

TO ACHIEVE SUSTAINABILITY GOALS, WE NEED A SHARED COMMITMENT OF OUR STAKEHOLDERS

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TOP 4 GLOBAL RISKS CONCERN THE ENVIRONMENT

Global Risk Report 2024: Global risks ranked by severity over 10 years

1	Extreme weather events
2	Critical change to Earth systems
3	Biodiversity loss and ecosystem collapse
4	Natural resource shortages
5	Misinformation and disinformation
6	Adverse outcomes of AI technologies
7	Involuntary migration
8	Cyber insecurity
9	Societal polarization
10	Pollution



Source: World Economic Forum Global Risks 2023-2024, Perception Survey 2023-2024

EXTREME WEATHER EVENTS ON THE RISE

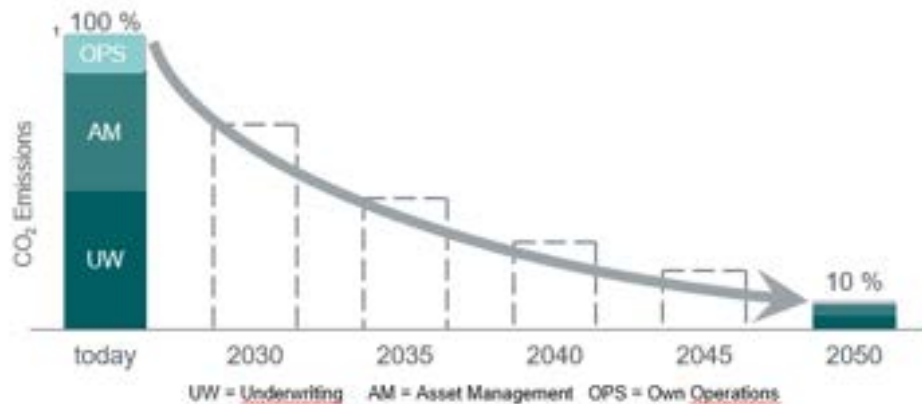


OPPORTUNITY TO GET ESG TOPICS ON TRACK

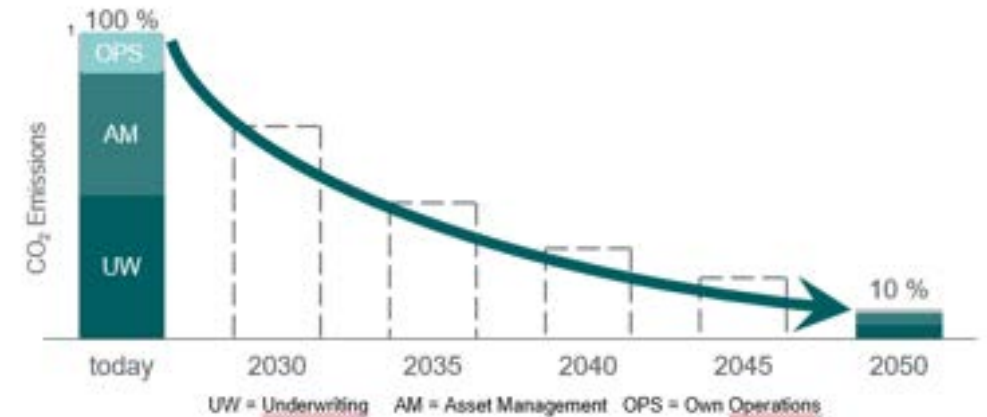
Two interlinked **transition plans** with different perspectives

SIMPLIFIED ILLUSTRATION

CSDDD Transition Plan



Solvency II Transition Plan

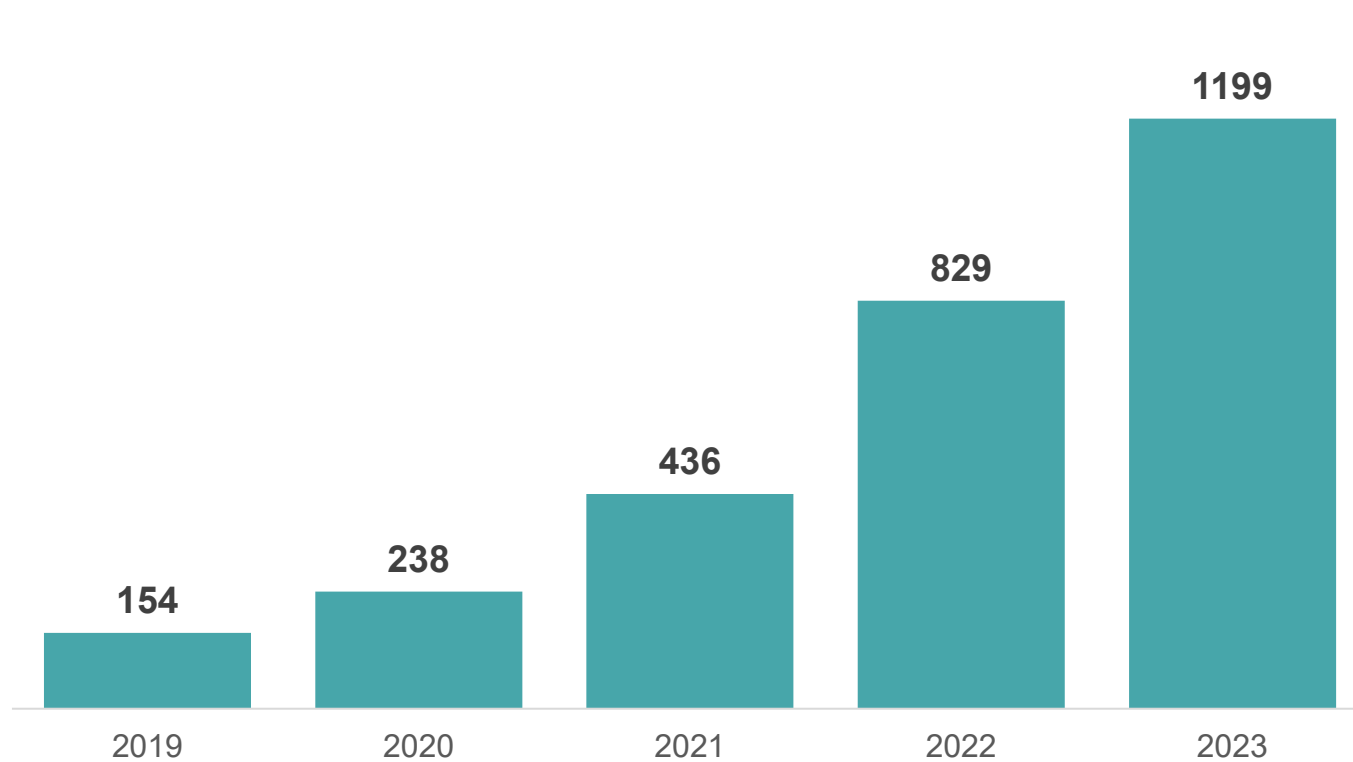


- Source: CSDDD, Art 15
- Application: 2027
- Objective: decarbonisation from a **strategic perspective**
- Contents: no granular definition
- Publication: sustainability report (ESRS)
- Updates: progress report every 12 months
- Sanctions: variable board remuneration linked to KPI achievements
- Supervision: FMA (Non-Financials: Ministry of Economy or Justice)

- Source: Solvency II Review, Art 44 – similar for banks
- Application: mid-2026 (tbc, potentially by 2027)
- Objective: decarbonisation from a **risk perspective**
- Contents: to be defined by EIOPA (RTS), potentially within ORSA
- Publication: SFCR (extracts)
- Updates: annually
- Sanction: no linkage of board remuneration
- Supervision: FMA

INCREASING PORTFOLIO OF GREEN BONDS

Vienna Insurance Group: Portfolio of green bonds in EUR mn



DIALOG TAKES PRECEDENCE OVER EXCLUSION

VIG Engagement Process – Cooperation with ISS ESG

Provision

- Engagement targets invested and non-invested companies
- Instrument to support companies to improve their ESG profile
- Completes the VIG ESG strategy
- Tracking results centrally → yearly engagement report

International Partner ISS – ESG

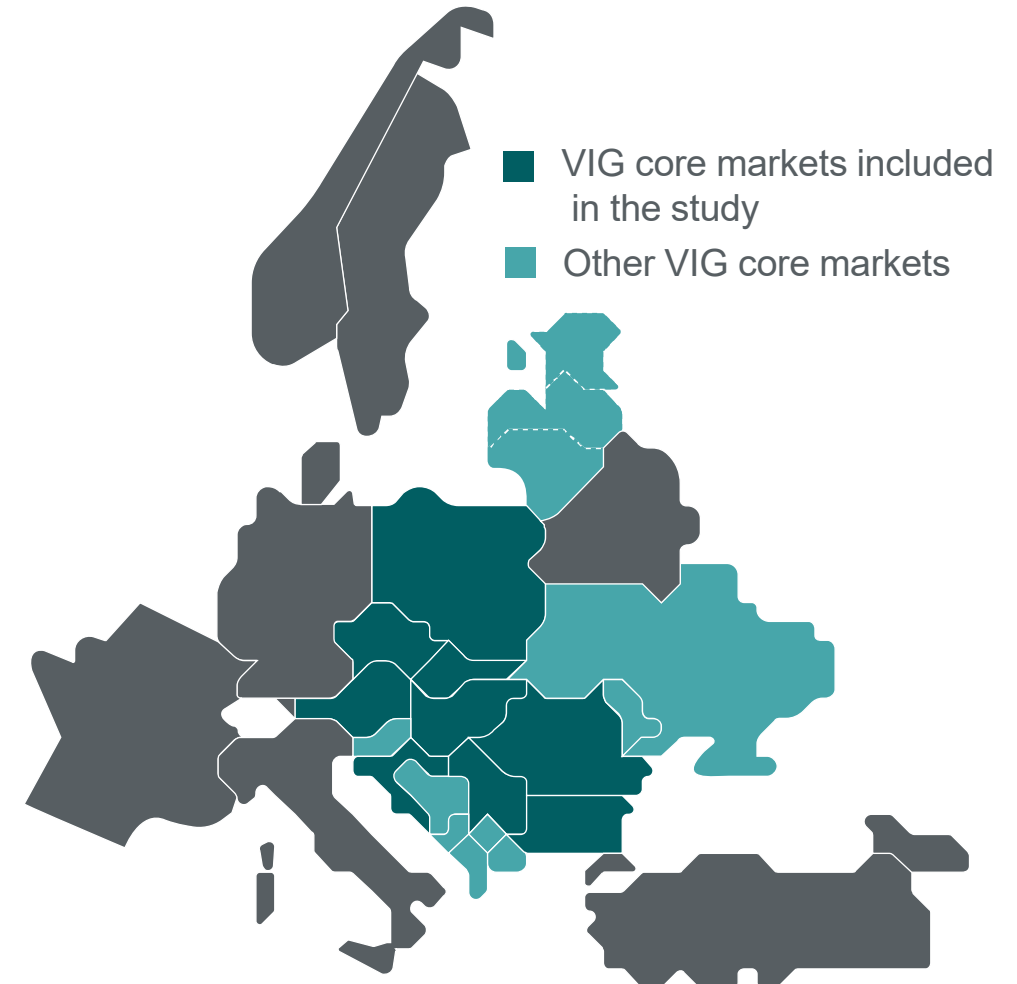
- Start of the cooperation in September 2023
- Advantage of intervention for many investors



THE GALLUP INTERNATIONAL RISK LITERACY STUDY

On behalf of VIG, Gallup International conducted a representative study on risk literacy in the CEE region

- Sample: 9,000 people aged 18+ in 9 CEE countries:
 - Austria
 - Bulgaria
 - Czech Republic
 - Croatia
 - Hungary
 - Poland
 - Romania
 - Serbia
 - Slovakia
- Survey period: June – July 2023
- The risk areas examined:



LOW RISK AWARENESS AMONG THE POPULATION

Summary of risk literacy study by Gallup International / VIG

- Two-thirds of the population is **not aware** of the risks.
- 7 out of 10 respondents believe that the risks will **not become a reality**.
- However: The **potential loss** or damage is estimated to be very high for most risks.
- The higher the loss or damage estimate, the more people **expect that the state or society will assume the costs**.



MARKET STUDY AS BASIS FOR ACTIVITIES TO INCREASE RISK LITERACY

Strengthening risk literacy in CEE region as a part of VIG's social sustainability goals

- Based on the market study on risk literacy, VIG can establish the following information for each country:
 - Which of the three components of risk literacy exhibits the greatest deficit.
 - The socio-demographic population segment in which this lack of literacy is most pronounced.
 - How to best address this population group — based on their behavioural typologies.
- VIG aims to use this knowledge to design and implement specific activities/initiatives in selected countries to increase risk literacy, as a social contribution to society.



**TO BE SUCCESSFUL
ECONOMICALLY OR IN ANY OTHER WAY,
WE ALL NEED AN INTACT
SOCIAL AND ECOLOGICAL ENVIRONMENT**

