

SUSTAINABILITY MEANS LIVING OUR RESPONSIBILITY

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GLOBAL RISKS RANKED BY SEVERITY OVER 10 YEARS

Global Risks Report 2023

Top 4 risks concern the environment

- 1 Failure to mitigate climate change
- 2 Failure of climate change adaption
- 3 Natural disasters and extreme weather events
- 4 Biodiversity loss and ecosystem collapse
- 5 Large-scale involuntary migration
- 6 Natural resource crises
- 7 Erosion of social cohesion/societal polarization
- 8 Widespread cybercrime and cyber insecurity
- 9 Geoeconomic confrontation
- 10 Large-scale environmental damage incidents

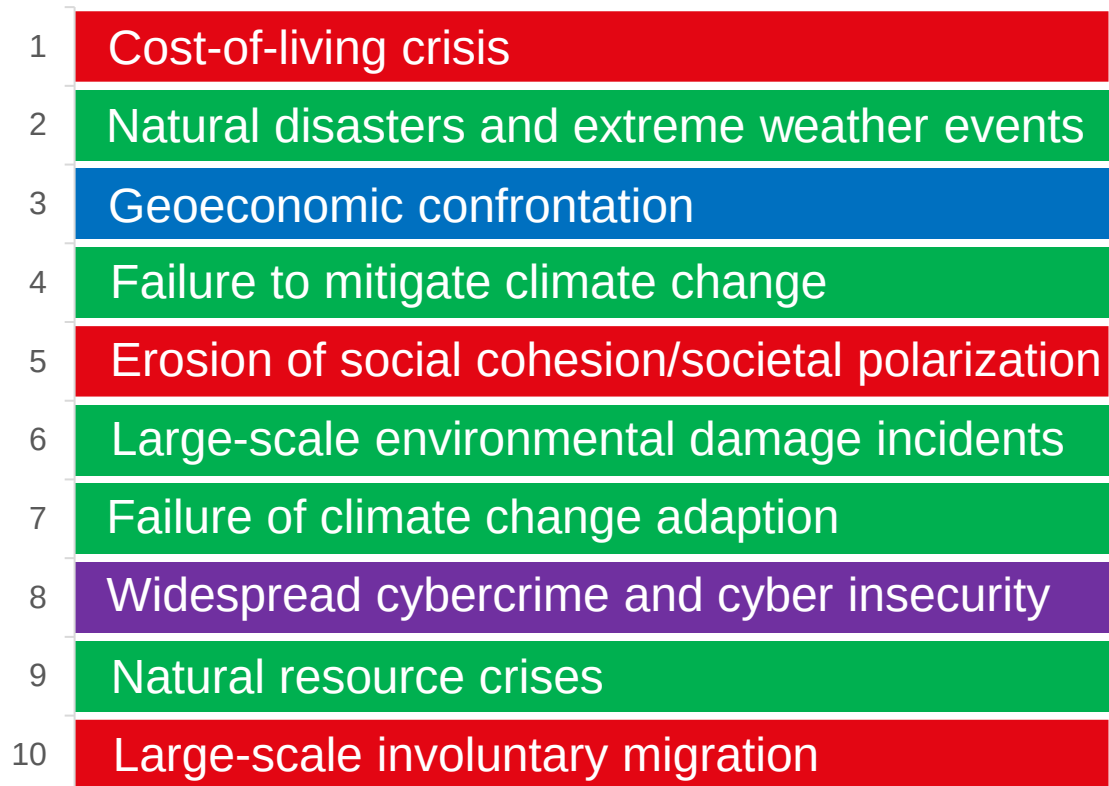
Source: World Economic Forum, Global Risks Perception survey 2022-2023



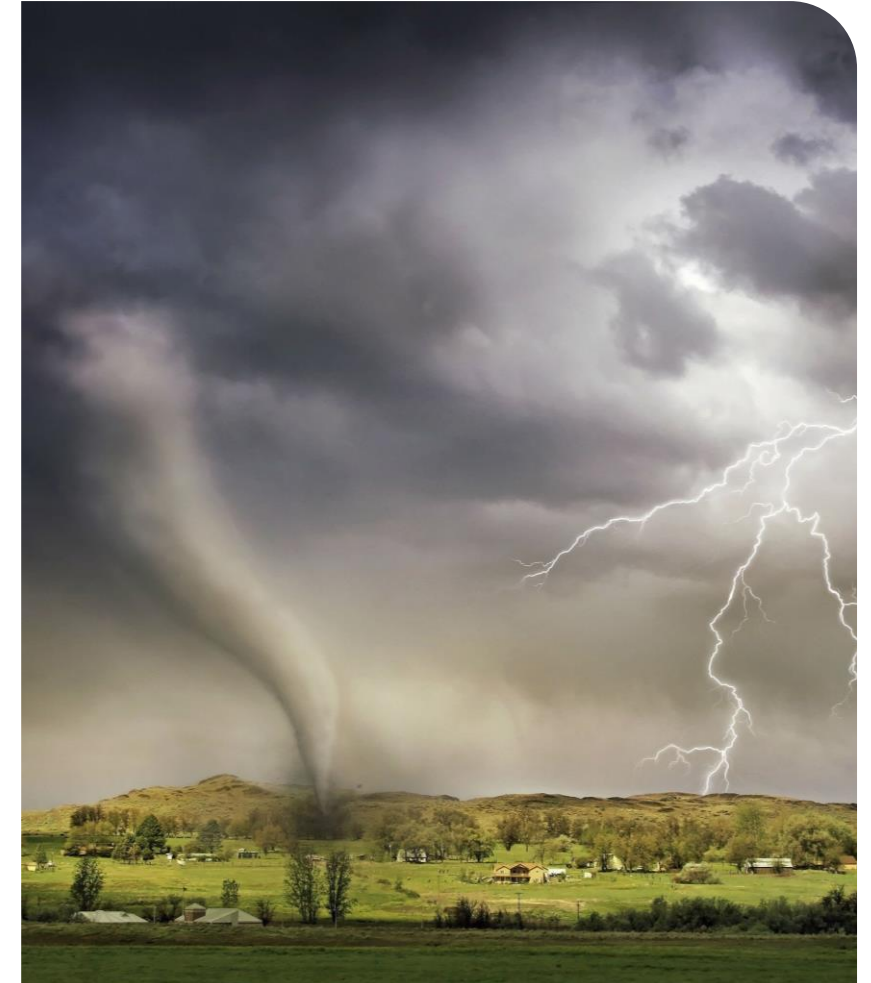
GLOBAL RISKS RANKED BY SEVERITY OVER 2 YEARS

Global Risks Report 2023

5 of 10 risks concern the environment



Source: World Economic Forum, Global Risks Perception survey 2022-2023



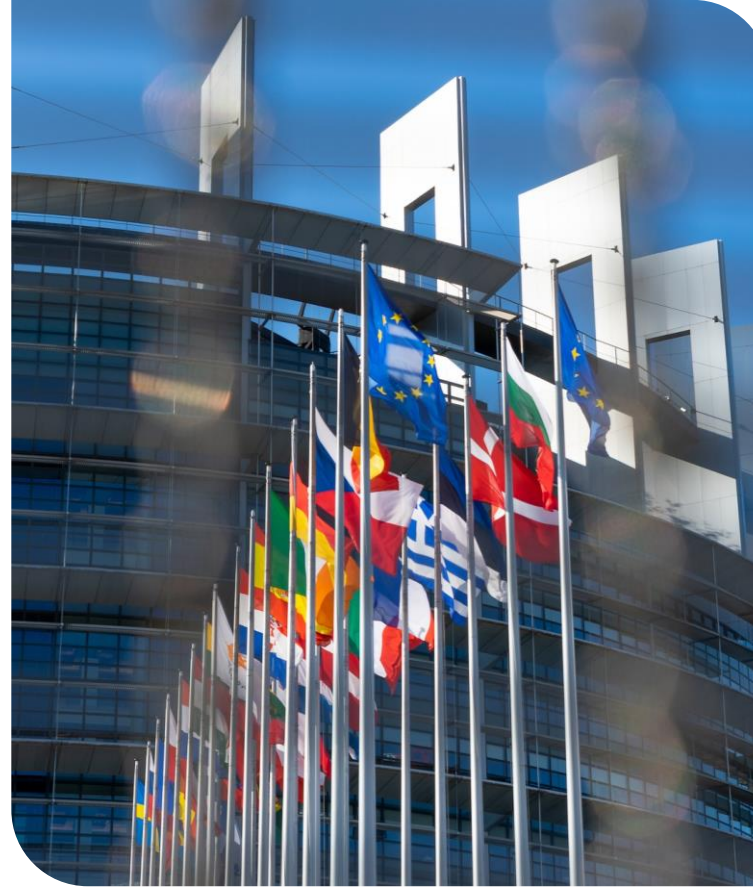
CLIMATE NEUTRALITY OF THE EU BY 2050

First transition plan by 2025 on how to reduce CO₂ emissions to zero until 2050



INSURERS ARE THE LARGEST INSTITUTIONAL INVESTOR IN EUROPE

Investment volume about 10.5 trillion euros





SUSTAINABILITY is a
STRATEGIC MATTER
for **VIG** 

VIG INCREASES INVESTMENTS IN RENEWABLE ENERGY AND GREEN BONDS



EXAMPLES OF CURRENT SUSTAINABILITY MEASURES AT VIG

Activities in the areas of investment, underwriting, product design, housing ecosystem

- Increase of investments in renewable energies/green bonds
 - Portfolio volume Green Bonds 2022: EUR 829 million (almost doubled compared to the previous year)
- Withdrawal from coal energy:
 - direct coal investments -57% until end of 2025 and 0% by end of 2035
 - No new policies for coal-fired power plants since 2019
 - Reduction of coal risks in corporate business by 70 % compared to 2019
- Sustainability Bond 2021 EUR 500 million
 - First insurance benchmark sustainability bond in Europe
 - 80% of the Sustainability Bond invested in green projects and 20% in social projects



SUSTAINABILITY WITH FOCUS ON THE SOCIAL ASPECT

Achieving ESG-related goals in respect of society, customers and employees

Social commitment – focus on affordable housing

- Participation in the Austrian start-up “Gropyus”
 - Gropyus builds and manages sustainable living units (mainly made of wood)
 - Automation and digitalisation reduce manufacturing costs
 - Currently DACH region; expansion to VIG markets in CEE in prospect
- Investments of VIG Group into non-profit housing societies
 - Support access to affordable housing
 - Renovations and energy-efficient construction support climate goals





BRUNDTLAND COMMISSION

»» Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs (1987). ««



VIG INTERPRETATION

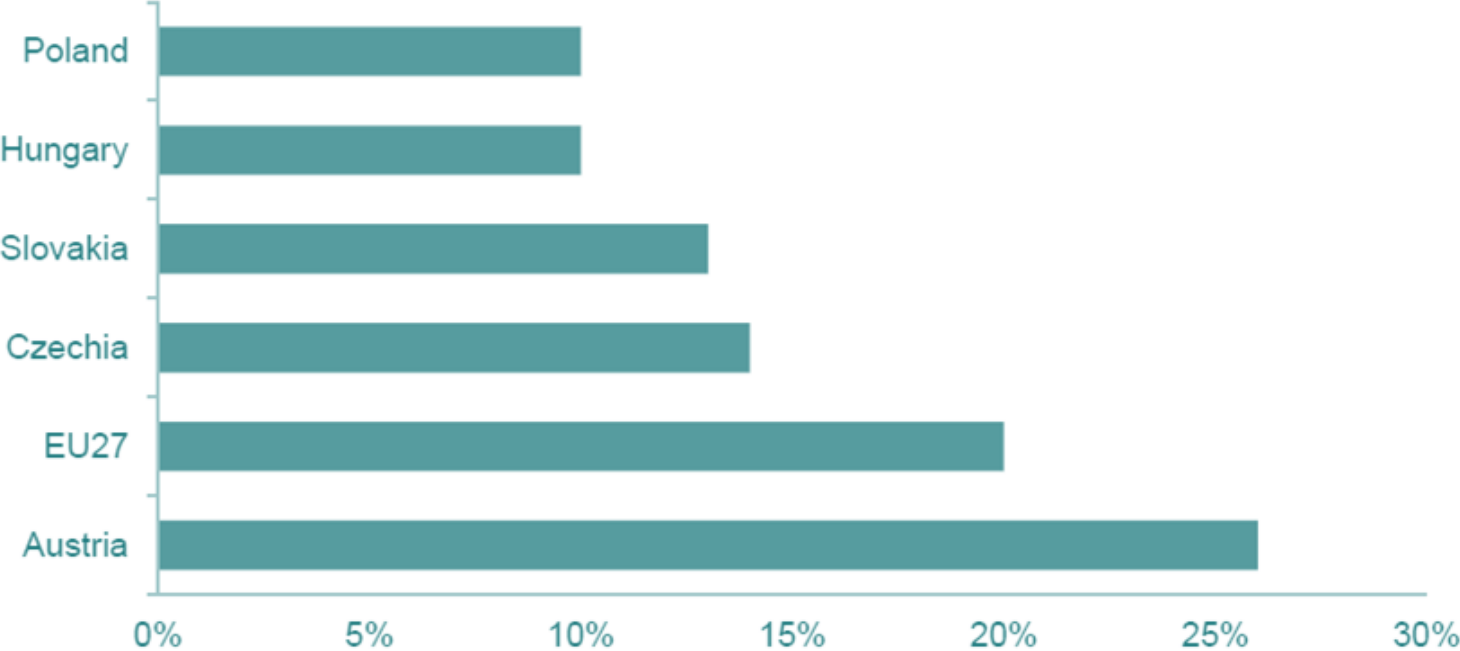
»» To create economic value today without doing so at the expense of tomorrow. ««



PEOPLE HAVE STARTED TO REALIZE THAT THERE IS NO PLANET B



SHARE OF RESPONDENTS CHOOSING ENVIRONMENTAL, CLIMATE AND ENERGY ISSUES AS THE MOST IMPORTANT PROBLEM FOR THE COUNTRY AT THE MOMENT



Source: Eurobarometer 91- European Commission (2019), The Vienna Institute for International Economic Studies, January 2023



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