

# RESPONSIBLE



# ACTING AND INVESTING

# OUR INVESTMENTS ...

**We are very particular about our investments.**

**Security, stability and profitability, transparency and sustainability have been the cornerstones of VBV – Vorsorgekasse’s philosophy from the very beginning**, with the aim of not only helping safeguard our customers’ quality of life, but of also making sure that we leave a viable planet to future generations. Climate protection is the pressing challenge to be addressed by our generation right now.

To this end, our investment activities are governed by a strict set of criteria. We voluntarily submit ourselves to this set of rules, which was developed back in 2002 together with our Ethics Committee and has been updated and refined on an ongoing basis ever since.

A detailed description of the criteria is available for you to read below.

## ... ARE SUBJECT TO A STRICT SET OF CRITERIA.



Foto: Turner

**Andreas Zakostelsky**

Chairman of the Executive Board of VBV - Vorsorgekasse AG.

**For a future with sustainable returns.**

# CRITERIA FOR SOCIALLY RESPONSIBLE INVESTING

## PREAMBLE

### We are committed ...

VBV - Vorsorgekasse AG has pledged towards its stakeholders to invest the assets entrusted to it in a particularly sustainable and forward-looking way. This means that socially responsible investing forms a key part of our investment philosophy.

**We feel it is important to underscore the holistic nature of our approach, in addition to the criteria for inclusion or exclusion we have set out.**

We place particular emphasis on the UN Sustainable Development Goals, the aim of which being to achieve sustainable development by balancing social, economic and environmental sustainability issues. SDG 13 “Take urgent action to combat climate change and its impacts” is especially important to us because this is where we can make the biggest impact. We are also committed to the 1.5 degrees Celsius goal set in the Paris Climate Agreement, i.e. to limiting the extent of human-made global warming caused by the greenhouse effect to 1.5 degrees Celsius. We do not engage in high-frequency trading and consequently avoid speculating on agricultural commodities. We actively promote Austrian-based business and finance and are a reliable partner when it comes to pursuing sustainable and future-oriented infrastructure and real estate projects.





## Inclusion criteria

### Corporate governance and active stakeholder relations

We give preference to investing in companies where fair relationships with all stakeholders ...

- have been enshrined in their corporate policies and strategies,
- have been integrated in their management systems and reporting
- and have been given major importance to their ongoing processes and actions.

#### Examples include:

- a good working environment for employees by ensuring job security, social standards, opportunities for further education and training, fair remuneration, occupational safety and health, diversity, active employee participation etc.
- good customer relationships by ensuring high quality, good value for money, safe products, a service-oriented mentality, fair communication etc.
- good relationships with lenders in terms of profitability, reliability, stability and transparency.
- good relationships with suppliers and other business partners by means of fair payment policies, long-term partnerships etc.
- good relationships with society as a whole, i.e. the media, state and public authorities, neighbours and the general public.
- compliance with tax laws and transparency in reporting (country-by-country reporting).

### Sustainable products and services

We give preference to investing in companies whose business activities are environmentally and socially sustainable, offering sustainable products and services that ...

- consider their ecological and social impact at the very beginning of the product development stage,
- clearly demonstrate the positive effect they have on society throughout their entire life cycle, from production to utilisation to disposal
- and create value both for individual users and for society as a whole.

#### Examples include:

- Products and services in the medical and health care sector,
- environmental technologies and renewable energy products,
- products and services relating to water purification and water supply,
- products and services for knowledge transfer and education,
- products and services aimed at supporting financially and socially disadvantaged groups,
- products and services that contribute significantly to the transition to a circular economy, aimed at keeping the functionality and value of products, services and materials at the highest level for as long as possible throughout their entire life cycle (in terms of durability, reparability, reusability) and that perform well in life cycle assessments.

### Environment and climate protection

We give preference to investing in companies that have made protecting the natural environment to the best of their abilities as well as taking climate protection measures and measures aimed at adapting to climate change ...

- a cornerstone of their corporate policies and strategies,
- an integral part of their management systems and reporting
- and of major importance to their ongoing processes and actions.

#### Examples include:

- Established environmental management systems such as those promoted by the International Organization for Standardization (ISO) or the Eco-Management and Audit Scheme (EMAS) and other generally accepted reporting standards such as those endorsed by the Global Reporting Initiative (GRI) or the Task Force on Climate-related Financial Disclosures (TCFD) or the integration of science-based targets,
- using renewable energy and relying less on fossil fuels,
- making limited or efficient use of resources such as energy or natural resources,
- using a significant share of reused or recycled material,
- limiting the pollution of water, air and soil by emissions,
- a low carbon footprint, measures designed to protect and restore biodiversity and ecosystems
- and supporting the transition to a circular economy.



## Exclusion criteria

### Violations of human rights and labour rights

Companies and countries must respect human rights and labour rights.

We exclude countries and companies that systematically ...

- violate human rights as enshrined in the Universal Declaration of Human Rights,
- violate employee rights governed by the ILO Declaration on Fundamental Principles and Rights at Work (freedom of association and the right to collective bargaining, forced labour, child labour, discrimination at work) or other standards (for instance with regard to safety, pay or working hours).

### Nuclear energy

We exclude companies that, to a significant degree ...

- generate electricity from nuclear energy, > 1%
- produce nuclear fuels, > 1%
- build nuclear power plants or provide services to or manufacture essential components for nuclear power plants > 5%

### Genetic engineering

We exclude companies that, to a significant degree ...

- produce and/or distribute genetically modified seeds, > 1%
- breed genetically modified animals, > 1%
- edit the human germline or experiment on human embryos. > 1%

### Controversial business and tax practices

We exclude companies that ...

- systematically disregard statutory rules, or
- generally acknowledged rules of conduct (such as anti-corruption guidelines), or
- ignore their corporate social responsibility by pursuing tax avoidance practices or aggressive tax planning that significantly reduce their effective corporate tax rate.

### Fossil fuels

We exclude companies that, to a significant ...

- produce coal, natural gas and crude oil, > 5% > 5% > 5%
- refine coal and oil and
- pursue energy production from coal and oil.

### Massive environmental impact and pollution

We exclude companies that ...

- directly or indirectly, have a severely negative impact on or pollution of the natural environment or marine and aquatic environments through their products, services, technologies or their behaviour.

### Tobacco

We exclude companies that ...

- produce, to a significant degree, tobacco and tobacco products. > 1%

### Authoritarian regimes

We exclude countries ...

- rated Not Free by the NGO Freedom House.

### Death penalty

We exclude countries which ...

- have the death penalty.

### Weapons and armaments

We exclude companies that, to a significant degree ...

- produce or trade in military weapons or weapon systems, > 1%
- produce or trade in any other type of armaments. > 5%

We exclude countries that ...

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

### Sustainable countries and international organisations

We give preference to investing in countries, federations, states, government-related and supra-national organisations that ...

- maintain peaceful relationships with their neighbouring countries and are committed to preserving and promoting peace at an international level,
- treat their inhabitants fairly and grant them far-reaching political/democratic rights and civil liberties,
- ensure a high degree of physical and economic safety for their inhabitants,
- promote the personal and professional development of their inhabitants,
- protect the natural environment and take measures to protect the climate and to adapt to climate change,
- actively implement the Paris Agreement adopted on 12 December 2015,
- take measures to protect and restore biodiversity and ecosystems and maintain a high level of transparency.

> 1% "significant degree" means that a company makes 1% of its turnover or is market leader or technology leader in this segment.

> 5% "significant degree" means that a company makes more than 5% of its turnover or is market leader or technology leader in this segment.



# VBV-VORSORGEKASSE

We do not shy away from comparisons and submit to regular audits and evaluations conducted by external experts. VBV's certifications and awards are a testament to the quality of our services.

## Top award – ASRA 2020

The Austrian Sustainability Reporting Award (ASRA) was presented by Kammer der Steuerberater und Wirtschaftsprüfer and Institut Österreichischer Wirtschaftsprüfer in November 2020, with VBV-Vorsorgekasse taking the top spot for its annual report and sustainability report for the second consecutive year.

## Quality management at its best

The 2020 Austrian Excellence Award saw VBV receiving a special accolade for excellence in responsible sustainability. Furthermore, our 6-star rating in the EFQM's Recognised for Excellence programme once again highlights our leading position as a sustainability pioneer and trendsetter.

## Responsible investing

VBV-Vorsorgekasse received once again a Gold award from the Austrian Society for Environment and Technology (ÖGUT). As the only company in Austria, VBV was included into the global top sustainability group „PRI Leaders' Group“ in 2019. In addition to that, a large number of the funds we are invested in have been awarded the Austrian Ecolabel.

## Family-friendly employer

We have renewed our workandfamily certification and once again been recognised as one of Austria's best employers by Great Place to Work, reflecting the team spirit present throughout VBV.

## Certified environmental management

Our environmental management has been certified under ISO 14001 and EMAS, confirming our commitment to eco-management and contributing to our efforts to continuously improve our performance in respect of the environment.