquisition, maintenance, and operation of renewable energy projects, facilities and companies including hydropower.	4.5. Electricity generation from hydropower	D35.11 and F42.22		Table 9
	Investments relating to the construction, development, acquisition, maintenance, and operation of renewable energy projects, facilities and companies including geothermal energy.	4.6. Electricity generation from geothermal energy	D35.11 and F42.22		Table 10
Clean Transportation	Investments relating to the development, construction, acquisition, maintenance and operation of electric rail infrastructure and electric rolling stock for both	6.1. Passenger interurban rail transport	H49.10, N77.39	Mitigation	Table 11
		6.2. Freight rail transport	H49.20 and N77.39		Table 12

	passenger and freight transportation, where direct (tailpipe) CO <sub>2</sub> emissions are zero.	6.14. Infrastructure for rail transport	F42.12, F42.13, M71.12, M71.20, F43.21, and H52.21		Table 13
	Investments relating to the development, construction, acquisition, maintenance and operation of Battery Electric Vehicle infrastructure.	6.15. Infrastructure enabling low-carbon road transport and public transport	F42.11, F42.13, F71.1 and F71.20		Table 14
	Purchase, financing, renting and operation of electric vehicles.	6.3. Urban and suburban transport, road passenger transport	H49.31, H49.3.9, N77.39 and N77.11		Table 15
		6.5. Transport by motorbikes, passenger cars and light commercial vehicles	H49.32, H49.39 and N77.11		Table 16
Energy Efficiency	Investments that serve to improve the energy efficiency of the electricity grid or energy system.	4.9. Transmission and distribution of electricity	D35.12 and D35.13	Mitigation	Table 17
	Investments that serve to establish additional energy storage capacity.	4.10. Storage of electricity	No dedicated NACE code		Table 18

## Appendix 2: Comprehensive EU Taxonomy Alignment Assessment

The tables below provide a detailed assessment of the alignment of the Framework criteria with the technical screening criteria for substantial contribution to an environmental objective for each relevant EU Taxonomy activity.

Table 3

<b>Framework Activity Assessed</b>	Investments and financing towards residential and non-residential Green Buildings built on or after 1 January 2021	
<b>EU Taxonomy Activity</b>	7.1. Construction of buildings	
<b>Corresponding NACE Code</b>	F41.1, F41.2, F43	
<b>Applicable SC Criteria</b>	<b>Alignment Assessment</b>	
Climate Change Mitigation	<ol style="list-style-type: none"> <li>1. VIG confirmed that new or existing buildings built on or after 1 January 2021 will be required to have a PED, which defines the energy performance of a building after construction as being at least 10% lower than the threshold set for NZEB requirements in national measures implementing Directive 2010/31/EU,<sup>87</sup> and which is verified by an EPC.</li> <li>2. VIG confirmed that buildings over 5,000 m<sup>2</sup> will be required to undergo testing for air tightness and thermal integrity upon completion. As an alternative to thermal integrity testing, VIG will also consider situations where robust and traceable quality control processes are in place during the construction process. VIG confirmed that any deviation in the levels of performance set at the design stage or defects in the building envelope will be disclosed to investors and clients. VIG confirmed that it holds assets larger than 5,000 m<sup>2</sup> in Austria that undergo regular airtightness testing as required by the Austrian Institute of Construction Engineering regulations.</li> <li>3. VIG confirmed that the Global Warming Potential (GWP) resulting from the construction of buildings larger than 5,000 m<sup>2</sup> will be calculated for each stage in the life cycle and disclosed to investors and clients on demand.</li> </ol> <p>Under the Framework, VIG may alternatively rely on green building certifications, including BREEAM (Outstanding, Excellent or Very Good), LEED (Gold or Platinum), OGNI (Platinum or Gold), DGNB (Platinum or Gold), and Klimaaktiv (Gold or Silver). Regarding certification schemes, as of March 2025, the EU Taxonomy has not specified the conditions on which green building certifications align with the Technical Screening Criteria.</p> <p>Given that investments align with criteria 1, 2 and 3 and the limitations of green building certifications to demonstrate alignment with the EU Taxonomy SC criteria, Sustainalytics considers this activity to be partially aligned with the EU Taxonomy criteria.</p>	Partially aligned

Table 4

<b>Framework Activity Assessed</b>	Renovation of existing buildings
<b>EU Taxonomy Activity</b>	7.2. Renovation of existing buildings
<b>Corresponding NACE Code</b>	F41, F43

<sup>87</sup> European Parliament, "Directive 2010/31/EU of the European Parliament and of the Council", (2010), at: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:153:0013:0035:EN:PDF>

<b>Applicable SC Criteria</b>	<b>Alignment Assessment</b>	
Climate Change Mitigation	VIG confirmed that the building renovation will comply with the applicable requirements for major renovations. Alternatively, the Framework states that renovation will lead to a reduction of PED of at least 30%. Hence, Sustainalytics has assessed this activity as aligned with the SC of the EU Taxonomy.	Aligned

Table 5

<b>Framework Activity Assessed</b>	Renovation of existing buildings	
<b>EU Taxonomy Activity</b>	7.3. Installation, maintenance and repair of energy efficiency equipment	
<b>Corresponding NACE Code</b>	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22, C33.12	
<b>Applicable SC Criteria</b>	<b>Alignment Assessment</b>	
Climate Change Mitigation	<p>VIG confirmed to Sustainalytics that the activity could consist of the individual measures listed below, provided they comply with minimum requirements set for individual components and systems in the applicable national measures implementing Directive 2010/31/EU<sup>88</sup>. The measures must also, where applicable, be rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369<sup>89</sup> and delegated acts adopted under that Regulation.</p> <p>The individual measures include:</p> <ul style="list-style-type: none"> <li>a) Addition of insulation to existing envelope components, such as external walls (including green walls), roofs (including green roofs), lofts, basements and ground floors (including measures to ensure airtightness, measures to reduce the effects of thermal bridges and scaffolding) and products for the application of the insulation to the building envelope (including mechanical fixings and adhesive).</li> <li>b) Replacement of existing windows with new energy-efficient windows.</li> <li>c) Replacement of existing external doors with new energy-efficient doors.</li> <li>d) Installation and replacement of energy-efficient light sources.</li> <li>e) Installation, replacement, maintenance and repair of heating, ventilation and air-conditioning (HVAC) and water heating systems, including equipment related to district heating services, with highly efficient technologies.</li> <li>f) Installation of low water and energy kitchen and sanitary water fittings that comply with the technical specifications in Appendix E to the Annex of the EU Taxonomy Climate Delegated Act and, in the case of shower solutions, mixer showers, shower outlets and taps, have a maximum water flow of 6 l/min or less attested by an existing label in the European Union market.</li> </ul> <p>Based on the above, Sustainalytics considers the activity to be aligned with the SC criteria of the EU Taxonomy.</p>	Aligned

<sup>88</sup> European Parliament, "Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings – National transposition", at: <https://eurlex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32010L0031>

<sup>89</sup> European Parliament, "Regulation (EU) 2017/1369 of the European Parliament and of the Council of 4 July 2017 setting a framework for energy labelling and repealing Directive 2010/30/EU", at: <https://eurlex.europa.eu/eli/reg/2017/1369/oj>

Table 6

<b>Framework Activity Assessed</b>	Investments and financing towards residential and non-residential Green Buildings built prior to 31 December 2020	
<b>EU Taxonomy Activity</b>	7.7. Acquisition and ownership of buildings	
<b>Corresponding NACE Code</b>	L68	
<b>Applicable SC Criteria</b>	Alignment Assessment	
Climate Change Mitigation	<ol style="list-style-type: none"> <li>1. VIG confirmed that buildings built before 31 December 2020 will either have an EPC A or will be among the top 15% of the national or regional building stock expressed as operational PED, demonstrated by adequate evidence, which compares at least the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and distinguishes between residential and non-residential buildings at a minimum.</li> <li>2. VIG confirmed that buildings constructed after 31 December 2020 will be required to meet the criteria specified in Section 7.1 of the Annex of the Climate Delegated Act that are relevant at the time of the acquisition.</li> <li>3. VIG confirmed that large non-residential buildings (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW) will be required to demonstrate that they are efficiently operated through energy performance monitoring and assessment.</li> </ol> <p>Under the Framework, VIG may alternatively rely on green building certifications, including BREEAM (Outstanding, Excellent or Very Good), LEED (Gold or Platinum), OGNI (Platinum or Gold), DGNB (Platinum or Gold), and Klimaaktiv (Gold or Silver). Regarding certification schemes, as of March 2025, the EU Taxonomy has not specified the conditions on which green building certifications align with the Technical Screening Criteria.</p> <p>Given that investments align with criteria 1, 2 and 3 and noting the limitations of green building certifications to demonstrate alignment with the EU Taxonomy SC criteria, Sustainalytics considers this activity to be partially aligned with the EU Taxonomy criteria.</p>	Partially aligned

Table 7

<b>Framework Activity Assessed</b>	Investments relating to the construction, development, acquisition, maintenance and operation of renewable energy projects, facilities or companies including solar power	
<b>EU Taxonomy Activity</b>	4.1. Electricity generation using solar photovoltaic technology	
<b>Corresponding NACE Code</b>	D35.11 and F42.22	
<b>Applicable SC Criteria</b>	<b>Alignment Assessment</b>	
Climate Change Mitigation	The Framework includes financing of electricity generation using solar PV technology, which is eligible by default.	Aligned

Table 8

<b>Framework Activity Assessed</b>	Investments relating to the construction, development, acquisition, maintenance and operation of renewable energy projects, facilities or companies including wind power	
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<b>EU Taxonomy Activity</b>	4.3. Electricity generation from wind power	
<b>Corresponding NACE Code</b>	D35.11 and F42.22	
<b>Applicable SC Criteria</b>	<b>Alignment Assessment</b>	
Climate Change Mitigation	The Framework includes financing of wind energy generation projects, which is eligible by default.	Aligned

Table 9

<b>Framework Activity Assessed</b>	Investments relating to the construction, development, acquisition, maintenance and operation of renewable energy projects, facilities or companies including hydropower	
<b>EU Taxonomy Activity</b>	4.5. Electricity generation from hydropower energy	
<b>Corresponding NACE Code</b>	D35.11 and F42.22	
<b>Applicable SC Criteria</b>	<b>Alignment Assessment</b>	
Climate Change Mitigation	<p>Under the Framework, hydropower energy investments must comply with the following criteria: i) the electricity generation facility is a run-of-river plant and does not have an artificial reservoir; or ii) the power density of the electricity generation facility is above 5 W/m<sup>2</sup>; or iii) the life cycle GHG emissions from the generation of electricity from hydropower are lower than 100 gCO<sub>2e</sub>/kWh.</p> <p>VIG confirmed: i) it will require that life cycle GHG emissions be calculated using Recommendation 2013/179/EU<sup>90</sup> or, alternatively, using ISO 14067:2018, ISO 14064-1:2018 or the G-res tool; and ii) that quantified life cycle GHG emissions will be verified by an independent third party.</p> <p>Based on the above, Sustainalytics considers the activity to be aligned with the SC criteria of the EU Taxonomy.</p>	Aligned

Table 10

<b>Framework Activity Assessed</b>	Investments relating to the construction, development, acquisition, maintenance and operation of renewable energy projects, facilities or companies including geothermal energy	
<b>EU Taxonomy Activity</b>	4.6. Electricity generation from geothermal energy	
<b>Corresponding NACE Code</b>	D35.11 and F42.22	
<b>Applicable SC Criteria</b>	<b>Alignment Assessment</b>	
Climate Change Mitigation	<p>VIG confirmed that geothermal energy projects financed under the Framework will be required to comply with the following criteria:</p> <ul style="list-style-type: none"> <li>Life cycle GHG emissions from the generation of electricity from geothermal energy are lower than 100 gCO<sub>2e</sub>/kWh.</li> </ul>	Aligned

<sup>90</sup> Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

	<ul style="list-style-type: none"> <li>Life cycle GHG emission savings are calculated using Commission Recommendation 2013/179/EU<sup>91</sup> or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018.</li> <li>Quantified life cycle GHG emissions are verified by an independent third party.</li> </ul> <p>Based on the above, Sustainalytics considers the activity to be aligned with the SC criteria of the EU Taxonomy.</p>	
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Table 11

<b>Framework Activity Assessed</b>	Investments relating to the development, construction, acquisition, maintenance and operation of electric rail infrastructure and electric rolling stock for both passenger and freight transportation, where direct (tailpipe) CO <sub>2</sub> emissions are zero.	
<b>EU Taxonomy Activity</b>	6.1. Passenger interurban rail transport	
<b>Corresponding NACE Code</b>	H49.10, N77.39	
<b>Applicable SC Criteria</b>	<b>Alignment Assessment</b>	
Climate Change Mitigation	<p>VIG confirmed to Sustainalytics that the trains and passenger coaches will have:</p> <ul style="list-style-type: none"> <li>a) Zero direct (tailpipe) CO<sub>2</sub> emissions; or</li> <li>b) Zero direct (tailpipe) CO<sub>2</sub> emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode).</li> </ul> <p>Sustainalytics considers the activity to be aligned with the SC criteria of the EU Taxonomy.</p>	Aligned

Table 12

<b>Framework Activity Assessed</b>	Investments relating to the development, construction, acquisition, maintenance and operation of electric rail infrastructure and electric rolling stock for both passenger and freight transportation, where direct (tailpipe) CO <sub>2</sub> emissions are zero.	
<b>EU Taxonomy Activity</b>	6.2. Freight rail transport	
<b>Corresponding NACE Code</b>	H49.20 and N77.39	
<b>Applicable SC Criteria</b>	<b>Alignment Assessment</b>	
Climate Change Mitigation	<p>VIG has confirmed that the financed trains and wagons will have:</p> <ul style="list-style-type: none"> <li>a) Zero direct (tailpipe) CO<sub>2</sub> emissions; or</li> <li>b) Zero direct (tailpipe) CO<sub>2</sub> emission when operated on a track with necessary infrastructure and use a conventional engine where such infrastructure is not available (bimode).</li> </ul> <p>Additionally, the trains and wagons will not be dedicated to the transport of fossil fuels.</p> <p>Based on the above, Sustainalytics considers the activity to be aligned with the SC criteria of the EU Taxonomy.</p>	Aligned

<sup>91</sup> Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

Table 13

<b>Framework Activity Assessed</b>	Investments relating to the development, construction, acquisition, maintenance and operation of electric rail infrastructure and electric rolling stock for both passenger and freight transportation, where direct (tailpipe) CO <sub>2</sub> emissions are zero.	
<b>EU Taxonomy Activity</b>	6.14. Infrastructure for rail transport	
<b>Corresponding NACE Code</b>	F42.12, F42.13, M71.12, M71.20, F43.21, and H52.21	
<b>Applicable SC Criteria</b>	<b>Alignment Assessment</b>	
Climate Change Mitigation	<p>VIG confirmed that the activity will comply with one of the following criteria:</p> <ul style="list-style-type: none"> <li>a) The infrastructure (as defined in Annex II.2 to Directive (EU) 2016/797 of the European Parliament and of the Council) is either: <ul style="list-style-type: none"> <li>i) Electrified trackside infrastructure and associated subsystems: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems as defined in Annex II.2 to Directive (EU)2016/797.<sup>92</sup></li> <li>ii) New and existing trackside infrastructure and associated subsystems where there is a plan for electrification as regards line tracks, and, to the extent necessary for electric train operations, as regards sidings, or where the infrastructure will be fit for use by zero tailpipe CO<sub>2</sub> emission trains within 10 years from the beginning of the activity: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems as defined in Annex II.2 to Directive (EU)2016/797.</li> <li>iii) Until 2030, existing trackside infrastructure and associated subsystems that are not part of the TEN-T network and its indicative extensions to third countries, nor any nationally, supranationally or internationally defined network of major rail lines: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems as defined in Annex II.2 to Directive (EU) 2016/797.</li> </ul> </li> <li>b) The infrastructure and installations are dedicated to transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transshipment of goods.</li> <li>c) Infrastructure and installations are dedicated to the transfer of passengers from rail to rail or from other modes to rail.</li> </ul> <p>The Framework states that the infrastructure is not dedicated to the transport or storage of fossil fuels.</p> <p>Based on the above, Sustainalytics considers the activity to be aligned with the SC criteria under the EU Taxonomy.</p>	Aligned

Table 14

<b>Framework Activity Assessed</b>	Investments relating to the development, construction, acquisition, maintenance and operation of Battery Electric Vehicle infrastructure
<b>EU Taxonomy Activity</b>	6.15. Infrastructure enabling low-carbon road transport and public transport

<sup>92</sup> Directive (EU) 2016/797 of the European Parliament and of the Council of 11 May 2016 on the interoperability of the rail system within the European Union (OJ L 138, 26.5.2016, p. 44)

<b>Corresponding NACE Code</b>	F42.11, F42.13, F71.1 and F71.20	
<b>Applicable SC Criteria</b>	<b>Alignment Assessment</b>	
Climate Change Mitigation	<p>VIG confirmed that activity will comply with one or more of the following criteria:</p> <ul style="list-style-type: none"> <li>a) The infrastructure is dedicated to the operation of vehicles with zero tailpipe CO<sub>2</sub> emissions: electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems (ERS).</li> <li>b) The infrastructure and installations are dedicated to transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transshipment of goods.</li> <li>c) The infrastructure and installations are dedicated to urban and suburban public passenger transport, including associated signalling systems for metro, tram and rail systems.</li> </ul> <p>Furthermore, VIG has confirmed that the infrastructure will not be dedicated to the transport or storage of fossil fuels.</p> <p>Based on the above, Sustainalytics considers the activity to be aligned with the SC criteria under the EU Taxonomy</p>	Aligned

Table 15

<b>Framework Activity Assessed</b>	Purchase, financing, renting and operation of electric vehicles	
<b>EU Taxonomy Activity</b>	6.3. Urban and suburban transport, road passenger transport	
<b>Corresponding NACE Code</b>	H49.31, H49.3.9, N77.39 and N77.11	
<b>Applicable SC Criteria</b>	<b>Alignment Assessment</b>	
Climate Change Mitigation	<p>VIG confirmed that the activity provides urban or suburban passenger transport where:</p> <ul style="list-style-type: none"> <li>(a) the direct (tailpipe) CO<sub>2</sub> emissions are zero;<sup>93</sup> or</li> <li>(b) until 31 December 2025, vehicles in categories M2 and M3 that have a type of bodywork classified as 'CA' (single-deck vehicle), 'CB' (double-deck vehicle), 'CC' (single-deck articulated vehicle) or 'CD' (double-deck articulated vehicle), and comply with the latest EURO VI standard, (i.e. both with the requirements of Regulation (EC) No 595/2009 and, from the time of the entry into force of amendments to that Regulation, in those amending acts, even before they become applicable, and with the latest step of the Euro VI standard set out in Table 1 of Appendix 9 to Annex I to Regulation (EU) No 582/2011 where the provisions governing that step have entered into force but have not yet become applicable for this type of vehicle). Where such standard is not available, the direct CO<sub>2</sub> emissions of the vehicles are zero.</li> </ul> <p>Hence, Sustainalytics considers the activity to be aligned with the SC criteria of the EU Taxonomy.</p>	Aligned

Table 16

<b>Framework Activity Assessed</b>	Purchase, financing, renting and operation of electric vehicles	
<b>EU Taxonomy Activity</b>	6.5. Transport by motorbikes, passenger cars and light commercial vehicles	

<sup>93</sup> This includes Motor buses with type of bodywork classified as 'CE' (low-floor single-deck vehicle), 'CF' (low-floor double-deck vehicle), 'CG' (Articulated low-floor single-deck vehicle), 'CH' (Articulated low-floor double-deck vehicle), 'CI' (open top single deck vehicle) or 'CJ' (open top double deck vehicle), as set out in point 3 of part C of Annex I to Regulation (EU) 2018/858.

Corresponding NACE Code	H49.32, H49.39 and N77.11	
Applicable SC Criteria	Alignment Assessment	
Climate Change Mitigation	<p>VIG confirmed that:</p> <ul style="list-style-type: none"> <li>a) For vehicles in categories M1 and N1 (subject to Regulation (EC) No 715/2007): <ul style="list-style-type: none"> <li>i) Until 31 December 2025, specific emissions of CO<sub>2</sub>, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631,<sup>94</sup> are lower than 50 gCO<sub>2</sub>/km (low- and zero-emission light-duty vehicles); and</li> <li>ii) From 1 January 2026, specific emissions of CO<sub>2</sub>, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are zero.</li> </ul> </li> <li>b) For vehicles in category L, the tailpipe CO<sub>2</sub> emissions equal to 0 gCO<sub>2</sub>e/km calculated in accordance with the emissions test laid down in Regulation (EU) 168/2013.<sup>95</sup></li> </ul> <p>Hence, Sustainalytics considers the activity to be aligned with the SC criteria of the EU Taxonomy.</p>	Aligned

Table 17

Framework Activity Assessed	Investments which serve to improve the energy efficiency of the electricity grid or energy system.	
EU Taxonomy Activity	4.9. Transmission and distribution of electricity	
Corresponding NACE Code	D35.12 and D35.13	
Applicable SC Criteria	Alignment Assessment	
Climate Change Mitigation	<p>VIG confirmed that the transmission and distribution infrastructure or equipment is in an electricity system that complies with at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>a) The system is the interconnected European system, i.e. the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems.</li> <li>b) More than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period.</li> <li>c) The average system grid emissions factor, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system, is below the threshold value of 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period.</li> </ul> <p>Additionally, the following will be excluded from financing under the Framework: i) infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant that is more greenhouse gas intensive than 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis.; and ii) installation of metering infrastructure that does not meet the requirements of smart metering systems of Article 20 of Directive (EU) 2019/944.<sup>96</sup></p>	Aligned

<sup>94</sup> European Commission, "Regulation (EU) 2019/631 of the European Parliament and of the Council of 17 April 2019 setting CO<sub>2</sub> emission performance standards for new passenger cars and for new light commercial vehicles", at: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019R0631#:~:text=Regulation%20\(EU\)%202019%2F631,\(Text%20with%20EEA%20relevance.\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019R0631#:~:text=Regulation%20(EU)%202019%2F631,(Text%20with%20EEA%20relevance.))

<sup>95</sup> European Commission, "Regulation (EU) No 168/2013 of the European Parliament and of the Council of 15 January 2013 on the approval and market surveillance of two- or three-wheel vehicles and quadricycles", at: <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32013R0168>

<sup>96</sup> European Parliament, "Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU", at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32019L0944>

- VIG has communicated that the following activities may be financed under the Framework:
- a) Construction and operation of direct connection, or expansion of existing direct connection, of low carbon electricity generation below the threshold of 100 gCO<sub>2e</sub>/kWh measured on a life cycle basis to a substation or network.
  - b) Construction and operation of electric vehicle (EV) charging stations and supporting electric infrastructure for the electrification of transport, subject to compliance with the technical screening criteria under the transport Section of the Annex of the Climate Delegated Act.
  - c) Installation of transmission and distribution transformers that comply with the Tier 2 (1 July 2021) requirements set out in Annex I to the Commission Regulation (EU) No 548/2014<sup>97</sup> and, for medium power transformers with highest voltage for equipment not exceeding 36 kV, with AA0 level requirements on no-load losses set out in standard EN 50588-1.
  - d) Construction/installation and operation of equipment and infrastructure where the main objective is an increase of the generation or use of renewable electricity generation.
  - e) Installation of equipment to increase the controllability and observability of the electricity system and to enable the development and integration of renewable energy sources, including:
    - i) Sensors and measurement tools (including meteorological sensors for forecasting renewable production).
    - ii) Communication and control (including advanced software and control rooms, automation of substations or feeders, and voltage control capabilities to adapt to more decentralised renewable infeed).
  - f) Installation of equipment such as, but not limited to, future smart metering systems or those replacing smart metering systems in line with Article 19(6) of Directive (EU) 2019/944<sup>98</sup> of the European Parliament and of the Council, which meet the requirements of Article 20 of Directive (EU) 2019/944, able to carry information to users for remotely acting on consumption, including customer data hubs.
  - g) Construction/installation of equipment to allow for exchange of specifically renewable electricity between users.
  - h) Construction and operation of interconnectors between transmission systems, provided that one of the systems is compliant.
- Additionally, VIG confirmed that the following specifications will apply for these activities:
- a) The rolling five-year period used in determining compliance with the thresholds is based on five consecutive historical years, including the year for which the most recent data are available.
  - b) A 'system' means the power control area of the transmission or distribution network where the infrastructure or equipment is installed.
  - c) Transmission systems may include generation capacity connected to subordinated distribution systems.
  - d) Distribution systems subordinated to a transmission system that is deemed to be on a trajectory to full decarbonisation may also be deemed to be on a trajectory to full decarbonization.
  - e) To determine compliance, it is possible to consider a system covering multiple control areas that are interconnected and with significant energy exchanges between them, in which case the weighted average emissions factor across all included control areas is used, and individual subordinated transmission or distribution systems within that system is not required to demonstrate compliance separately.
  - f) It is possible for a system to become non-compliant after having previously been compliant. In systems that become non-compliant, no new transmission and distribution activities are compliant from that moment onward,

<sup>97</sup> European Parliament, "Commission Regulation (EU) No 548/2014 of 21 May 2014 on implementing Directive 2009/125/EC of the European Parliament and of the Council with regard to small, medium and large power transformers", at: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L\\_.2014.152.01.0001.01.ENG](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2014.152.01.0001.01.ENG)

<sup>98</sup> European Parliament, "Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU", at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32019L0944>

	<p>until the system complies again with the threshold (except for those activities that are always compliant, see above). Activities in subordinated systems may still be compliant, where those subordinated systems meet the criteria of this Section.</p> <p>g) A direct connection or expansion of an existing direct connection to production plants includes infrastructure that is indispensable to carry the associated electricity from the power generating facility to a substation or to the network.</p> <p>Based on the above, Sustainalytics considers the activity to be aligned with the SC criteria of the EU Taxonomy.</p>	
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Table 18

<b>Framework Activity Assessed</b>	Investments which serve to establish additional energy storage capacity	
<b>EU Taxonomy Activity</b>	4.10. Storage of electricity	
<b>Corresponding NACE Code</b>	No dedicated NACE code	
<b>Applicable SC Criteria</b>	<b>Alignment Assessment</b>	
Climate Change Mitigation	<p>The Framework includes the construction and operation of electricity storage equipment and services, including pumped hydropower storage.</p> <p>VIG has confirmed to Sustainalytics that in the case of chemical energy storage, the medium of storage (such as hydrogen or ammonia) will comply with the criteria for manufacturing of the corresponding product specified in Sections 3.7 to 3.17 of the Annex of the Climate Delegated Act. In the case of using hydrogen as electricity storage, where hydrogen meets the technical screening criteria specified in Section 3.10 of the Annex of the Climate Delegated Act, re-electrification of hydrogen is also considered part of the activity.</p> <p>Sustainalytics considers this activity to be aligned with the EU Taxonomy.</p>	Aligned

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