



# Setting the benchmark for excellence

ESG Strategy of UniCredit Group and Sustainability Report 2024 of HVB Group

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# Our ESG Strategy

## Our ESG Foundations

At UniCredit we are committed to embedding Sustainability in everything we do

We lead by example, which is why ESG (Environmental, Social and Governance) is at the heart of our strategic framework. Our Purpose is to Empower Communities to Progress, guided by three Principles:

- > Holding ourselves to the highest possible standards to do the right thing by our clients and our communities
- > Being fully committed to playing our part in supporting our clients in a just and fair transition
- > Respecting and balancing the perspectives and priorities of all our stakeholders throughout our business and decision-making.



Strengthening our ESG business proposition

1

5

Promoting ESG awareness across our organisation and beyond

Advancing  
a distinctive  
social approach  
with tangible results

2

Over recent years,  
**we have built  
strong ESG  
foundations by:**

Ensuring a just and  
fair transition through  
clear commitments

3

4

Guaranteeing accountability  
and transparency, along with  
a robust risk framework



## Our strengthened ESG business proposition

### Enhanced ESG business functions:

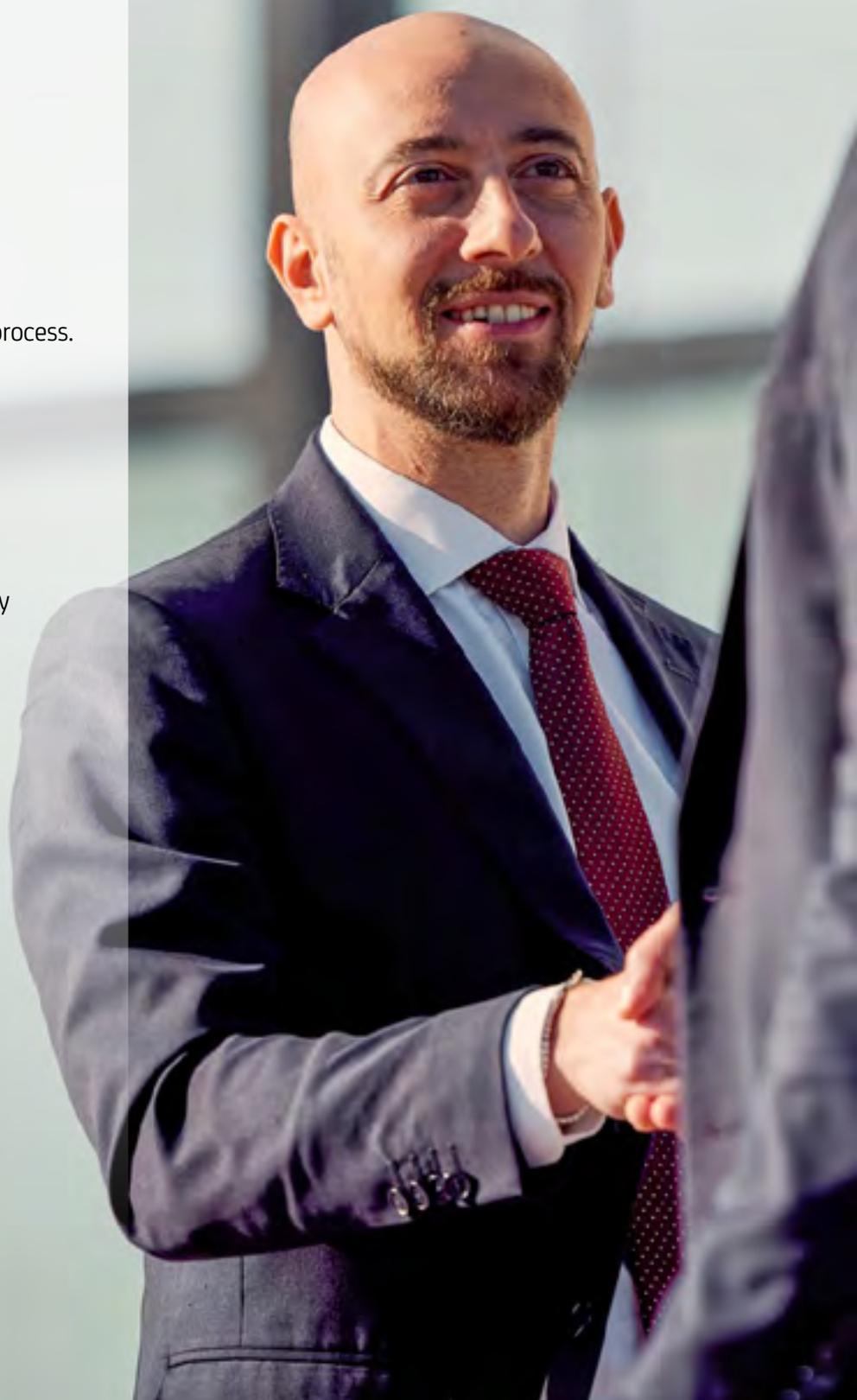
- > Dedicated ESG Advisory team, complemented by industry specialists
- > Local ESG teams providing technical support across the Group.

### Enriched ESG client offerings:

- > ESG-focused products
- > ESG factors integrated into the credit process.

### A supporting ESG ecosystem of strategic partners:

- > Open-es to assess clients' ESG maturity and develop tailored plans
- > Regional partnerships in specific sectors (e.g., real estate).



## Our ESG offer

### Open-es

In March 2023, we partnered with Open-es to better support our clients in measuring and improving their ESG performance.

**Open-es unites entrepreneurs, financial institutions and associations through an innovative digital platform.**

Launched in 2021 and involving more than 29,000 companies and 22 partners, Open-es is an **inclusive and collaborative ecosystem** committed to achieving ESG targets and implementing innovative solutions. In this alliance, our role as a **value-chain leader partner** is to facilitate the **sustainable development of the Italian corporate sector** with initiatives and solutions aimed at companies of every size.

22

Partners

29,000

Companies

## Our ESG offer

### Supporting Italian companies with “Finanziamento Futuro Sostenibile Plus”

We want to **support companies committed to improving their sustainability profile** through dedicated financing tied to tailored Sustainability objectives – based on a company’s Sustainability and transition strategy.

In Italy, thanks to our partner, **Cerved Rating Agency**, our new product, Finanziamento Futuro Sostenibile Plus, also offers a free and fast ESG assessment through the Open-es platform.

### Financing the transition with “Transizione 5.0”

UniCredit has allocated a **new €5 billion plafond to support companies taking part in “Transizione 5.0”**, a public initiative offering tax credit for energy efficiency projects.

**This allocation is part of the third edition of “UniCredit for Italy”, our broader programme supporting families, individuals and businesses since 2022.** With this new fund, the total amount made available to Italian companies in 2024 has reached €15 billion, for a total value of €35 billion earmarked for individuals and businesses since 2022.

€15bn

Increased funding available to the Italian production system

## A distinctive social approach

### Social finance

We have a suitable, accessible, fair, and equitable (SAFE) financial offer:

- > We developed new **social products, tailored to local needs**, including Futuro Sostenibile Sociale, UniCredit per l'Italia and UniCredit for CEE, and **two new current accounts**, Imprendo Sociale and Imprendo Sociale Più, for non-profit organisations
- > We signed **partnerships** in the social sector.

### Direct social contribution

We support communities through social projects and donations:

- > We contribute to **youth and financial education**, through initiatives such as the Banking Academy in Italy and UniCredit Foundation programmes (Teach for All, Junior Achievement) across the Group
- > We promote **volunteering initiatives**, encouraging our employees to directly support their communities.

### Support to employees

We promote flexibility, well-being and people care, enhancing Diversity, Equity and Inclusion (DE&I):

- > **We foster** a culture of continuous learning through initiatives such as Culture Bootcamps, mentoring programmes, reskilling opportunities, and well-being workshops
- > **We cultivate** an inclusive and diverse workplace through employee networks, bias-free processes and equal opportunities
- > **We prioritise** employee well-being and quality of life through initiatives such as “Ask for Help” resources, flexible working arrangements, mental health awareness activities, prevention programmes, and local welfare benefits.

## Holistic well-being approach

Our commitment to well-being is embedded in our Caring culture and ESG framework.

In February 2024, we introduced a Group holistic approach to support our colleagues across all stages of their lives, integrating **mental, physical, social, career, and financial well-being** into daily practices.

We mapped 365 well-being initiatives across the Group – one for each day of the year. We gave access to **dedicated courses and an interactive guide with practical tips and suggestions**, empowering each of us to take charge of our own well-being journey.

Additionally, we trained c.40 internal well-being trainers and delivered well-being workshops across the Group.

Recognising our efforts, UniCredit has been awarded **Diversity and Inclusion Initiative of the Year EMEA 2024** in the influential magazine Environmental Finance's annual Sustainable Company Awards for its "**Group holistic well-being approach**".

365

Well-being initiatives

c.40

Internal well-being trainers





## Clear commitments to support a just and fair transition

**In 2019:**  
**Signed the UNEP FI Principles for Responsible Banking (PRB)**, which support banks in aligning their business strategy with society's goals and promote financial inclusion.

2019



2021



**In 2022:**  
**Signed the Sustainable Steel Principles**, a climate-aligned finance agreement for the steel industry.

**In 2021:**  
**Became a member of the Net Zero Banking Alliance**, with a clear commitment to reduce emissions of our lending portfolio.

2022

**In 2022:**  
**Joined Finance for Biodiversity Pledge (FfBP) Foundation**, the only international pledge dedicated to financial institutions, calling on global leaders to protect and restore biodiversity through their finance activities.



2024

**In 2022:**  
**Became a member of the Ellen MacArthur Foundation**, an international charity that supports the acceleration of the circular economy across our countries.



May



Group

# Launch of our **Statement on Natural Capital and Biodiversity**

In May 2024, we published our Statement on Natural Capital and Biodiversity. This new statement represents UniCredit's first comprehensive Natural Capital Framework, in which biodiversity and climate issues are interconnected.

Alongside our Net Zero targets and Transition Plan, our Natural Capital Framework also considers the circular economy as a key lever for change. We have already addressed nature-related issues, including adopting the Equator Principles and publishing policies on sensitive sectors alongside commitments on human rights.

Our first step for our Natural Capital Framework was to evaluate sources, methodologies and frameworks to effectively address key challenges related to biodiversity and nature, in coherence with the Kunming-Montreal Global Biodiversity Framework.

We then developed a sector-level heatmap of our loan portfolio, to assess which sectors are most exposed to nature-related risks by gauging their impact on nature.

Finally, we have set up a specific training programme to build awareness around the emergent topics of biodiversity and nature, which will be available to all employees in 2025.

We engage with the circular transition by integrating circular economy considerations into our business operations, alongside climate-related initiatives. We were the first Italian bank to have signed up to the Finance for Biodiversity Pledge (FfBP), calling for and committing to taking ambitious action on biodiversity to reverse nature loss in this decade through collaboration, engagement and assessing our own biodiversity impact.

In addition, we are a member of the Working Group on Nature within the United Nations Environment Programme Finance Initiative (UNEP FI), related to Principles for Responsible Banking (PRB). We are the only Italian bank to have contributed, together with 34 international banks, to the publication of the 'PRB Nature Target Setting Guidance', which aims to help the banking sector align with the Kunming-Montreal Global Biodiversity Framework and halt biodiversity loss.

Our commitment to Net Zero

## Promoting sustainable steel in Germany

UniCredit acted as Mandated Lead Arranger and lender of the SACE-covered green loan financing for steel producer Salzgitter Group.

- > The transaction contributed to the financing of its **€2.3 billion decarbonisation project SALCOS®**, to convert its blast furnace steel production to DRI and electric arc furnaces powered by green electricity and green hydrogen.
- > Once completed in 2033, SALCOS® will enable a **95% abatement of Salzgitter Group's CO<sub>2</sub> emissions in steel manufacturing**, reducing Germany's aggregate CO<sub>2</sub> emissions by around 1%.
- > The financing facility was among the **first ECA-covered Corporate Green Loans in the steel sector** worldwide and the first in Germany.

## Fostering energy-efficient real estate in Italy

UniCredit has financed a number of projects in the commercial real estate sector.

One of these involves **Coima Group** and is related to P39, a real estate office and residential complex located in Milan. It applies the **most effective sustainable building practices with constant focus on energy saving**, allowing the building to meet the Nearly Zero Energy Building standard.





## Full accountability and transparency, along with a robust risk framework



We set a **comprehensive policy framework** to manage environmental and social risks in controversial sectors, such as Coal, Oil & Gas, Human Rights and others.

We keep integrating **climate and environmental factors** into our **risk management processes and procedures**.



We continue to enhance our **ESG Product Guidelines** ensuring homogeneous classification and reporting of our ESG financial offer, to prevent greenwashing and social washing risks.

We provide disclosure on our ESG activities, through **reports in line with sector guidelines and recommendations**.



## Promoting ESG awareness

Our flagship initiative is our ESG Day. At this popular and eagerly-awaited event – involving employees and clients – we brainstormed on key ESG-related issues and potential solutions, as well as developing concrete actions.

### We considered topics such as:

**How do we resolve relevant trade-offs?**

**How can we prioritise social issues in our approach?**

**How can we better support our ESG-focused clients?**





Success story

## ESG Day 2024 tackles pressing challenges head-on

UniCredit's second ESG Day emphasised the urgency of addressing critical social and environmental challenges and **the need for collective action and behavioural change** to create a sustainable future, for a just and fair transition.

ESG Day 2024, centred around the theme "A challenged future: choosing the path ahead", **putting clients at the centre** and designing a customer journey to define concrete actions to solve trade-offs and open points.

It included a **live event** at the UniCredit Tower Hall in Milan with corporate clients and strategic partners. In parallel, local side events in various countries included colleagues and external guests joining the main event via live streaming, into four languages of the Group countries (Italian, Bulgarian, Hungarian and German) and broadcasted in English. We also broadcasted externally on LinkedIn and Facebook.

# 13,243

**Total number of participants vs first edition**  
+9%

Success story

Panels and key takeaways



**A zero-sum game?**

Solving Sustainability trade-offs

- > Manage conflicting interests as part of the transition, with balancing act between environmental, social and biodiversity issues
- > No silver bullet for this difficult situation; firms will have to take a nuanced approach, drive gradual progress with clear governance
- > Be realistic about what is being sacrificed for what.



**The social dilemma:**

how climate change and technology are reshaping society

- > Recognition of the “S” component as a fundamental lever for a just and fair transition
- > Eco-anxiety can be channelled into concrete community actions to build resilience. Companies must define clear ecological values reflecting those of their workers.
- > AI is an amplification of thinking to find solution to the social and environmental challenges.



**The way forward:**

from responsibility to response-ability

- > Importance of fostering more sustainable ways of doing business
- > Examples included service providers tracking consumer behaviour and offering rewards, same approach could be applied to investors, with creditors who contribute to a company’s Sustainability goals earning a better return.



### **The crucial nexus between climate and nature**

Following the second panel, the Head of Biodiversity and Natural Capital at Iberdrola and Convener of the Nature Positive Initiative discussed the connection between **climate and nature**.

Key takeaways from the double interview were that the world agreed at COP15 to halt and reverse nature loss, putting nature onto international agendas. **The financial sector's wider presence signals increasing attention.**



### **Moving ESG discussions forward**

The Group ESG team, with support from UniCredit Group Investment Strategy and Group Stakeholder Engagement launched a white paper on the need to tackle issues faced by society and the environment. "A challenged future: choosing the path ahead" provides context and insights into key topics, including the effects of the green transition on society and how financial institutions and corporate clients can play their part.

# 407

#### **Number of downloads**

Everyone has a part to play in saving our planet – clients, colleagues, competitors, governments and other influential bodies and organisations. We change our behaviour if we stand up together and make a concerted effort.

# Our progress to date

In 2024 we fully achieved our ESG targets across products

## From ESG volumes to ESG penetration

Focus on ESG share over total business for a more transparent view on UniCredit's ESG performance.

Three indicators netting out overall market effects unrelated to ESG.

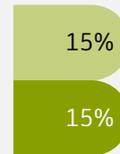


### ESG penetration (FY24)

● FY24 Actual ● FY24 Target

#### ESG lending<sup>1</sup>

Good performance on environmental lending with €26.9bn, while outperforming on social lending with €13.2bn since January 2022.



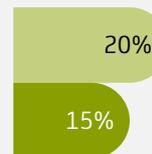
#### ESG Investment Products<sup>2</sup>

Positive year with improved ESG penetration rate at 53% (c.€106bn stock) at FY24 vs 48% at December 2023.



#### Sustainable Bonds<sup>3</sup>

Good performance with €32.9bn issuance since January 2022 with focus on Corporates and Financial Institutions in alignment with Group Strategy.



## Environment

Sustainable financial instruments and Net Zero commitments.



## Social

Social financing for initiatives in our communities.



## Governance

ESG-aligned remuneration, solid DE&I framework.



1. KPI calculated as ESG new production Including Environmental, Social and sustainability-linked lending, divided by MLT loans new production in given year.

2. Based on Art. 8 and 9 SFDR regulation.

3. LT Credit. KPI calculated as ESG all regions' bonds, including Sustainability-linked bonds, divided by all regions' bonds for given year.



## Environment

We advanced our sustainable financial instruments, reaching a total of €26.9 billion in cumulative green lending since January 2022

11

Green Bonds issued

€6.5bn

Total amount of financing from Green Bonds

2030

New targets set for key carbon-intensive sectors

We issued 11 Green Bonds, totalling €6.5 billion in financing:

### Senior Green Bonds

 3 (Jun 21, €1bn; Nov 22, €1bn; Nov 23, €0.75bn)

### Green Mortgage Covered Bonds

 2 (May 22, €0.5bn; Sep 22, €0.5bn)

 3 (May 22, €0.5bn; Feb 23, €0.75bn; Jan 24, €0.75bn)

 2 (Sep 21, €0.06bn; Sep 23, €0.047bn)

 1 (Jun 23, €0.5bn)

In 2024, we continued to turn our Net Zero commitment into action:

**We disclosed our first Transition Plan**, which outlines the implementation of key enablers to embed Net Zero into our organisation for the three priority sectors.

**We set new 2030 targets for key carbon-intensive sectors** (Steel, Shipping, Commercial Real Estate), and defined an emissions baseline for Residential Real Estate.

**We extended our Net Zero Transition Plan deliverables** (e.g., client clustering, supporting tools) to the new sectors for which the targets have been disclosed.

## Social

Since 2022, we have provided €13.2 billion in social financing via micro-credit, impact financing and lending to disadvantaged areas

€35bn

UniCredit per l'Italia, including +€5bn credit "Piano Transizione 5.0"<sup>1</sup>

€155m

Issued in our own social bond

€78.1m

Funding for social contribution<sup>2</sup>

€30m

Enhanced funding to UniCredit Foundation

c.15,000

hours dedicated to volunteering by our colleagues

>700,000

Financial education beneficiaries reached

Our efforts included local initiatives to support communities such as UniCredit per l'Italia, adding up to €35 billion (including additional €5 billion to support corporates with "Piano Transizione 5.0")<sup>1</sup>.

We also joined the Venice Sustainability Foundation to promote local Sustainability and issued a €155 million social bond to support communities.

In 2024, our social contribution<sup>2</sup> rose to €78.1 million (€60 million in 2023), of which in 2024, €30 million was allocated to UniCredit Foundation (€20 million in 2023). Around 50% of our social contribution is dedicated to youth and education.

Since 2022 we have invested in financial education and ESG awareness initiatives, reaching over 700,000 financial education beneficiaries across our countries, focusing on priority targets such as the young, women and vulnerable individuals. In 2024, we launched our **Skills for Transition** programme to deliver training to young people and businesses that are expected to be the most affected by climate change.



1. As of 31 December 2024.

2. Gross monetary amount paid in support of communities and projects, including Sponsorship & Donation.



## Governance

CEO and top management remuneration saw a **20% weighting of long-term performance related to ESG business, DE&I and climate risk priorities**. Furthermore, a relevant link to Group’s Values and Culture – “Winning. The Right Way. Together” goal – is also part of the short-term scorecard.”<sup>1</sup>

**+1,500**

Colleagues across the Group part of Culture Network

**+1,000**

Active members in our Employee Networks

### In 2024:

- > 7 Culture Roadshows were held reaching **3,000** colleagues across the Group’s Countries
- > c.20,000 colleagues joined Annual Culture Day Group-wide
- > In the context of our well-being framework:
  - > **365** initiatives mapped across the Group
  - > **c.40** internal trainers trained to deliver dedicated workshops
  - > Dedicated courses and an interactive guide with practical tips and suggestions are available to every employee in our Group
- > Raised ESG awareness through dedicated training sessions and our second ESG Day
- > Over 1,000 active members in our Employee Networks, focused on various diversity traits across the Group
- > Significant share of women in our governing bodies and leadership teams (as of 4Q24):
  - > 50% Board of Directors
  - > 50% Group Executive Committee
  - > 34% Leadership Team
- > Strong international presence (as of 4Q24 36% BoD, 67% GEC, 38% Leadership Team).

1. 20% of our CEO’s short-term scorecard.

### Strengthening internal processes and collaboration for our CSRD aligned reporting

Transitioning to Corporate Sustainability Reporting Directive (CSRD) compliant reporting required a significant enhancement of our internal systems, processes, and capabilities. In 2023, a joint ESG and CFO working group analysed requirements and created a 2024 adaptation plan.

We invested in enhanced data collection, analysis, and reporting, leveraging automation for efficiency and risk reduction. Extensive cross-functional collaboration,

including senior management oversight, ensured accurate identification and reporting of key Sustainability topics. Close alignment with local legal entities across our operating countries guaranteed consistent compliance.

This commitment underscores our dedication to Sustainability, transparency, and accountability, establishing a strong foundation for continuous improvement.

## Going forward: evolving our ESG Strategy

UniCredit's evolving **ESG Strategy** supports our Purpose of Empowering Communities to Progress

It is based on strong fundamentals and a set of interrelated elements to deliver value. Guided by our Principles, we implement key enablers required to support strategic levers, which in turn allow us to achieve the ESG goals underlying our ambition. This interconnected framework ensures alignment and cohesion across all ESG initiatives, maximising our impact.

Our Principles-based approach, aligns with our Group Values and guides our actions, enabling us to embed Sustainability in everything we do. It also allows us to continuously adapt our ESG Strategy to a changing external environment, address regulatory expectations, rising geopolitical tensions and evolving customer needs.

In this context, **we have evolved our ESG strategic framework** to ensure it includes all key enablers and levers needed to effectively support our communities. The key changes are:

### Goals

- > Updated ESG business targets with a focus on ESG penetration for transparent performance tracking
- > Integrated Net Zero emissions targets into ESG goals.

### Our ESG penetration targets

We updated our ESG penetration targets on total business volumes for 2025-2027

**15%**  
ESG lending

**15%**  
Sustainable bonds

**50%**  
ESG investment products<sup>1</sup>

### Levers

- > Broadened social focus to address new challenges like an ageing population.
- > Elevated Net Zero from commitment to action to support clients' transition
- > Expanded focus beyond climate to assess nature-related risks and opportunities
- > Prioritised transparency to inform stakeholders and mitigate green and social washing risk.

### Enablers

- > Enhanced client offerings with ESG-related products to support their transition
- > Lean governance to embed Sustainability efficiently across roles
- > Dedicated ESG risk framework to bolster strategic levers
- > Leveraged organisational Culture to engage employees in ESG implementation.

1. Based on Art. 8 and 9 SFDR regulation.

## Ambition

### Leading by example

Fulfilling our Purpose of Empowering Communities to Progress.

## Goals

### Evolving in step with regulation and market forces

ESG penetration targets allowing for a more transparent and meaningful view on our ESG performance while also aligning our lending portfolio with Net Zero emissions by 2050.

## Levers

### Championing Social

Backing our communities, our people and our wider society.

### Enhanced Client Support

Leveraging Net Zero Strategy and Transition Plan.

### Beyond Climate

Weighing and evaluating natural capital risks and opportunities.

### Evidencing Accountability

Providing transparency in disclosure and impact assessment.

## Enablers

### Enriched Client Offering

Expanding and diversifying our ESG business portfolio.

### Lean Governance

Clear ESG roles and responsibilities, embedding agency and ownership.

### Robust Framework

Effective and enhanced monitoring of our ESG risk and lending portfolio.

### Empowered Culture

Common Vision, Strategy, and Principles to Win. The Right Way. Together.

**Our Principles guide our ESG Strategy,  
in line with our Group Values.**

## Strengthening our Social Focus

We are adapting our social strategy to reinforce our efforts on youth, education and on a just and fair transition, while exploring new emerging social topics like health – an increasingly important issue in the context of an aging population

The evolving strategy includes fulfilling our social role through social finance with projects supporting youth and balancing environmental and social risks.

We are also exploring how we can best support our communities in addressing emerging social challenges, such as health. We continue to support our communities through social contributions, focusing on education,

financial inclusion, and expanding our **Skills for Transition** programme. We will support our people by fostering a learning culture, building an inclusive and diverse workplace and ensuring well-being and quality of life.





**Sustainability Report**  
**2024**  
**HVB Group**

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## Foreword

The financial sector has a key role to play in the transition to a more sustainable economy. This consists in channelling more financial and capital flows into sustainable activities in the real economy with the “EU Sustainable Finance Action Plan”, adopted in 2018, providing the regulatory framework for this. Key points are defining a harmonised EU taxonomy for sustainable economic activities, including sustainability risks into risk management and improving transparency and comparability in companies’ reporting of information on sustainability.

In this context, we see ourselves as having two-fold responsibility: firstly, as a financial market player supporting its corporate customers with high-quality advice and financing in the transition to a low carbon economy and offering sustainable investment products to its private customers. Secondly, as a company, we are meeting additional requirements for the assessment of ESG (environmental, social and governance) risks and are committed to transparent reporting in line with the requirements set out in the Corporate Sustainability Reporting Directive (CSRD).

Sustainability is a strategic imperative of the “UniCredit Unlocked” strategy and is thus a fundamental element of business activities and corporate culture also for HVB Group. In line with our guiding principle “Embedding sustainability in all that we do”, we have defined the following ESG ambitions:

- Enhanced ESG customer offering: ESG advice and financial products focusing on ESG
- Strong social approach: social financial products, direct social contributions such as youth and financial education as well as support for HVB Group employees
- Beyond climate: taking account of biodiversity and the circular economy
- Full accountability and transparency: ensuring transparency in disclosure and impact assessments

We are monitoring the further development of sustainability matters in the financial industry through memberships, participation in working groups as well as voluntary commitments both at international level via UniCredit group and at national level.

Through UniCredit group, we are a member of the Net Zero Banking Alliance (NZBA) and pledge to achieve climate neutrality by 2030 for our own emissions (Scope 1 and 2) and by 2050 also for financed emissions.

Like our customers, we are also monitoring the geopolitical and regulatory developments that influence sustainability efforts within the EU. In particular, the speed of the transition and the prioritisation of sustainability compared with other political goals will continue to shape the discourse in the coming months. At the same time, the energy transition, supported by innovative technologies, continues to be a key issue for regulators, investors and many banks. The topic of natural capital is also coming more into focus, reinforced by the requirements set by the European Central Bank.

Through “Empowering Communities to Progress”, we aim to support our customers as a reliable partner through these challenges in order to achieve further progress on the journey towards a more sustainable, inclusive and fairer society.

## General information

### ESRS2 – Disclosure requirement

#### Basis for preparation

##### ***BP-1 - General basis for preparation of Sustainability Report***

Upon the entry into force of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD), HVB Group would be obliged to publish a sustainability report for the 2024 reporting year in accordance with the first sentence of the new European Sustainability Reporting Standards (ESRS) of the Delegated Regulation (EU) 2023/2772. Due to the fact that the Federal Republic of Germany has not transposed it into national law, the Non-Financial Reporting Directive (NFRD), which was implemented in German law in the 2017 financial year, continues to apply to HVB Group as a subgroup. Compared to the CSRD, the NFRD provides a general exemption option via UniCredit group.

As a fully consolidated subgroup of UniCredit group, HVB Group abstains from publishing its own consolidated non-financial statement in accordance with Section 315b (2) of the German Commercial Code (Handelsgesetzbuch – HGB). The non-financial statement is issued, with an exempting effect for HVB, by our parent company, UniCredit S.p.A., Milan, which already has a disclosure obligation under the CSRD. At the same time, HVB is making use of the exemption provision set out in Section 289 b (2) HGB and is also waiving its own non-financial statement. HVB is fully included in the consolidated statement of UniCredit S.p.A.

The sustainability report of our parent company for the 2024 reporting year has been issued in accordance with the ESRS and is published on UniCredit group's website under "INVESTORS" in "Financial Reporting" as part of the 2024 financial report.

HVB Group has voluntarily issued a Group sustainability statement (hereinafter: Sustainability Report) in accordance with the ESRS with the following exception: The Sustainability Report is not part of the Group Management Report for the 2024 reporting year (ESRS 1.110 and ESRS 1.112)

The Sustainability Report publishes the information required in accordance with Article 8 of Regulation 2020/852 (EU Taxonomy).

The Sustainability Report for the 2024 reporting year has been prepared on a consolidated basis.

The group of consolidated companies relevant for the Sustainability Report is the same as for the 2024 consolidated financial statements of HVB Group. This means that in addition to HVB, all directly consolidated subsidiaries are taken into account for the material sustainability topics in this report. Further details on the relevant subsidiaries can be found in the notes to the financial statements of the 2024 Annual Report of HVB Group (Accounting and Valuation, section 6 – Group of consolidated companies).

HVB Group's Sustainability Report covers both the upstream and downstream value chain segments. On the one hand, the upstream value chain segment mainly covers tier 1 suppliers and business partners of the Bank (reference is made to "BP-2 Disclosures in relation to specific circumstances" for the specification of reasonable effort). HVB Group assesses the progress it has made in sustainability by taking account of responsible sourcing, environmental impacts and social standards. Among other things, this includes the greenhouse gas emissions associated with purchased goods and services (for example categories 1, 2 and 7- Scope 3<sup>1</sup>) and promoting sustainable procurement practices. On the other hand, the downstream value chain segment mainly covers direct customers, investees and business partners. The disclosure of information about the entire value chain as at 31 December 2024 includes both quantitative metrics related to Scope 3 greenhouse gas emissions and qualitative information about material impacts, risks and opportunities. Reference is made to the "List of Material IROs" in section "SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model" and to "IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities") and to PATs (policies, actions, targets).

HVB Group has not omitted any information relevant to intellectual property, know-how or the results of innovation.

### ***BP-2 - Disclosures in relation to specific circumstances***

Current standards require the inclusion of quantitative data for selected value chain metrics. In the case of HVB Group, these include the Scope 3 greenhouse gas emissions from each significant Scope 3 category (further information is provided in section E1-6). The determination of these emissions metrics typically require data directly provided by customers, suppliers, business partners and other counterparties that maintain business relationships with HVB Group. According to the reporting standard, when primary information related to the value chain cannot be collected after making reasonable efforts, such information is then to be estimated, using proxies, sector data and other information from indirect sources.

In view of the fact that:

- given the size of HVB Group, the activities in which it is involved include a large number of contracting parties with multiple services offered such that the mapping of the actors and business relationships (direct and indirect) would be very complex;
- sector-specific standards with specific references to data and information on the value chain for financial institutions are not available;
- there is limited availability of efficient tools to access and share information on the value chain;
- HVB Group maintains relationships with a large number of counterparties, including not only large international companies but also small and medium-sized companies (SMEs) that may not have sufficient resources to easily and quickly provide the information of interest for reporting;
- the information on the value chain does not have the qualitative characteristics required by the reporting standards due to the limited technical readiness of the actors in the value chain;

HVB Group as part of UniCredit group has decided to use estimation methods based on proxies and sector-benchmarking in order to determine the quantitative value chain metrics (Scope 3 greenhouse gas emissions).

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<sup>1</sup> The definitions of Scope 3 greenhouse gas emissions (indirect emissions that arise in the value chain of companies) are based on the Greenhouse Gas Protocol framework.

In particular, information on Scope 3 emissions from financing activities (known as “financed emissions”) for non-financial companies and private households is subject to the estimation process. Financial institutions (both credit institutions and other financial companies) as well as government and other public sector organisations have been excluded as no reliable data is available on these.

Further information on the methods used can be found in section E1-6.

Given the complexity of measuring sustainability impacts across the Bank’s entire value chain, HVB Group employs a range of techniques to ensure that the reporting aligns with recognised standards while providing transparency about the limitations involved in estimations. The calculation of value chain metrics follows globally recognised frameworks, ensuring consistency and comparability across reporting periods.

HVB Group primarily uses the following frameworks:

- **Greenhouse Gas (GHG) Protocol** for calculating Scope 3 emissions, covering both upstream and downstream activities in the value chain.
- **Partnership for Carbon Accounting Financials (PCAF)** for estimating certain Scope 3 emissions related to loans and investments in the financial portfolio.

In the absence of primary data from stakeholders, HVB Group relies on estimation processes based on the best available information. These techniques include the following:

- **Emissions factors:** For Scope 3 GHG emissions, emissions factors from recognised sources (as indicated by PCAF and the GHG Protocol) are applied to financial data (e.g. loan amounts, expenses, etc.) to estimate carbon dioxide emissions.
- **Proxy data:** In the absence of customer-specific data, proxies are used. For example, average values for carbon dioxide intensity from similar industries are applied to estimate emissions.
- **Scenario analyses:** HVB Group and UniCredit group use scenario analysis based on future regulatory and environmental changes to estimate potential impacts for metrics such as climate-related risks (further details can be found in the section on IRO-1).

When quantitative metrics and monetary influences cannot be measured directly and can only be estimated, measurement uncertainty may arise. Even if primary data provided directly by customers and suppliers is preferred, some metrics are based on estimates from indirect sources. The use of assumptions and estimates, including scenario analysis and proxies, is an essential part of preparing sustainability-related information and does not undermine its informative value, provided that the assumptions and estimates are transparently described and explained. Data and assumptions in the Sustainability Report are consistent with the financial data and assumptions used in the consolidated financial statements of HVB Group and UniCredit group and are clearly stated in the report. Specific checks ensure that the metrics are accurate.

To improve the accuracy of value chain metrics, HVB Group engages with customers and suppliers and, where not possible, with external information providers, to encourage more direct reporting and refine the estimation processes over time. Additionally, HVB Group, together with UniCredit group, regularly reviews and updates the methods used in line with the latest standards and market developments.

By applying these estimation processes, HVB Group intends to ensure that the sustainability metrics provide a meaningful representation of the Bank’s impacts across the entire value chain, supporting the commitment to transparent and responsible sustainability reporting.

# Sustainability Report

The content of the Sustainability Report underwent an external review with limited assurance pursuant to ISAE 3000 (Revised).

This Sustainability Report contains information pursuant to Article 8 of Regulation (EU) 2020/852 of the European Parliament. Information stemming from other applicable legislations can be found in the table in the section on IRO-2.

## Governance

### **GOV-1 - The role of the administrative, management and supervisory bodies**

#### **Legal corporate structure**

UniCredit Bank GmbH (HVB), formerly UniCredit Bank AG, headquartered in Munich, is the parent company of HVB Group. HVB is an affiliate of UniCredit S.p.A., Milan, Italy (UniCredit) and, together with the HVB subgroup, is an integral part of UniCredit group.

Since the shares held by minority shareholders of HVB were transferred to UniCredit compliant with Section 327a of the German Stock Corporation Act (Aktiengesetz – AktG), as resolved at the Annual General Meeting of Shareholders in June 2007 and entered in the Commercial Register on 15 September 2008, UniCredit has held 100 percent of the shares in HVB. Thus, trading in HVB shares officially ceased. With effect from 15 December 2023, UniCredit Bank AG was transformed into UniCredit Bank GmbH by way of a change of legal form pursuant to Section 190 ff of the German Transformation Act (Umwandlungsgesetz – UmwG).

As a capital market-oriented company, HVB remains listed on securities exchanges as an issuer of Pfandbriefe, bonds and certificates, among other things.

#### **Management and supervisory bodies**

HVB's management structure is based on a two-tier corporate governance system in accordance with the relevant provisions of company law.

HVB's bodies are the Executive Board and the Supervisory Board.

The Executive Board is responsible for managing the business of the company. This includes managing and monitoring the companies of HVB Group.

It is the task of the Supervisory Board to advise and monitor the Executive Board on the management of the company on a regular basis. In addition, the Supervisory Board appoints the members of the Executive Board. The Executive Board consists of nine members. The Supervisory Board consists of twelve members, six of whom are employee representatives. Of all the members of the Supervisory Board, 25% are independent.

The Executive Board consists of 33% female and 67% male members. Of the members of the Executive Board, 67% are in the age group of up to 50 years and 33% in the age group from 50 to 65 years. The nationality of the members of the Executive Board can be assigned to four different European countries.

The Supervisory Board consists of 42% female and 58% male members.

Of the members of the Supervisory Board, 25% are in the age group of up to 50 years and 75% in the age group from 50 to 65 years.

The Executive Board has an appropriately broad range of knowledge, skills and experience required to understand the activities of the company, including its material risks. Members of the Executive Board have the knowledge and experience required to duly manage HVB's business.

The Supervisory Board has the knowledge, skills and experience required to perform its control function and to assess and monitor the Executive Board of the company. Members of the Supervisory Board have the knowledge and experience required to duly perform their monitoring duties.

Monitoring by the Supervisory Board includes the assessment of the structure, size, composition and performance of the Executive Board at regular intervals (at least once a year) and the assessment of the knowledge, skills and experience regularly (at least once a year) – including the sustainability expertise - of the individual members of the Executive Board and the Supervisory Board and the respective committees. It is carried out in accordance with applicable regulations, in particular Sections 25c and 25d of the German Banking Act (Kreditwesengesetz – KWG) and the relevant publications of the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin) (“Guidance Notice on Management Board Members pursuant to the KWG, the German Payment Services Supervision Act (ZAG) and the German Capital Investment Code (KAGB)” and the “Guidance Notice on Members of Administrative and Supervisory Bodies pursuant to KWG and KAGB”) as well as the European Banking Authority (EBA) (“Guidelines on the assessment of the suitability of members of the management body and key function holders” (EBA/GL/2017/12) and “Guidelines on internal governance” (EBA/GL/2017/11).

In the reporting year, the Supervisory Board was supported in conducting the evaluation by the Nomination Committee and by an auditing company.

To ensure the suitability of members of bodies, HVB has introduced its own policy on suitability which is based on UniCredit group's Global Policy on the Assessment of the Suitability of Management Employees and Key Function Holders. This policy on suitability complies with the applicable European and national laws and regulations and with the guidelines of the supervisory authorities responsible for ensuring the suitability of members of management bodies (both in a management and supervisory function).

In addition, HVB has created an overall profile for members of the Executive Board and the Supervisory Board, which, among other things, requires theoretical and practical knowledge in the business areas for which they are responsible including sufficient knowledge, skills and experience that align with the business model, the risk appetite, the ESG risks, the business strategy and the markets relevant to the Bank.

The Supervisory Board and the supervisory authorities review the suitability (professional qualifications and reliability) of members of bodies in the course of their appointment.

Specifically regarding the sustainability-related expertise of members of the Executive Board and the Supervisory Board, HVB's requirements profiles require that board members assess such knowledge themselves each year as part of a self-assessment. In this context, the Supervisory Board reviews the requirements profiles in the course of the annual evaluation.

In addition, members of the Executive Board and the Supervisory Board take part in training events on sustainability topics. In the reporting year, for example, an information event was held on the topic of “Update ESG – Strategies and Market Updates” for the Executive Board and the Supervisory Board and an information event was held for members of the Executive Board on the role of banks in the sustainability-related transition and the related impacts on customers.

Expertise in the area of sustainability should serve to support Executive Board members in effectively taking account of and implementing their sustainability-related targets as well as Supervisory Board members in their comprehensive monitoring function.

The entire Executive Board is responsible for monitoring sustainability-related impacts, risks and opportunities.

It draws up the business strategy and based on the risks resulting from this, the risk strategy as well as any necessary adjustments to strategies, taking into account, among other things, climate-related and environmental risks and targets and discusses these with the Supervisory Board.

In this context, the corporate responsibility of the Executive Board and the Supervisory Board for sustainability topics are expressly set out in the rules of procedure of the respective bodies.

Thus, according to Article 1 (1) of its rules of procedure, the Executive Board must assume corporate responsibility for ESG matters as part of its management function.

In addition, the Executive Board is responsible for proper business organisation and its refinement in accordance with the Minimum Requirements for Risk Management (MaRisk) published by the BaFin. The Executive Board must therefore evaluate the risks, including ESG risks, and take the action required to limit them.

Furthermore, the central “ESG Germany” department is implemented as a cross-area unit for the management and implementation of activities in the area of ESG within the “Large Corporates” business area, for which the responsible member of the Executive Board is accountable.

HVB and the subsidiaries of HVB Group, which are to be classified as institutions in accordance with Section 1 (1c) KWG, are subject to MaRisk requirements that stipulate appropriate risk management and risk controlling processes to ensure the identification, assessment, management, monitoring and communication of material risks, including the impacts of ESG risks and associated risk concentrations.

Stress tests are to be carried out for material risks each quarter and on an ad hoc basis. These should reflect the type, scope, complexity and risk content of the business activity, taking into account the impacts of ESG risks among other things. In addition, a special climate-related stress test (“climate & environmental run”) is carried out once a year in which all climate-related and environmental risks of HVB Group are recorded and their short, medium and long-term impacts are assessed.

Moreover, HVB Group has an independent risk function that is responsible for the appropriate monitoring and communication of material risks, taking into account the impacts of ESG risks.

The Executive Board has established ESG reporting at two-monthly intervals for itself. In its strategy meetings (held five times a year), the Supervisory Board discusses business and risk strategies, taking into account climate-related and ecological risks and targets. The Risk Committee of the Supervisory Board monitors (four times a year) the implementation of the overall risk strategy as well as the efficiency of the risk management system. The Audit Committee of the Supervisory Board addresses CSRD reporting on a regular basis at its respective meetings.

## **GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies**

The Executive Board receives reports each month from the Head of ESG Germany concerning material impacts, risks, opportunities, the application of due care as well as the results and the efficiency of the implemented ESG guidelines, measures, metrics and targets. The Supervisory Board is briefed on the matters mentioned at least once a year by the Executive Board.

When defining and implementing the corporate strategies, risk management and their decisions on important transactions, the Executive Board takes their sustainability-related impacts, risks and opportunities into account. The Supervisory Board also takes these matters into account when monitoring the corporate strategies, risk management and the Executive Board's decisions on important transactions. Decision-making is based on a written document that is provided to the bodies in advance. The draft resolution contains a description of the strategic targets associated with the decision, the related opportunities, impacts and risks in respect of the environment, social matters and governance (ESG) as well as possible alternatives. If necessary, different focal points, such as short-term financial gains compared with long-term advantages in sustainability, are considered and weighed against each other.

In the reporting period, a double materiality assessment was applied for the first time in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD). Besides evaluating impacts and opportunities, the Executive Board played a crucial role in risk assessment. After an additional evaluation, both the climate risk (E1) and cyber security risks (S4) were classified as being material. In view of the initial application of this procedure, HVB Group, looking ahead, is committed to further intensifying and formalising the way in which the management and supervisory bodies address and monitor material impacts, risks and opportunities and to aligning this with the principles and expectations of the CSRD.

The list of material impacts, risks and opportunities that the management and supervisory bodies deal with is contained in section SBM-3 "Material impacts, risks and opportunities and their interaction with strategy and business model".

## **GOV-3 - Integration of sustainability-related performance in incentive schemes**

The principles of sustainable conduct and sustainability-related performance form the key pillars of HVB Group's Remuneration Policy. This is designed to ensure the competitiveness and effectiveness of remuneration as well as transparency and internal equity. The Remuneration Policy framework is designed to ensure the consistency of remuneration elements and remuneration systems, while also conforming to the HVB Group's long-term strategic targets and principles of sound risk management.

In view of this, the **Group Incentive System 2024** was confirmed as a "Sustainable Performance Plan" by the Executive Board and the Supervisory Board. This is based on both short-term and long-term performance conditions to support the Group's strategic direction by fostering a strong link between remuneration, risk and sustainable profitability.

The HVB Group Remuneration Policy proposed by HVB's Executive Board and the Group Incentive System are submitted to HVB's Supervisory Board each year for approval of their appropriateness. They were developed to support the achievement of UniCredit group's strategy within which the ESG strategy plays a crucial role.

# Sustainability Report

At the recommendation of the Remuneration Control Committee of the Supervisory Board, comprehensive scorecards were formulated for the CEO and HVB's top management that also include ESG targets. These were then approved by HVB's Supervisory Board.

Among the long-term performance conditions, sustainability matters (non-financial section of the scorecard), including climate-related KPIs, is weighted to account for 20% of the overall long-term scorecard.

A sustainability target has been set as part of the long-term performance conditions. This aims to support customers as they undergo a sustainable transition while also embedding priorities in the areas of sustainability as well as Diversity, Equity and Inclusion (DE&I) in UniCredit group's culture. This target places a special focus on climate risks and on UniCredit group's "net zero" commitments.

The ambitions mentioned above are subject to a qualitative assessment based on specific evidence derived from the ESG and DE&I strategies.

The current strategy envisages the following:

**ESG business targets:**

- proportion of new ESG loans<sup>2</sup> to total new medium and long-term loans
- proportion of sustainable bonds to total bonds issued<sup>3</sup>
- proportion of ESG assets under management to total assets under management

**DE&I priorities:**

- Progress towards gender parity at all levels in line with best market practices; ensure equal pay for equal work; expand DE&I priorities and foster corporate culture and well-being through dedicated initiatives.

**Net zero:**

- Progress regarding net zero targets for 2030 disclosed to the market by UniCredit group for the oil & gas, power generation, automotive and steel industries are monitored on an ongoing basis (further information is provided in the section E1 "Climate change").

To strengthen management's commitment to the ESG strategy of HVB Group, these targets are included in the CEO reporting line and cascaded to the organisational levels below this. In particular, the long-term sustainability target is assigned to members of the Executive Board of HVB Group and selected individuals belonging to the first CEO reporting line.

The remuneration for members of HVB's Supervisory Board is paid only as a fixed remuneration, determined on the basis of the position held and the time required for the performance of the assigned tasks (for example chairman or member of a committee of the Supervisory Board).

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<sup>2</sup> Including ecological, social and sustainability-related lending.

<sup>3</sup> For companies and financial institutions, excluding government, supranational and long-term agency loans.

## GOV-4 - Statement on due diligence

HVB Group's due diligence process is not a standalone, formalised procedure but is fully integrated within its strategic and business model framework. This embedded approach ensures that due diligence is part of the Bank's ongoing operations, specifically in identifying and managing negative impacts. In the course of the double materiality assessment in the 2024 reporting year, the Bank compiled a list of both positive and negative impacts to focus on and, following the steps of double materiality, subjected this list to thorough assessment by top management to determine relevance and materiality. The assessment results were then communicated to the Supervisory Board.

As identified in section SBM-3 (see table showing "List of material IROs" paragraph 48a), the material negative impacts are associated with climate change, circular economy, and consumers and end-users topics. In particular, the environmental impacts relate in particular to the generation of greenhouse gas emissions and the employment of high resource inflows and waste production; the impacts on social matters relate to potential breaches and the loss of customers' data. The management of impacts is embedded in the strategy and business model (as described in section SBM-3).

Furthermore, for each topic, the Bank has developed specific policies, actions, targets, and metrics (described in the dedicated sections) to effectively monitor, mitigate and manage these negative impacts over time.

### GOV-4 STATEMENT ON DUE DILIGENCE

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY REPORT
a) Embedding due diligence in governance, strategy and business model	GOV-2, GOV-3, SBM-3
b) Engaging with affected stakeholders in all key steps of the due diligence	GOV-2, SBM-2, IRO-1
c) Identifying and assessing adverse impacts	IRO-1, SBM-3
d) Taking actions to address those adverse impacts	Included in topical standards
e) Tracking the effectiveness of these efforts and communicating this	

## GOV-5 - Risk management and internal controls over sustainability reporting

The internal control system (ICS) for HVB's sustainability reporting has been defined and implemented based on the existing and established control framework relevant for financial reporting according to Italian Law 262 to ensure the integrity, completeness, reliability and accuracy of sustainability reporting subject to external disclosure and to meet the legal requirements for the ICS relevant to financial reporting and corporate governance. Section 315(4) of the German Commercial Code (Handelsgesetzbuch – HGB) requires capital market-oriented companies as defined in Section 264d HGB to describe the main features of their ICS and RMS regarding the financial reporting process.

For this purpose, the delegated control bodies and the Head of ESG Germany confirm, in a Sustainability Board Attest, jointly with the Executive Board member responsible for the Large Corporates business area that the sustainability reporting has been drawn up in compliance with the reporting standards pursuant to Directive 2013/24/EU of the European Parliament and of the Council of 26 June 2013 and the requirements pursuant to Article 13 of Law No. 15 of 21 February 2024 and pursuant to Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

The Risk Management System (RMS) and the Internal Control System (ICS) are broadly defined. As part of UniCredit group, HVB is obliged to comply with ICS requirements pursuant to Law 262 ("Savings Law" based on the Sarbanes-Oxley Act) in line with the German legal requirements for accounting-relevant ICS. The ICS framework for sustainability reporting is based on the existing framework for financial reporting adopted by the parent company, which has been expanded to include sustainability reporting topics. This serves to ensure the reliability and accuracy of data and information in sustainability reporting, which is subject to internal reporting to the parent company as well as to external disclosure.

The regular updating and internal certification of relevant processes, including risk and control assessments according to the group-wide methodology, are based on the "International Internal Control - Integrated Framework" of the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. In this context, specific objectives are set for the promotion and systematisation of an ICS relevant for financial accounting and for reviewing and confirming its effectiveness on this basis in regular attestations.

The pillars of the abovementioned model and framework regarding sustainability reporting consist of:

- company level controls: overarching control measures, particularly in connection with the alignment of governance policies with ESG topics
- documentation of "Level 5 processes", including a description of the organisational structure responsible (roles, process steps, risks and controls) to prepare sustainability reporting and control testing of the operational implementation of the key controls described, including evidence of controls

As part of the certification campaign at year-end 2024, the following detailed processes, including 33 risks and 33 key controls, were redocumented or expanded to include the process, risk and control content required by the CSRD. No control weaknesses were identified at year-end 2024.

- Double materiality assessment of the Sustainability Report
- Preparation of the Sustainability Report
- Data collection for the Sustainability Report
- HVB Immobilien AG - Preparation of reporting packages and annual financial statements

The relevant processes, risks and controls known by the end of November 2024 were defined and analysed together with the local process and control owners responsible and with the support of the local Law 262 manager in charge of staff in line with the group-wide Law 262 methodology. The material risks identified relate to a wrong and/or incomplete presentation and disclosure of sustainability reporting data. To reduce these risks to an acceptable level, the respective key controls were identified, documented and, starting from year-end 2024, are tested and internally certified on a regular basis by the process and control owners responsible.

Certification in the group-wide certification tool Hopex GRC is based on a regular internal two-stage bottom-up process by the process and control owners responsible. They confirm that the processes, risks and controls are up-to-date, correctly described and evaluated. Possible control deficiencies due to improper operational implementation and/or without or with insufficient control evidence lead to the definition and tracking of measures to remedy the control deficiency. The results are presented in a special sustainability management report and signed by the Head of ESG Germany and the Executive Board member responsible for the Large Corporates business area, including the board certificate, and forwarded to the UniCredit group.

## Strategy

### ***SBM-1 - Strategy, business model and value chain***

HVB Group is part of UniCredit group, a pan-European commercial bank. It offers its customer base a banking network across Western, Central and Eastern Europe that is both regional and international in focus. Its integration into UniCredit group enables HVB Group to exploit its international network and economies of scale. UniCredit group has a divisionally and regionally diversified business model, offering its customers access to commercial banks in 13 countries and other offices worldwide.

As a universal bank, HVB Group with its subsidiaries is a provider of banking and financial services and focuses on Germany. It offers a comprehensive range of banking and financial products and services to retail, corporate and public sector customers, international companies and institutional customers.

HVB Group has 349 branches around the world – 311 of which are HVB offices in Germany. Beyond its branch network, customers are served from any location via HVB Group's remote channels.

As at the reporting date of 31 December 2024, the number of employees in HVB Group was 10,092. The total number of employees in countries where HVB Group has 50 or more employees, accounting for at least 10% of the overall workforce, amounted to 9,550 for Germany as at the reporting date 31 December 2024. Further details on the features of the Bank's own workforce can be found in chapters S1-6.

HVB Group does not operate in any of the sectors listed in the standard ESRS 2 SBM-1 para. 40(d) and therefore also does not derive revenues from the exploration, mining, extraction, production, processing, storage, refining or distribution of fossil fuels, chemicals production, controversial weapons or the cultivation and production of tobacco.

Based on the following objectives, HVB Group is committed to implementing the ESG framework:

- Promoting the transition to a low-carbon economy and reducing HVB Group's carbon footprint.
- Commitment to a positive influence on communities and promoting financial stability and inclusion, focusing on youth and education.
- Supporting employees throughout their working life by strengthening their competences and fostering diversity, equality, inclusion and well-being.
- Promoting transparency and responsibility based on a sound corporate governance and control system.

As an integral part of HVB Group's sustainability strategy and in order to support its customers as best as possible in making a just and fair transition, HVB Group offers numerous products and services related to ESG, focussing on Germany.

The ESG proposition for corporate customers comprises financing products with green use of funds, sustainability-linked financing products and sustainability-related off-the-shelf financing products and consists of:

- **Green finance solutions** for investment in renewable energy sources and energy efficiency activities to support corporates on their decarbonisation path.
- **Social impact financing** for corporates and organisations investing in social sectors such as education, health, social infrastructures or affordable living.
- Use of cross-regional and regional **subsidies** in the form of financing with favourable terms and conditions, grants and risk hedging instruments.
- **ESG advisory**, supporting customers with strategic and tactical advice (e.g. transition plans, ESG structuring and coordination, issuance of sustainable bonds).
- **Strategic partnerships on ESG** (e.g. Open-es tool to assess customers' ESG maturity and define a sustainable development path for customers).
- Specific **risk management solutions** for customers, such as derivatives or commodities, supporting customers to navigate the transition.

The ESG proposition for private individuals includes the following:

- Specific environment-related financing solutions to support property renovation activities and energy efficiency measures (also based on national funding programmes).

The product range for sustainable investment solutions includes a number of possible investment classes:

- Customers delegating their asset management are offered a wide range of investment strategies in connection with mandate solutions. In addition to “HVB Wealth Management” as separate financial portfolio management, further sustainable solutions are offered by HVB Group that were developed in collaboration with its partner AMUNDI: The “Private Banking Vermögensportfolio” and the modular fund management “HVB Premium Invest” with sustainability-based modules from funds and ETFs.
- When customers who prefer to make their own investment decisions are advised, they are offered sustainable funds, ETFs, structured products with sustainable underlyings, shares, green and social bonds as well as life assurance solutions with sustainable underlyings in collaboration with the Bank's exclusive partner Allianz.

In particular, this supports HVB Group's sustainability goals of promoting the transition to a low-carbon economy and its commitment to having a positive impact on communities and promoting financial stability and inclusion as well as to achieving its ESG business targets.

HVB Group's strategy is fully embedded in UniCredit group's “UniCredit Group Unlocked” groupwide strategy and coordinated with this. Environmental, social and government matters are a key component of this strategy.

**Principles:** The ESG strategy of HVB Group is based on the group-wide defined corporate values of “Integrity, Ownership and Caring”, on which the following principles of HVB Group are based:

- HVB Group is guided by regulatory and market-oriented standards and implements ESG guidelines, e.g. according to the EU Taxonomy, SFDR and EBA Guidelines.
- HVB Group seeks to support customers to justly and fairly transition to a sustainable future.
- HVB Group respects and takes account of the perspectives and priorities of all stakeholders, ensuring that these are also reflected in business and decision-making processes.

These principles form the foundation of our approach to environmental, social, and governance initiatives, supporting the aim of integrating sustainability into all aspects of HVB Group's business activities and of leading by example in empowering communities to progress.

**Goals:** UniCredit group, to which HVB Group belongs, is constantly evolving its approach to ESG target-setting, driven partly by regulatory changes and market forces. This has led to ESG penetration targets being set group-wide to create a transparent and meaningful view of the Bank's ESG performance. Furthermore, HVB Group is working to align its lending portfolio with its net zero targets as part of its commitment to supporting the global transition to a sustainable future.

**The following strategic levers are used to achieve the goals set out above:**

- **Championing social:** HVB Group is involved in ESG initiatives for financial inclusion and social advancement through targeted programmes, such as “Inclusive Finance”, “Social Impact Financing” and “Social Housing”
- **Enhanced customer support:** HVB Group offers its customers a whole range of tools and resources to help them achieve their own sustainability targets and manage their transition to a low-carbon economy.
- **Beyond climate:** Risks and opportunities in connection with natural capital were assessed, taking into account the importance of protecting the environment and using natural resources responsibly, while exploring potential sustainable opportunities (see sections E3-5 in the environmental information of this report).
- **Lean management and clear responsibilities:** It is the Bank's ambition to present clear information and carry out impact assessments to make the results of ESG actions measurable and demonstrate them transparently. This is intended to continuously reinforce its commitment to accountability.

**The following instruments are available:**

- **Enriched customer offering:** HVB Group is continuously expanding and diversifying its range of ESG products, services and advisory, enhancing its ability to provide comprehensive solutions to customers and help them meet their sustainability targets in a dynamic business environment, thus promoting their transition to more sustainable economy.
- **Lean management:** HVB Group pursues the ambition of defining clear ESG roles and responsibilities and reinforcing agency and ownership at all levels of the company. Specific measures are intended to empower teams to take initiative, thus serving to foster a culture of accountability that promotes effective decision-making, contributing to the implementation of sustainable ESG outcomes.
- **Robust risk framework:** The ESG efforts of HVB Group are underpinned by a robust risk framework that is designed to enable effective monitoring of ESG risks and the lending portfolio on the one hand and ensure that HVB Group remains proactive in managing risk while meeting its sustainability targets on the other.
- **Empowerment culture:** By fostering an empowered culture, HVB Group intends to ensure that all employees are aligned with its ESG goals and are committed to making a positive impact.

HVB Group is an important part of UniCredit group and has responsibility for customers, products and markets in Germany. Customers with international operations benefit from access to UniCredit group's network, while from HVB Group's perspective, the ability to combine regional strength with the potential and expertise offered by an international banking group is the key differentiator for all-round customer service.

HVB Group sees itself as a universal bank playing a leading role as a major bank in Germany. It focuses on the operating segments of “Retail” and “Corporates”.

## **Retail operating segment**

The Retail operating segment is subdivided into two business areas: “Retail” and “Private”. The “Retail” business area serves retail customers and small business customers requiring standardised products and advice in all areas of demand with the “Private” business area serving wealth management and private banking customers.

The retail customer business provides universal banking services across all sales channels (branch, remote and digital) for discerning customers. This comprehensive advisory approach is supplemented by the “Smart Banking” service model for customers requiring standardised products and services. In the small business customer areas, customers are offered a full range of services in corporate and private financial and asset matters. In the “Wealth Management & Private Banking” relationship model, high net worth clients are served by advisors and a network of highly qualified specialists based on a 360-degree advisory approach with the aim of achieving a sustainable increase in the prosperity of our customers and thus maintaining long-term, trusting customer relationships.

In line with the universal bank model, the range of products and services of the Retail operating segment enables comprehensive customer support to be provided. In the Retail business area, this extends from payment services, investment products, mortgage loans, consumer loans, savings-and-loan and insurance products and banking services for retail customers through to short- and long-term business loans for small business customers. In the “Private” business area, customised portfolio concepts, financing solutions as well as the brokerage of corporate investments are also offered to high net worth private customers with an entrepreneurial background

## **Corporates operating segment**

The Corporates operating segment bundles the corporate banking business, offering corporate customers complete and customised solutions with HVB Group positioning itself thereby as a strategic partner. This segment covers the “Small & Medium Corporates (SMC)” and “Large Corporates” business areas and serves the entire spectrum of small and medium-sized through to large companies.

In the SMC business area, HVB Group bundles its regional presence in the market, using differentiated relationship models to target corporate customers depending on the needs of each customer. This enables resources to be distributed in line with heterogeneous market conditions and hence earnings potential to be effectively exploited in each region.

Regional relationship management covers tailored financing offers, for example through the use of subsidies as well as solutions for the management of financial risks, in addition to the traditional banking services of payments and lending. Furthermore, the services provided for special target groups are being continuously refined and special advisory services, like in the Capital Markets and M&A business area, are provided to relevant customer groups. The range is rounded off by cooperation partners, for example in insurance or leasing

The “Large Corporates” business area covers large corporate customers requiring highly complex services who are managed in an “Industry Coverage”. The quality of service in this area lies in exploiting HVB Group’s strengths consisting of a wide range of products, in-depth sector know-how and the creation of customised customer solutions with HVB Group assuming a leading role as a core bank in its customer relationships. Its range of products and services also includes traditional banking products and the entire product portfolio of “Client Solutions”, UniCredit group’s global product factory, and is rounded off with ESG product and advisory solutions.

Client Solutions is responsible for the customer relationship management of “Financial Institutions (FI)”, the proprietary Private Investor Products business (“PIP”) as well as activities in our international network.

In the business with “Financial Institutions”, selected FI customers are provided with UniCredit group’s entire platform simply and efficiently and served in dedicated teams for banks, insurances, fund managers and public institutions. In PIP, HVB Group offers private investors risk management solutions and investment products through its own or third-party networks. As a rule, the complete range of the Bank’s products is available to corporate customers and to financial institutions at the foreign branches of HVB Group.

In detail, the range of products and services of “Corporates” includes the following products from the Client Solutions product unit:

- Advisory & Financing Solutions (A&FS) bundles the advisory service business into transactions, capital structure, ESG and rating as well as financing solutions, among other things. Structured solutions with loans, bonds or asset-based finance can be offered, depending on the rating (investment grade / non-investment grade) and business requirements.
- Trade & Correspondent Banking offers a broad array of innovative products in the areas of trade finance and working capital, thus meeting customer needs in connection with transactions involving both cash-flow and operating-resource optimisation as well as mainly short-term import and export financing services.
- Client Risk Management is a customer-oriented product area supporting business with UniCredit group’s corporate and institutional customers as an integral part of the value chain. This product area extends over all asset classes: interest, currencies, commodities and equity derivatives, offering institutional customers, corporate customers and private investors risk management solutions and investment products through the Group’s own or third-party networks.
- Group Payment Solutions offers a wide range of innovative products in the area of cash management, thus meeting customer needs in connection with transactions in the areas of payment services, account information and liquidity management.

The **value chain of HVB Group** can be divided into two main segments: upstream and downstream.

The **upstream value chain** of HVB Group consists of the inputs and activities that enable the Bank to provide its products and services. It includes the following:

- Capital providers such as customer deposits, interbank loans, or funding from capital markets. These funds are the primary input for lending and investment operations.
- Suppliers, such as technology providers, for core functions like transaction processing, customer relationship management (CRM), risk management, and compliance; data providers for credit assessments, market insights and customer profiling to make informed decisions about lending, investments and risk management with the aid of third-party data providers.
- Regulators and compliance entities: Banks must operate within strict regulatory frameworks. Inputs from regulatory bodies (e.g. central banks, financial authorities) shape how banks manage risks, capital adequacy, and liquidity.

The **downstream value chain** of HVB Group encompasses the distribution and delivery of the Bank's services to customers. It includes the following:

- Retail customers: Individuals who use the Bank's products such as savings accounts, loans, mortgages and credit cards.
- Corporate customers: Businesses and institutions that use services and products such as loans and treasury management.
- Wealth management and investment services: High-net-worth individuals and institutional clients seeking portfolio management, investment advisory and other asset management services.
- Business partners: HVB Group collaborates with payment processors, asset management and insurance companies as well as other service providers to deliver the best possible financial solutions to customers.

HVB Group acts as an intermediary in the value chain, linking capital providers with borrowers and investors. It also acts as a service provider to businesses and private individuals by offering financial solutions that help manage money, investments and risks.

HVB Group coordinates the value chain by upstream inputs enabling efficient operations and efficient risk management, while downstream relationships drive revenue through customer acquisition, loyalty and service innovation.

## ***SBM-2 - Interests and views of stakeholders***

HVB Group asks important stakeholders for feedback on an ongoing basis to strengthen relationships and improve the way their needs can be met.

HVB Group's key stakeholders include customers, employees, regulators and communities.

HVB Group leverages stakeholder engagement tools, more specifically:

- Customers: customer ratings and brand reputation assessments, mystery shopping, instant feedback and focus group/seminars.
- Employees: Group Intranet Portal, online communities; hybrid formats of sharing ideas and information; newsletters; internal customers' perceptions of services of central units.
- Communities: gathering of ad hoc feedback.

HVB Group has developed several initiatives aimed at ensuring it puts stakeholders at the centre of its thinking and processes. For example, the Net Promoter Score (NPS) is used as a key performance indicator for customer retention. NPS is fundamental to improving the degree of customers' recommendation and experience of the banking services of HVB Group. Starting with key customer journeys and feedback, the NPS is measured across various channels (in online banking, by phone and email) and monitored, analysed and discussed on a monthly basis. Any written feedback from customers on specific areas is examined.

HVB Group carries out a materiality assessment by taking into consideration a variety of sources to ensure that all material topics in the banking industry are covered for HVB Group's stakeholders. HVB Group assesses sustainability impacts, risks, and opportunities (IRO) in the areas of the environment, social matters and governance deemed to be material from a double materiality perspective: impact materiality and financial materiality. A detailed description of the process can be found in the section "IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities".

Moreover, another fundamental tool in the Bank's stakeholder engagement process is the ESG Day, which started in 2023. This event intends to provide an opportunity to stimulate stakeholder dialogue while continuing to raise awareness of climate change, social inequalities, biodiversity and the circular economy as well as HVB Group's own role in fostering the necessary change in mindset. Attendees included colleagues, customers and partners, alongside a host of renowned experts.

Stakeholder engagement is an important activity for UniCredit group, as it represents a key step in the definition of the group-wide ESG strategy, which is a part of the "Unlocked" strategy and is thus also valid for HVB Group. While defining the strategy in 2021, key stakeholders were consulted to obtain their opinion on UniCredit group's ESG ambitions.

HVB Group has developed special services and ESG products for its corporate customers. In addition, HVB Group is working to meet its net zero commitment and has expanded ESG training for employees (depending on their responsibilities, roles and accountabilities). HVB Group supports disadvantaged customers by offering financial products and services in the context of social impact financing that are explained in greater detail in the "ESG Product Guidelines", thus exercising a positive influence on society. This creates a strong link between the ESG strategy, targets and commitments and the associated action and disclosure requirements.

In that framework, HVB Group is identifying and assessing the latest trends that stakeholders care about: climate change and environmental risks for customers, nature commitments beyond carbon dioxide emissions and science-based targets for corporate customers, impact on the environment and society (inside-out perspective) as well as EBA Pillar III requirements and the green asset ratio (GAR) for regulators.

Taking a strategic approach, HVB Group gathers and analyses the views and concerns shared by stakeholders and promptly addresses their observations. The importance of stakeholders was specified in particular in the context of their involvement in the double materiality assessment process.

During the double materiality assessment, the top management took account of the feedback and insights gained from relevant internal stakeholders and experts on the IROs. By incorporating different points of view, the top management is seeking to ensure a more comprehensive understanding of what could be considered material and relevant for the Bank's long-term strategy and sustainability efforts.

In the future, the Supervisory Board will be informed on a yearly basis of the results of the double materiality assessment and the final list of the material IROs.

## **SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model**

“Embedding sustainability in all that we do” is a strategic imperative of the UniCredit Unlocked strategy that also applies to HVB Group. Sustainability matters are integrated into HVB Group’s strategy and business operations and are supported by appropriate corporate governance structures. HVB Group has set itself the goal of raising awareness of ESG matters within the company. Its strategic approach is based on the materiality assessment concept that includes both an inside-out and an outside-in perspective. These are explained in greater detail below.

**Inside-out perspective:** manage the direct and indirect impacts that business operations and lending have on the environment as well as on social and governance matters.

– **Indirect impacts – accompany customers on their green transition journey by:**

- assessing and monitoring the portfolio exposure of HVB Group in the most climate-relevant sectors;
- identifying and evaluating the impacts on the climate;
- adopting a sector policy framework;
- defining the journey towards net zero in emissions from the lending portfolio.

– **Direct impacts – reduce our environmental footprint by:**

- procuring electricity and district heating or cooling from renewable sources;
- improving energy and space efficiency;
- exchanging heating systems;
- realigning the Bank’s vehicle fleet to include electric-only vehicles.

**Outside-in perspective** - prepare to measure the impacts of climate stress and other environmental aspects as well as social and governance factors on business operations and the associated socio-economic transition while exploiting emerging opportunities by:

- implementing the Group strategy taking account of ESG factors;
- correctly managing climate, environmental, social and governance risks in line with the adopted Risk Appetite Framework (RAF) and the climate stress test requirements of the European Central Bank (ECB).

The HVB Group strategy incorporates identifying and understanding climate and environmental risks (C&E) and opportunities that the Bank may encounter. C&E factors are related to the quality and the functioning of the natural environment and its systems (natural capital) and include factors such as climate change, biodiversity, energy consumption, pollution and waste management.

The impacts described above relate to the strategy and business model of HVB Group.

## Climate change

Climate change is one of the biggest challenges that the world faces, impacting every person on the planet through weather events such as extreme heat, forest fires, severe rainfall and flooding.

In view of the growing importance of climate and environmental matters and in dialogue with the competent supervisory authorities, UniCredit group is continuously developing internal models and implementing these at its subsidiaries, thus also in HVB Group, with the aim of adequately evaluating new risks that may arise from climate change and taking appropriate mitigating action.

Impairment provisions recognised in the 2024 financial reports were determined in HVB, taking account of a full coverage of C&E risk type (transition and physical risk), credit risk parameters (probability of default and loss given default) and asset class (corporates and retail secured). Future adjustments to impairments will be driven by updates in scenario assumptions and portfolio composition.

For more details on the inclusion of climate risk in provisioning for expected credit loss (ECL), please refer to the section IRO-1 “Description of processes to identify and assess material impacts, risks and opportunities”, sub-header “Climate change”.

In this context, the financial system has an important role to play in the net zero journey, with more than US\$80 billion in climate finance commitments agreed at COP28. HVB Group is striving to support Europe’s green transition by reducing both direct and indirect environmental impacts. In this connection, UniCredit group, including HVB Group, committed to net zero in October 2021 when they joined the Net Zero Banking Alliance (NZBA). Their target is to reduce their own emissions to net zero by 2030 and financed emissions by 2050.

For further information, please refer to E1-4 “Targets related to climate change mitigation and adaptation” and to SBM-1 “Strategy, business model and value chain”.

In addition, HVB Group integrated climate risk into its risk framework measuring impacts in the short term (one year, i.e., 2025), medium term (two to five years, i.e. until 2030) and long term (more than five years) through an annual materiality assessment aimed at assessing the relevance of climate-related risk drivers with respect to the various risks considered and their potential impacts on HVB Group, using scenario analysis.

An analysis of the capital adequacy resilience against climate risk drivers is carried out within the Internal Capital Adequacy Assessment Process (ICAAP), which takes the various risk types into account and integrates forward-looking elements. The resulting estimates serve to assess the Bank’s resilience over the short-, medium- and long-term time horizons. These estimates show that the Bank’s resilience is ensured over these time horizons. For further details on the materiality assessment, please refer to the section IRO-1 “Description of processes to identify and assess material impacts, risks and opportunities”, sub-header “Climate change”.

Within the risk management of UniCredit group and thus also of HVB Group, the management of C&E risks has become increasingly important and has been undergoing a substantial transformation in recent years. Beyond climate-related matters, for example, progress was recently made in the analysis of the nature-related assessment by defining impacts on natural capital and the dependency on ecosystem services.

HVB Group adopts guidelines and policies for direct and indirect engagement with new or existing customers, taking into account their strategies for mitigating and reducing environmental risks. Over the last few years, HVB Group has introduced **sector-specific policies** that commit the Bank to discontinuing the financing of controversial carbon-intensive activities, such as energy generation from thermal coal and the most environmentally harmful oil and gas operations.

In addition to taking account of climate-related risks for the portfolio and assets, HVB Group offers corporate customers advice in the context of transitioning to a lower-carbon business model. HVB Group's ESG Advisory Team provides support in integrating sustainability matters into strategic corporate decisions and in **assessing the impact of relevant market standards for sustainable finance and applicable regulatory requirements**.

HVB Group's ambition is to achieve net zero greenhouse gas emissions in its own operations by 2030 (Scope 1 and 2, market based). To reduce its own carbon footprint, HVB Group considers the following measures in particular to be crucial: procuring electricity from renewable sources for its own building operations, optimising space utilisation, creating additional energy efficiency in buildings, transforming fossil fuel heating systems to more environmentally friendly alternatives such as district heating or heat pumps, realigning the vehicle fleet to include electric-only vehicles.

Further information can be found in section "E1 – Climate change".

## **Beyond climate-related matters**

Overall, the **assessment of nature-related risks** is still at an early stage for the whole banking industry, with significant limitations in terms of the data available on various drivers and sectors and a lack of commonly agreed metrics and methodologies (e.g. scenarios). For the current reporting year, HVB Group, through UniCredit group, has thus adopted the approach of identifying, at portfolio level, those sectors that have both the greatest **impact on natural capital** and the **strongest dependencies on natural factors** and are therefore exposed to an increased risk from natural influences.

Despite the limitations mentioned, UniCredit group carried out this analysis in 2023 on the basis of recognised global data sources such as Exiobase, Globio, Natura 2000 and ENCORE<sup>4</sup> (Exploring Natural Capital Opportunities, Risks and Exposure). ENCORE is a tool that supports businesses and financial institutions to analyse how certain economic activities depend on and influence natural capital. In addition, UniCredit group aligned itself with guidelines and sector initiatives such as the Taskforce on Nature-related Financial Disclosures (TNFD) and the Nature Target Setting Guidance.

In 2024, UniCredit group enhanced this analysis to also identify the degree of dependency of various sectors on natural factors. Based on the ENCORE tool and considering ecosystem services, it was possible to determine how nature is linked to economic activities and the benefit nature provides to enable or facilitate business production processes.

To gain a comprehensive overview of nature-related factors, the outcomes of the impact and dependency analysis have been aggregated at sector level to create a portfolio heatmap.

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<sup>4</sup> ENCORE: open source tool proposed as a standard by regulators for assessing the dependencies of businesses on ecosystem services.

Moreover, as described in “E1 – Climate change”, to determine the extent to which the Bank’s credit counterparties are exposed to climate and environmental risks, the C&E questionnaire is used. This includes qualitative and quantitative current and forward-looking key indicators relating to climate and environmental factors. With regards to the nature-related factors, UniCredit group and thus also HVB Group will selectively adjust the C&E questionnaire to include a more comprehensive assessment of customers’ nature-related factors.

HVB Group does not operate any locations in areas with biodiversity in need of protection and does not carry out any activities of its own that have a negative impact on endangered species. The double materiality assessment did not identify any material negative impacts in terms of land degradation, desertification or soil sealing.

In the area of **water resources**, HVB Group is aiming to raising awareness of water consumption and water withdrawal through targeted customer dialogue.

Regarding **biodiversity**, UniCredit group has signed the Finance for Biodiversity Pledge (FfBP) as the first Italian Bank to do so. Moreover, UniCredit group is also a member of the UNEP FI Working Group for Nature. Through its membership of the FfBP Foundation, UniCredit group contributed to the publication of the paper “Unlocking the biodiversity-climate nexus”. This publication links the problems entailed in climate change with the impacts on nature. In the UNEP FI Biodiversity Working Group, UniCredit group, along with 34 other international banks, has contributed to publishing the Principles for Responsible Banking “Nature Guidance for Banks”. The aim of these principles is to support the banking sector in adjusting to the Kunming-Montreal Global Diversity Framework (GBF) and combat the loss of nature and biodiversity.

Regarding the **circular economy**, HVB Group’s negative impact is caused by the downstream value chain and refers to resource inflows and resource use which degrade local environments, negatively impacting the quality of life due to issues such as waste accumulation and noise, thus exacerbating social and economic inequalities. In addition, the high resource inflows lead to over-extraction of materials (e.g. water, minerals and fossil fuels), thus accelerating the depletion of finite natural resources. For this reason, HVB Group, through UniCredit group, has also become a member of the international Ellen MacArthur Foundation in support of its efforts to accelerate the transition to a circular economy. The Foundation is committed to creating a global circular economy driven by desire to eliminate waste and pollution, circulate products and materials and regenerate nature.

Through these actions, HVB Group aims to contribute to increasing its customers’ awareness of the waste they produce and to promote more sustainable decision-making processes.

Further information can be found in the sections under “E3 – Water and marine resources”, “E4 – Biodiversity and ecosystems” and “E5 – Resource use and circular economy”.

## Own workforce

From the perspective of HVB Group, its employees (HVB Group workers and temporary agency workers) play a significant role within the ESG strategy and business model. The material opportunities identified are directly related to the strategy and the business model and are intended to promote fair labour practices, diversity, equity and inclusion (DE&I) throughout the entire organisation. In this way, a culture of respect is to be created in the workplace, which is intended to drive innovation and strengthen the company's reputation.

HVB Group has identified several significant positive impacts achieved through its activities. These positive impacts result from various initiatives and programmes that HVB Group has implemented to promote the well-being and development of its own workforce.

HVB Group is committed to promoting the continuous professional development of its employees by:

- investing in a skill-based organisational structure and providing training and development measures;
- strengthening diversity, equity, inclusion and supporting offers.

HVB Group is striving to promote a working environment that supports equal opportunities and enables a positive working atmosphere.

The well-being of employees is considered an important aspect of supporting their professional development from HVB Group's perspective. Various measures and resources are provided to create an inclusive and cooperative working environment. To strengthen its commitment to diversity, equity and inclusion and address the needs of employees, UniCredit group has launched global and local initiatives that offer employees the required support and the necessary knowledge. Such initiatives are also beneficial to HVB Group employees.

Diversity, equity and inclusion governance is supported by:

- policies, principles and best practices;
- a diversity, equity and inclusion network throughout the Group to exploit synergies and promote business potential;
- proactive and regular dialogues with employees.

At the heart of the Bank's drive to maintain effective and mutually beneficial industrial relations is its unwavering commitment to respecting local laws and working conditions, including employees' rights to exercise freedom of association and collective bargaining. HVB Group continually monitors engagement processes and outcomes, sharing best practices to strengthen social dialogue across all the countries where the Group operates.

At national level, employees' interests can be represented by trade unions, works councils or other representatives in line with the applicable labour laws and local industrial relations systems. At international level, employees are represented by the European Works Council (EWC). Since it was established in 2007, the EWC has ensured that HVB Group's workforce has the right to information and to be heard on transnational corporate matters that could significantly affect employees' interests.

These positive impacts are an integral part of the business strategy and contribute to creating a supportive and encouraging working environment that reflects the long-term strategic goals of HVB Group.

Through the double materiality assessment, HVB Group has identified as material only positive impacts and opportunities related to its own workforce. The material opportunities identified in terms of the impacts and dependencies of HVB Group's workforce relate to all of its own workers, without references to specific categories of workers. In addition, no material impacts on workers have arisen (please see table below "List of material IROs").

Further information can be found under section "S1 – Own workforce".

## **Workers in the value chain**

HVB Group is guided in its business activities by its Human Rights Commitment: "We are aware that every economic and business activity can potentially generate both positive and negative impacts on human rights"<sup>5</sup>. Therefore, HVB Group is constantly working to establish an inclusive approach to promote positive impacts on human rights, with respect to both its own workforce and workers in the value chain, including customers' employees.

In doing so, HVB Group takes the interests of relevant stakeholders into account, promotes dialogue with them and incorporates appropriate feedback into the further development of its activities and strategic direction.

HVB Group has strengthened its support for human rights in the following ways:

- involving and supporting stakeholders through its participation in international working groups and forums;
- complying with section 54 of the UK's Modern Slavery Act 2015.

HVB Group has not identified any material risks and opportunities related to workers in the value chain.

Further information on workers in the value chain can be found in section "S2 – Workers in the value chain".

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<sup>5</sup> Human Rights Commitment of UniCredit group.

## **Affected communities, Consumers and end users**

The financial industry influences economies and societies in various ways. In this context, HVB Group provides financial services and engages in a dialogue with customers and relevant stakeholders to take their concerns and needs into account, while also participating in social and community initiatives. Among other things, in agreement with UniCredit group it works to support projects for various social groups, including children from educationally disadvantaged families, unemployed young people, people with disabilities and people with a migrant background.

HVB Group has designed specific programmes and measures for the following target groups:

- businesses and organisations, whose investment in a social project (for potentially vulnerable beneficiaries)  
HVB Group finances through “Social Impact Financing”
- beneficiaries of financial education activities
- social organisations and their target groups
- people interested in art and culture

In addition to its banking business, HVB Group also aims to offer development opportunities to communities, customers and the regions in which it operates by building financial and social inclusion and supporting corporate citizenship and philanthropic initiatives. All the initiatives and the organisations backing them are checked for their effectiveness, credibility and reputation before the actual engagement starts. From a business perspective, this also creates opportunities for HVB Group to gain new market shares, for example with its Social Impact Financing product. In addition to building as described above, volunteering in cooperation with social organisations also creates development opportunities for the Bank’s employees. Depending on the activity and project, they experience self-efficacy from HVB Group’s perspective and thus indirectly improve their own social skills by interacting and collaborating with others. In addition, HVB Group aims to work with local organisations, industrial and professional associations as well as other relevant stakeholder groups, such as educational initiatives, for financial inclusion.

In terms of privacy, HVB Group strives to constantly improve data security and cybersecurity as well as reinforce its capabilities to prevent, detect and respond to increasing cyber threats. While doing so, HVB Group is focusing on three key areas: strengthening governance and oversight, increasing employees’ and customers’ risk awareness and enhancing threat identification and management. From HVB Group’s perspective, the measures and safeguards implemented should help to limit potential privacy violations and cybersecurity attacks and incidents to individual cases and avoid systemic impacts.

Several measures have been put in place to ensure that marketing communications comply with the law and compliance requirements:

- defining and documenting marketing processes in line with the group-wide standardised process map
- applying the group-wide policy “Unfair Commercial Practice” and the “ESG Product Guidelines”
- issuing an Operating Guideline on Marketing and Communication
- implementing a guide on advertising for consumer loans
- checklist on marketing material related to ESG matters

All the marketing activities of HVB Group are managed internally by the Marketing departments responsible, which are responsible for the effective application of the Bank-wide and group-wide rules and for coordination with the Legal and Compliance functions.

Further information on local communities and customers can be found in the sections “S3 Affected communities” and “S4 Consumers and end users”.

## **Business Conduct**

HVB Group’s approach to whistleblowing is set out in a special global policy. The policy governs reports of unacceptable conduct by employees within the Group to promote a corporate culture based on ethical behaviour and good corporate governance. The policy is intended to

- create a corporate environment where employees feel free to report unacceptable conduct;
- define adequate communication channels for receiving, analysing and using reports.

The whistleblowing process is designed to ensure full protection and confidentiality of the identity of both the whistleblower and the accused individual. It also aims to prevent possible retaliation or discriminatory behaviour in response to a report.

The suppliers of HVB Group, who are selected centrally by Group Purchasing of UniCredit S.p.A., are engaged only if they comply with the standards of various conventions of the International Labour Organization (ILO) relating to fundamental human rights. Furthermore, suppliers are also required to observe the environmental standards of UniCredit S.p.A.

HVB Group adopts a zero-tolerance policy towards acts of corruption. Its approach and the minimum standards for combating bribery and corruption are set out in a special global policy. Each Group subsidiary is responsible for developing and implementing an effective local anti-corruption programme.

The group-wide Code of Conduct (CoC), that was revised in 2022, contains a special section dedicated to corruption and bribery risks, including rules of conduct on dealing with and avoiding such risks.

HVB Group has carried out an analysis of the current financial effects of the material risks and opportunities on its financial position and profit or loss. Most of the opportunities cannot be measured as they mainly relate to the improvement of its reputation and brand name. The costs of measures in these areas are taken into account in financial reporting but cannot be shown separately as they also include costs of measures that are not directly related to the opportunities identified. Therefore, there is no risk of adjustment to the carrying amounts of the assets and liabilities reported in the related financial statements.

However, HVB Group is not yet reporting on the expected financial impacts of material risks and opportunities on its medium- and long-term assets, liabilities, financial position and profit or loss as it is making use of the option of gradually introducing mandatory disclosures in the reporting year.

# Sustainability Report

As HVB Group is reporting in line with the CSRD for the first time, it has not carried out a full resilience analysis of its strategy and business model in compliance with the European Sustainability Reporting Standards (ESRS) regarding its ability to manage its material impacts and risks and to seize material opportunities. However, an analysis of its capital adequacy resilience to risk drivers was carried out within the framework of the ICAAP. Further information can be found on this in section “IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities.”

Regarding the impacts considered to be material (see table below “List of material IROs (§ 26c)), HVB Group considered its own business activities as well as the upstream and downstream value chain. When identifying the lists of IROs, HVB Group recorded typical distribution channels used for the provision of loans and financing, including direct interaction via the network of branches and digital banking services.

The double materiality assessment was carried out in 2024 in line with the new ESRS framework.

The main topics for 2024 and the material IROs were expanded and refined.

HVB Group was not previously subject to reporting requirements under the Non-Financial Reporting Directive (NFRD). Sustainability matters were covered by UniCredit group’s Integrated Report.

# Sustainability Report

## List of material IROs (§26c)

ESRS TOPIC	SUB-TOPIC	SUB-SUB-TOPIC	IROS	TYPE OF IROS	TYPE OF IMPACT	POSITIVE/NEGATIVE	OWN OPERATIONS/VALUE CHAIN	VALUE CHAIN LOCATION	TIME-HORIZON
E1 Climate Change	Climate change mitigation (own operations/value chain) Climate change adaptation (own operations/value chain) Energy (own operations)	N/A	Fostering awareness and commitments related to climate change and accelerating the green transition through the support towards energy efficiency initiatives and renewable sources financial projects across counterparties for the next years.	IMPACT	Actual	Positive	Value chain	Across	Medium-term
			Generation of direct and indirect energy GHG emissions (Scope 1 and 2).	IMPACT	Actual	Negative	Own operations		Short-term
			Generation of indirect GHG emissions produced in the value chain as a result of the business activities performed by actors in the downstream value chain (Scope 3 - Only 15 category).	IMPACT	Actual	Negative	Value chain	Downstream (clients)	Short-term
			Generation of indirect GHG emissions produced in the value chain as a result of the business activities performed by actors in the upstream and downstream value chain (Scope 3 - All categories except financed).	IMPACT	Actual	Negative	Both	Across	Short-term
			Investments in the implementation of green/environmental projects	OPPORTUNITY			Both	Across	Medium-term
			Creation of new products and services to support clients in their transition journey towards their decarbonization targets	OPPORTUNITY			Both	Downstream (Clients)	Medium-term
			Invest in/finance green tech (start-ups) and also access new markets (e.g., carbon emissions trading)	OPPORTUNITY			Both	Across	Medium-term
			Physical Risk Credit risk: impact on credit risk portfolio due to deterioration of the counterparty's creditworthiness due to damage, caused by acute and chronic events, to the counterparty's plants and production sites and decrease in the recoverable amount/market values of collateral due to damage, caused by acute and chronic events	RISK				Own operations	Medium-term
E3 Water and marine resources	Water	Water consumption Water withdrawals	Fostering awareness and commitments related to water consumption, withdrawal by HVB Group clients.	IMPACT	Actual	Positive	Value chain	Downstream (clients)	Medium-term
E4 Biodiversity and ecosystems	Direct impact drivers of biodiversity loss Impacts on the extent and condition of ecosystems	Climate change Land-use change, fresh water-use change and sea-use change  Example: Land degradation	Creation and promotion of innovative financial products/services focused on green and sustainable investments, thereby contributing to the protection of natural capital, biodiversity and conservation of land use	OPPORTUNITY			Value chain	Downstream (Clients)	Medium-term
E5 Resource use and circular economy	Resources inflows, including resource use Resources outflows related to products and services Waste	N/A	Contribution to high inflow and use of resources, and to high waste by sectors such as construction, power generation, manufacture, and waste-intensive sectors in which HVB Group clients operate.	IMPACT	Actual	Negative	Value chain	Downstream (clients)	Short-term
			Fostering awareness and commitments related to waste production and waste management from HVB Group clients.	IMPACT	Actual	Positive	Value chain	Downstream (clients)	Medium-term

# Sustainability Report

ESRS TOPIC	SUB-TOPIC	SUB-SUB-TOPIC	IROS	TYPE OF IROS	TYPE OF IMPACT	POSITIVE/NEGATIVE	OWN OPERATIONS/VALUE CHAIN	VALUE CHAIN LOCATION	TIME-HORIZON
S1 Own workforce	Working conditions	Work-life balance	Promotion of employee well-being through the implementation of dedicated well-being activities and benefits within a healthy and stimulating working environment.	IMPACT	Actual	Positive	Own operations		Medium-term
			Becoming an employer of choice with widespread diversity, a culture of inclusion and concrete work-life balance solutions which encompass a new, flexible approach	OPPORTUNITY			Own operations		Short-term
	Working conditions	Secure employment Adequate wages Social dialogue Freedom of association, the existence of work councils and the information, consultation and participation rights of workers Collective bargaining, including rate of workers covered by collective agreement	Positive contribution to the objectives of ensuring equal opportunities, secure employment, generation of quality employment, the payment of adequate wages also through the promotion of social dialogue, collective bargaining agreements and workers' associations.	IMPACT	Actual	Positive	Own operations		Medium-term
	Working conditions	Gender equality and equal pay for work of equal value	Improved workers' skills through training and professional development activities, general and technical programmes, also linked to personalised growth and evaluation objectives (e.g. career development plans).	IMPACT	Actual	Positive	Own operations		Medium-term
	Equal treatment and opportunities for all	Employment and inclusion of persons with disabilities	Contribution to the development of young talents through partnerships with national and international Universities, collaborations with communities in the IT and tech sector, often with a focus on women and creation of networks on several diversity traits.	IMPACT	Actual	Positive	Own operations		Medium-term
	Other work-related rights	Privacy	Increase in digital skills, knowledge and opportunities of employees.	IMPACT	Actual	Positive	Own operations		Medium-term

# Sustainability Report

ESRS TOPIC	SUB-TOPIC	SUB-SUB-TOPIC	IROS	TYPE OF IROS	TYPE OF IMPACT	POSITIVE/NEGATIVE	OWN OPERATIONS/VALUE CHAIN	VALUE CHAIN LOCATION	TIME-HORIZON
S2 Workers in the value chain	Other work-related rights	Child labour Forced labour	Awareness and dissemination of the culture of ethics and human rights (child and forced labour) by business partners and other stakeholders increases responsibility and fair practices across value chains.	IMPACT	Actual	Positive	Value chain	Downstream (clients)	Medium-term
S3 Affected communities	Communities' economic, social and cultural rights	Adequate housing Adequate food	Contributions to various social causes with positive socioeconomic impacts such as education, health, and community development programmes.	IMPACT	Actual	Positive	Value chain	Across	Medium-term
		Security-related impacts	Improving access to credit and disseminating financial culture in the communities, with a focus on supporting younger and more vulnerable and/or low-income groups through dedicated products and services in order to enhance economic development and investor confidence.	IMPACT	Actual	Positive	Value chain	Across	Medium-term
		Adequate housing Adequate food Security-related impacts	Strategic community partnerships, collaborations with local organisations, industry and professionals' associations and community groups to create sustainable and impactful programmes	OPPORTUNITY			Value chain	Across	Medium-term
			Improvement of relationships / consolidation of positioning within territories and communities of reference through the promotion of initiatives of financial inclusion targeting vulnerable groups	OPPORTUNITY			Value chain	Across	Medium-term
			Establish and promote employee volunteering programmes that contribute to the well-being and development of local communities and support associations and projects in the area	OPPORTUNITY			Value chain	Across	Short-term
	Communities' civil and political rights	Freedom of expression	Increase in market share through the expansion of product offerings with positive social impact, such as those related to the third sector	OPPORTUNITY			Value chain	Downstream (clients)	Medium-term
			Opportunities for the Bank to gain an improved image among competitors and attract socially conscious investors, if it is able to anticipate and react to political and societal changes	OPPORTUNITY			Value chain	Across	Medium-term
S4 Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy	Creation of a long-term relationship with customers through a strong and safe ICT systems	OPPORTUNITY			Value chain	Downstream (Clients)	Medium-term
		Privacy Freedom of expression Access to (quality) information	Ensure the HVB Group transformation of the distribution and production model, making it more sustainable through greater digitalisation, the creation of new technologies, the access to information, the adoption of cloud solutions, the use of AI.	IMPACT	Potential	Positive	Value chain	Downstream (clients)	Medium-term
		Privacy Freedom of expression	Expansion of market shares and improvement of retention thanks to the implementation of solutions, products and digital / innovative services	OPPORTUNITY			Value chain	Downstream (Clients)	Medium-term
		Privacy Access to (quality) information	Enhance client loyalty and retention through the optimization of corporate assets in terms of privacy and data security and quality information	OPPORTUNITY			Value chain	Downstream (Clients)	Short-term
		Freedom of expression Access to (quality) information	Informed decisions to customers through transparent, neutral and fair advice, also providing the possibility to express their feedback.	IMPACT	Actual	Positive	Value chain	Downstream (clients)	Medium-term
		Privacy	Breach and loss of customer data and poor cybersecurity management	IMPACT	Potential	Negative	Value chain	Downstream (Clients)	Medium-term
		Privacy	Operational risk: Risk of operating losses due to unauthorised access to customer data (data Breach) with the purpose of obtaining a personal advantage and due to cyber attacks	RISK			Own Operations		

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ESRS TOPIC	SUB-TOPIC	SUB-SUB-TOPIC	IROS	TYPE OF IROS	TYPE OF IMPACT	POSITIVE/NEGATIVE	OWN OPERATIONS/VALUE CHAIN	VALUE CHAIN LOCATION	TIME-HORIZON
S4 Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy	Reputational risk: failure to meet the consumers and end-user' needs and/or to guarantee the customers' data integrity that may lead to negative impacts	RISK			Own Operations		
	Social inclusion of consumers and/or end-users	Responsible marketing practices	Enhancement of relationships with clients and shareholders through clear and transparent communication	OPPORTUNITY	Actual		Value chain	Downstream (clients)	Short-term
		Non-discrimination Access to products and services	Increased and improved customer satisfaction and end-users experience by meeting their expectations.	IMPACT	Actual	Positive	Value chain	Downstream (clients)	Medium-term
G1 Business conduct	Corporate culture	N/A	Contribution to the creation of an environment of fair competition, encouraging businesses to compete based on innovation and efficiency rather than aggressive tax practices and reducing national tax evasion.	IMPACT	Actual	Positive	Value chain	Upstream	Medium-term
			Maximum generation of value and its distribution to shareholders/stakeholders	IMPACT	Actual	Positive	Both	Across	Medium-term
	Protection of whistle-blowers	N/A	Awareness and dissemination of the culture of ethics, by management, employees, business partners and other stakeholders in own operations.	IMPACT	Actual	Positive	Own operations		Medium-term
	Management of relationships with suppliers including payment practices	N/A	Ensure solid relationships with its suppliers and respect of agreed terms	IMPACT	Actual	Positive	Value chain	Upstream	Medium-term
			Improvement in the quality of products and services purchased through a more sustainable supply chain and certified products (incorporating minimum environmental criteria)	OPPORTUNITY	Actual		Both	Upstream	Medium-term
	Corruption and bribery	Prevention and detection including training incidents	Prevent the possible events of corruption and/or bribery through the training activities involving employees, top management and other relevant stakeholder	IMPACT	Actual	Positive	Both	Across	
			Operational Risk: The risk of money laundering, sanctions violations, bribery and corruption, and KYC failure	RISK			Both	Across	Medium-term
			Enhancement of reputation through investing in the development of innovative tools to manage, monitor and prevent corruption and bribery	OPPORTUNITY			Both	Across	Medium-term

## Impact, risk and opportunity management

### ***IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities***

The methodology and process for identifying material impacts, risks and opportunities (IROs) is based on a top-down approach within UniCredit group, which is defined by UniCredit S.p.A. To this end, UniCredit group carried out a multi-layered process to identify relevant topics, sub-topics and sub-sub-topics for each ESRS (European Sustainability Reporting Standard), taking scientific studies on climate change and human rights assessments into account. In addition, a critical review of the risk inventory, which classifies the material risks of a bank of this kind, was carried out to ensure comprehensive risk identification. Strategic actors (e.g. employees, customers etc) within UniCredit group's value chain (upstream and downstream) were likewise identified, emphasising the importance of a broader understanding of the ecosystem in which the Bank operates.

HVB Group uses the top-down approach specified by UniCredit S.p.A. to validate and integrate the identified impacts, risks and opportunities. This involved carrying out local analyses and interviews with stakeholders as well as referring to UniCredit group's materiality assessment documentation.

After conducting the double materiality assessment at local level, the results were discussed and validated with the Group parent. The results were submitted to the local Executive Board for approval and the Supervisory Board for information.

HVB Group's materiality assessment started with an initial phase of understanding the local context in which it operates. In particular, HVB Group's local activities included reviewing the information from the internal and external analyses of the Group parent, identifying dependencies, resources, geographic presence and identifying affected stakeholders. This included an analysis of the markets served, HVB Group's business model/most important segments, strategy and product range. Besides analysing the business model and activities, benchmarking was carried out on the German market to obtain an overview of the material impacts, opportunities and risks as well as the material ESRS standards visible in the German banking market.

In parallel with the context analysis, HVB Group reconciled the list of sustainability matters according to ESRS 1 - AR 16 with the outcomes emerging from this first phase. These activities resulted in a list with all the impacts, risks and opportunities considered relevant for HVB Group. Then, each impact of this list of impacts, opportunities and risks was associated with the location of the occurrence (own operations and/or upstream or downstream value chain), the time-horizon (short-, medium-, or long-term), the relevant stakeholders (e.g. employees, customers etc.) shareholders etc).

In assessing actual and potential impacts, HVB Group considered gross impacts (before any mitigating actions). This is done to provide users of the sustainability information with information that allows a distinction to be made between the gross impacts and the management of the impacts (policies, actions and targets). In addition, impacts, opportunities and risks were assessed without setting these off against other impacts, opportunities and risks, i.e. positive impacts on the environment and people cannot be netted against negative impacts.

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When evaluating potential impacts, HVB Group included the effect of technical or other action to avoid or mitigate future impacts. Impacts on people and the environment are prioritised by using thresholds to define the materiality of each impact. For potential negative impacts on human rights, the weighting was increased in the final assessment with account also being taken of top management's assessment. Furthermore, as described in the standards on particular topics, impacts are monitored on a regular basis. An additional monitoring process is ensured by the yearly review of the double materiality assessment.

When evaluating negative impacts, HVB Group considered its embedded approach on due diligence and its outcomes. For more information on due diligence, please refer to GOV-4 "Statement on due diligence".

In the course of identifying and assessing impacts, risks and opportunities, priorities were set within the portfolio with the aid of specific databases (e.g. UNEP FI), focusing on sustainability matters that, according to these databases, showed increased signs of positive and/or negative impacts.

This prioritisation was validated in the course of the assessments with selected stakeholders and, depending on their evaluation, adjusted.

As indicated above, the process for identifying impacts included associating each impact with the location of its occurrence: HVB Group's own operations or along its value chain (upstream and downstream). In particular, the impacts caused by HVB Group can affect its own activities and the value chain. Also, the relevant actors of HVB Group have been associated with each segment of the entire value chain: employees are the main actors of impacts, risks and opportunities correlated to HVB Group's own operations; suppliers and business partners are the main actors of impacts, risks and assessments correlated to the upstream value chain; customers and business partners of financial assets are the main actors of the impacts, risks and opportunities correlated to the downstream value chain. This aspect was submitted to both internal and external stakeholders who are directly involved in identifying and assessing impacts, risks and opportunities.

The internal stakeholders involved included the following relevant internal functions: sales units, supporting functions and control functions as well as the Executive Board. They were responsible for the validation and assessment of the impacts, risks and opportunities identified by the Group parent and derived from local adjustment measures. Following the identification and assessment of impacts, risks and opportunities, these were reviewed and confirmed by the Executive Board of HVB Group.

HVB Group has identified two categories: affected stakeholders and users of the Sustainability Report. HVB Group defines affected stakeholders as individuals or groups whose interests are affected or could be affected, positively or negatively, by HVB Group's activities and its direct and indirect business relations along its value chain. HVB Group defines users of the Sustainability Report as primary users of general-purpose financial reporting (lenders and other creditors, including asset managers, credit institutions or insurance companies). Other users of the Sustainability Report include business partners, customers, trade unions and social partners, civil society and non-governmental organisations, governments, analysts and academic experts, industry associations, media, ESG rating agencies, government agencies and regulators etc. The stakeholders affected include employees, customers, communities, nature, consumers, suppliers and specific users.

A representative sample of the stakeholders mentioned above were actively involved in the process of identifying the impacts, risks and opportunities. Among the affected stakeholders, employees were involved through expert interviews, while customers were involved through UniCredit group and the results were incorporated into the double materiality assessment of HVB Group. ESG rating agencies and industry experts/colleagues were involved through a stakeholder panel; non-government organisations (NGOs) such as UNEP FI / World Wide Fund for Nature (WWF) / Environmental Partnership Association (EPA) that provide impact databases were also taken into account as input data from external stakeholders and included in the double materiality assessment.

The process for identifying impacts is based on a numerical assessment of two dimensions: “severity” and “likelihood”. For positive impacts, the degree of severity is evaluated according to the scale and scope of the impact. The scale refers to the severity of the impact on people or the environment; the scope measures the reach or the extent of the impact. For negative impacts, in addition to scale and scope, a third criterion is added in assessing the severity: the irremediable character, which assesses how difficult or impossible it is to reverse the impact. In line with the ESRS framework, severity is viewed through a holistic lens, considering all three criteria altogether. If an impact is intense (high scale), affects a broad population (large scope) and is difficult to reverse (high irremediability), it would be considered highly severe. Conversely, if an impact is less intense, localised and remediable, it is rated as less severe.

For potential impacts, the second dimension evaluated along with severity is the likelihood that a particular impact will occur. Each impact has been numerically assessed on a score from 1 to 4 based on the result of the two dimensions of severity and likelihood. Actual impacts have been assessed with the highest score for likelihood (4). If the likelihood of an impact occurring is 100%, its relevance increases compared with potential impacts with lower likelihood scores. As a result, actual impacts of the same severity have received higher scores. In addition, in case of a potential negative impact on human rights, the severity of the impact takes precedence over its likelihood (through a multiplier of 1.5), which will achieve a higher score and a higher relevance in the final list.

Taking account of the results obtained by the Executive Board as well as talks with experts from the various specialist departments of HVB Group, which are aligned with the methodology of the holding company, HVB Group has considered a threshold in order to define the materiality of each impact. In particular, the selected threshold ensures that only the most relevant impacts are addressed, focusing efforts on areas with substantial effects on people and the environment. Furthermore, this threshold of impact materiality is consistent with HVB Group’s strategic objectives. It thus ensures that the identified material impacts are related to the topics representing the Bank’s mission and values, enhancing coherence between ESG targets and overall business strategy. Also, setting this threshold ensures that the Bank concentrates its resources and investments on addressing the most critical issues that emerge from double materiality assessment, taking account of impacts identified as relevant elements of the strategy and as action to be taken and projects to be put in place.

Finally, impact scores have been reconducted at sustainability level using the maximum score for impacts.

This numerical assessment process has helped HVB Group to prioritise and address material sustainability impacts in its sustainability reporting and management practices in line with ESRS standards.

The process employed by HVB Group to assess risks and opportunities follows the same steps as for the identification of impacts. Risks were reviewed by the local Risk Management (CRO) function. Similar to the impact materiality process, the process for assessing risks and opportunities is centred on a numerical evaluation of two dimensions: magnitude and likelihood. Risks are assessed by the Risk Management of HVB Group, while the opportunities are assessed by the Sustainability department (ESG Germany Team). When assessing financial materiality, HVB Group has assessed the magnitude of the risks and opportunities, and their likelihood, taking into account that both risks and opportunities could have financial effects on the Bank's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium and long term and may be applicable to both its own operations and/or the value chain. Following the identification and assessment of the impacts, risks and opportunities, these were reviewed and confirmed by HVB Group.

During the identification phase, HVB Group considered the dependencies that its impacts have on resources and business relationships. In particular, HVB Group identified whether a specific impact is strictly correlated with natural resources (e.g., water or air) or with relationships with relevant actors (e.g. employees, customers or other counterparties). In this context, the largest financed sectors were analysed, using databases on critical environmental and social issues. Such analysis has constituted the starting point for the identification of connections of negative and positive impacts with risks and opportunities. The analysis of potential negative impacts helped HVB Group to better assess risks at an early stage and to take preventive measures, while the analysis of positive impacts contributed to identifying new business potential and growth opportunities.

HVB Group has assessed the financial materiality of risks and opportunities based on a numerical scale (a score from 1 to 4) to evaluate the magnitude and the likelihood of each risk and opportunity.

- Regarding risks: The risk assessment is performed according to a gross approach and it is generally based on empirical evidence. In line with UniCredit group, HVB Group has adopted a quantitative approach for E1 ("Climate change") while for E2-E5 and social and governance topics, a qualitative assessment has been performed, taking quantitative evidence as a starting point based on the group-wide risk framework of HVB Group, portfolio analysis (market/credit risk related to E2-E5) or historical loss data (operational risk related to ESG issues), considering the highest available exposure level as the materiality threshold.
- Related to opportunities: Opportunities have been assessed based on a qualitative metric (which could impact the brand reputation and/or competitiveness) and a quantitative metric related to the financial effect of the net profit that may emerge from these opportunities.

In addition, taking account of the results of the assessment by selected senior managers, a threshold has been used in order to define the materiality of each risk and each opportunity. This threshold enables a balance to be struck between sensitivity (ability to detect relevant low values) and specificity (avoiding the inclusion of values too close to zero that could be considered not relevant).

For risks, the threshold defining the materiality of each risk driver has been selected in order to properly consider and prioritise the following:

- The unlikely risks that could have a very high magnitude in terms of financial effects (magnitude equal to 4).
- Already existing risks, even if their magnitude is low (likelihood equal to 4).
- Risks that are likely and that could entail low to medium financial effects.

For opportunities, the threshold has been selected in line with the general view of stakeholders and with the thresholds already applied for risks.

**Sustainability-related risks** have been prioritised compared with other types of risk considering their relevance to all the stakeholders participating in the internal risk identification process and the results of the financial materiality assessment of risks. As such, the process for identifying, assessing and managing sustainability-related risks has been fully embedded in the overall risk management process and used to evaluate the overall risk profile and risk management processes. This takes into account the risk appetite, the ICAAP, the credit and market risk strategies, the impact on liquidity, credit risk models and provisioning and – on the non-financial risk side – the policies of controversial sectors, business continuity assessments, reputational assessments as well as the evaluation of future litigation liabilities.

The **integration of opportunities into the management process** is a key focus for HVB Group, particularly as these opportunities were identified as material during the double materiality assessment. Specifically, the material opportunities relate to the innovation of products and services within the environmental, social and governance domain.

These opportunities are integrated in HVB Group's strategic offering, particularly in the area of financing solutions. HVB Group's ambition is to integrate significant ESG opportunities into the development and provision of new financial products and services in a targeted manner in order to adapt its offerings to align with changed market requirements while taking environmental and social aspects into account.

In the decision-making process, the Executive Board has adopted a structured and control-focused approach to ensure the robustness of the analysis and its alignment with the standards. This has involved verifying the consistency between the topics identified by the Group parent, additional topics identified during the local contextual analysis, the list of potentially relevant impacts, risks and opportunities of the Group parent and, in addition, potentially relevant impacts, risks and opportunities added locally. The completeness of the list was also validated to ensure that all relevant stakeholders along the value chain were properly included. Special attention was given to the double materiality assessment phase, where the completeness, accuracy and consistency of the impacts, risks and opportunities were crosschecked, which included making comparisons with previous years when applicable. Furthermore, the process involved reviewing the accuracy and coherence of the disclosures in the Sustainability Report, confirming their compliance with ESRS 2 requirements and the topical standards concerning material sustainability matters. The final list of impacts, risks and opportunities was submitted to the Supervisory Board for information.

HVB Group used different input parameters (e.g. lending volume by sector or costs by supplier sector) for the identification, assessment and management phases of material impacts, risks and assessments. In connection with the identification of impacts, risks and opportunities, HVB Group took into consideration various sources of information, such as the Bank's business strategy, activities, market trends and customer solutions. The analysis was based on Annual Reports, the website of UniCredit group, previous non-financial statements and the Bank's ESG policies as well as other documents such as the Group Inventory Risk. It also considered ESG ratings and indices (e.g. FTSE4Good, Dow Jones Sustainability Indices, etc.), European regulations and media opinions. In addition, data from NGOs such as UNEP FI / WWF / EPA etc. that provide impact databases were taken into account. During the assessment phase of the impacts, risks and assessments, HVB Group then used the ICAAP framework, management control, strategic planning and the business model to ensure a comprehensive assessment.

## **Climate change**

Climate change has become an increasingly important issue in recent years, which is reflected in global frameworks such as the Paris Climate Agreement and United Nations 2030 Agenda for Sustainable Development, which UniCredit group has supported. Specifically, the process for identifying and assessing IROs in connection with climate change and greenhouse gas emissions is based on the realisation that climate change is always one of the most important topics from HVB Group's perspective, both internally and in terms of financing. As emphasised in UniCredit group's non-financial reporting in previous years, HVB Group constantly monitors its own emissions and those of financed counterparties as these represent the Bank's actual impact on the environment. At the same time, HVB Group intends to promote climate awareness among all its business partners and their commitment is given concrete form by supporting energy efficiency initiatives and financing projects from renewable energy sources.

Opportunities in connection with climate change and greenhouse gas emissions can impact the assets, liabilities, financial position and profit or loss of HVB Group (e.g. revenue sources from new financial instruments and products, access to refinancing or capital costs) in the short, medium and long term and arise from both its own business activities and in particular from activities across the value chain. Opportunities are assessed by using and expanding already existing models and methods. To determine whether the opportunities identified in connection with climate change and greenhouse gas emissions are material, their contribution to HVB's net profit and reputation was assessed and the results were validated during stakeholder interviews. Further information on the determination of greenhouse gas emissions can be found in section "E1-6 Gross Scope 1, 2, 3 and Total greenhouse gas emissions".

In accordance with the "Recommendations of the Task Force on Climate-related Financial Disclosures" (2017), climate-related risks can be divided into two main categories: (i) risks related to the transition to a lower carbon economy and (ii) risks related to the physical impacts of climate change, described in detail below.

## Transition risks

Transition risks refer to the risks arising from the transition to a lower carbon economy, which may entail extensive political, legal, technological and market-related changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed and focus of these changes, transition risks can pose different levels of financial and reputational risk for organisations.

- Political and legal risks stemming from continuously evolving political actions, attempting to either constrain activities that contribute to the adverse effects of climate change or seeking to promote adaptation to climate change, and from litigation or legal risks.
- Technology risks stemming from technological improvements or innovations that support the transition to a lower carbon, energy-efficient economic system and that can have a significant impact on organisations to the extent that new technology replaces old systems and disrupts some parts of the existing economic system.
- Market risk stemming from the potential shifts in supply and demand for certain commodities, products and services.
- Reputational risks stemming from changing customer or community perceptions of the organisation's contribution to or detraction from the transition to a lower carbon economy.

## Physical risks

Physical risks refer to risks related to the physical impact of climate change. These types of risk can be event-driven (acute) or long-term (chronic) shifts in climate patterns and, as such, their effects can be felt both in the short- and medium- and long-term horizon.

- Acute physical risks are event-driven, including increased severity of extreme weather events (e.g., droughts, floods, etc.).
- Chronic risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures).

The connections between climate risk drivers and the risks faced by banks are referred to as transmission channels.

Understanding these transmission channels is crucial for assessing the impact of climate risk drivers within HVB Group's risk management framework. The chart below illustrates the climate-related risk drivers, relevant transmission channels and risk types that may be affected.

CLIMATE-RELATED RISK DRIVERS	TRANSMISSION CHANNELS	POTENTIALLY AFFECTED RISK TYPES
<ul style="list-style-type: none"> <li>» <b>Physical risk drivers</b> <ul style="list-style-type: none"> <li>• Acute</li> <li>• Chronic</li> </ul> </li> <li>» <b>Risk drivers in the transition to a lower carbon economy</b> <ul style="list-style-type: none"> <li>• Policy amendments</li> <li>• Technological modifications</li> <li>• Changes in conduct / in consumer preferences</li> <li>• Changes in perception by customers or society</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• CO<sub>2</sub> price / CO<sub>2</sub> tax</li> <li>• New climate-related regulations</li> <li>• Stranded assets</li> <li>• Property damage</li> <li>• Shifts in prices and assets</li> <li>• Increased volatility of asset prices</li> <li>• Lower investment performance</li> <li>• Disruptions to operations</li> <li>• Changes in productivity</li> <li>• Loss of business opportunities</li> <li>• Disputes, complaints</li> <li>• Level of interest rates</li> <li>• Changes in customer habits</li> <li>• Changes in customer expectations</li> <li>• Political decisions</li> <li>• Energy performance certificates</li> <li>• Availability / affordability / pricing of insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Credit risk</li> <li>• Market risk</li> <li>• Liquidity risk</li> <li>• Operational risk</li> <li>• Reputational risk</li> <li>• Business risk</li> <li>• Real estate risk</li> <li>• Diversification between various risks</li> </ul>

The table below provides an overview of each identified climate-related risk, its potential impacts, the corresponding (short-, medium- and long-term) time horizons and the measures taken to monitor and mitigate these risks.

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POTENTIAL CLIMATE-RELATED RISKS	TIME HORIZON	MAIN POTENTIAL IMPACTS	SPECIFIC ACTIONS	OVERARCHING ACTIONS
<b>Transition risks</b> Changes in or introduction of public policies and/or environmental regulations	Short and medium/long-term	<ul style="list-style-type: none"> <li>Reduction of business for corporate customers with potential drawbacks on creditworthiness/solvency</li> <li>Financial implications arising from environmental/ESG regulations and GHG emission limits and/or taxes applied to customers operating in specific economic sectors</li> <li>Reduction of Group profits deriving from concentration on sectors more sensitive to climate-related risks</li> </ul>	<ul style="list-style-type: none"> <li>Inclusion of ESG risks considering both counterparty scoring (including the use of an internally developed questionnaire) and energy performance certificates (EPC) when assessing credit applications</li> <li>Enhancement of Market and Liquidity risk framework to incorporate the assessment, monitoring and control of ESG risks</li> <li>Integration of industry steering signals within the Credit Risk Strategies framework, based on relevant Climate &amp; Environmental (C&amp;E) factors</li> </ul>	<ul style="list-style-type: none"> <li>Definition of data governance processes and related IT investments to integrate ESG risks into the risk management framework</li> <li>Participation of UniCredit group in international working groups</li> <li>UniCredit group commitments related to climate, such as the Net Zero Banking Alliance, stakeholder engagement initiatives and active collaboration with policy makers</li> <li>Risk identification process and materiality assessment, including stress tests, to evaluate the significance of climate-related risks in the short, medium and long-term horizons</li> <li>Inclusion of specific KPIs related to transition and physical risks within the Risk Appetite Framework. The risk appetite is then cascaded to more granular levels via risk strategies and policies</li> <li>Promoting a sustainable culture within the organisation by developing ESG training courses and workshops</li> </ul>
<b>Transition risks</b> Technological changes	Short and medium/long-term	<ul style="list-style-type: none"> <li>Increase in costs for corporate customers with potential drawbacks on creditworthiness/solvency</li> </ul>		
<b>Transition risks</b> Changes in customer/consumer preferences	Short and medium/long-term	<ul style="list-style-type: none"> <li>Reduction of business for corporate customers with potential drawbacks on creditworthiness/solvency</li> <li>Potential changes to the offering of products and services to customers</li> </ul>		
<b>Transition risks</b> Changes in customer or community perceptions	Short and medium/long-term	<ul style="list-style-type: none"> <li>Reputational impacts or negative perceptions from the community or Stakeholders due to inadequate management of climate-related risks</li> </ul>	<ul style="list-style-type: none"> <li>Environmental sector policies and their subsequent implementation</li> <li>Reputational Risk assessment to evaluate the positioning of customers and specific projects in relation to climate-related topics</li> </ul>	

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POTENTIAL CLIMATE- RELATED RISK	TIME HORIZON	MAIN POTENTIAL IMPACTS	SPECIFIC ACTIONS	OVERARCHING ACTIONS
<p><b>Physical risks</b></p> <p><b>Acute</b> Extreme weather events such as floods, droughts, heavy rainfalls, heatwaves, fires and hail</p> <p><b>Chronic</b> Chronic weather events such as variations in average temperatures and sea level rise</p>	<p>Short and medium/long-term</p>	<ul style="list-style-type: none"> <li>Financial implications resulting from corporate /retail customers being damaged by extreme weather events, potentially impacting their creditworthiness/ solvency</li> <li>Potential damage to the Group's infrastructure and the potential disruption of activities</li> <li>Increase in energy supply costs due to higher heat/electricity demand</li> <li>Potential fires, driven by rising temperatures, affecting areas in proximity to the Group's buildings</li> <li>Potential impact of sea level rise on buildings located near the sea</li> <li>Reduced productivity due to higher temperatures</li> </ul>	<ul style="list-style-type: none"> <li>Inclusion of ESG risks considering counterparty scoring</li> <li>Monitoring of physical risks both on counterparties within portfolio and individual collaterals</li> </ul>	<ul style="list-style-type: none"> <li>Definition of data governance processes and related IT investments to integrate ESG risk into the risk management framework</li> <li>Participation of UniCredit group in international working groups</li> <li>UniCredit group commitments related to climate, such as the Net Zero Banking Alliance, stakeholder engagement initiatives and active collaboration with policy makers</li> <li>Risk identification process and materiality assessment, including stress tests, to evaluate the significance of climate- related risks in the short, medium and long-term horizons</li> <li>Inclusion of specific KPIs related to transition and physical risks within the Risk Appetite Framework. The risk appetite is then cascaded to more granular levels via risk strategies and policies</li> <li>Promoting a sustainable culture within the organisation by developing ESG training courses and workshops</li> <li>Signing (2022) of the FfBP and participation as member to the working table on Biodiversity of the UNEP FI</li> </ul>

## Climate risk management

HVB Group considers climate and environmental risk factors as relevant aspects in risk management in order to take account of potential climate-related risks to its customers' portfolios and assets. Therefore, HVB Group is integrating climate and environmental factors into its risk management processes and procedures. Climate risk management encompasses the identification, measurement and monitoring of such risks as well as the implementation of mitigation measures. HVB Group actively engages and supports its corporate customers in transitioning to a lower carbon business model, exploiting emerging business opportunities while doing so. Furthermore, HVB Group aims to assist its customers in achieving a just transition.

## Risk identification

As reported in section IRO-1 "Description of the processes to identify and assess material impacts, risks and opportunities", the first step is to identify and map all the risks embedded in HVB Group, focusing in particular on the risks not explicitly covered by the EBA Pillar I framework.

This process, defined as the risk inventory process, is a framework to identify all potential risks HVB Group may encounter and is performed on an annual basis. The outcome of this risk inventory is the creation of a comprehensive list of the quantitative and qualitative risks to which HVB Group is or may be exposed. The risk identification process enables an assessment of the risks that are, or are likely to be, material. Material risks are determined annually using a quantitative approach that involves assessing the materiality based on the materiality threshold.

In line with the European Banking Authority's (EBA) and the European Central Bank's (ECB) expectations, HVB Group's risk identification process also covers ESG risks, taking into account the fact that these could have a positive or negative impact on the risk types already included in HVB Group's risk management framework.

ESG risks relate to any negative financial consequences that may arise for HVB Group due to the current or future impacts of ESG factors on its customers or invested assets.

C&E factors are related to the quality and functioning of the natural environment and its systems and include factors such as climate change, biodiversity, energy consumption, water consumption and pollution, environmental pollution and waste management.

Social and governance factors that can impact the reputational risk revolve, on the one hand, around the rights, well-being and interests of individuals and communities and, on the other hand, include governance arrangements for the environmental and social factors in various policies and procedures.

## Integration of climate risk in the risk framework – short-, medium- and long-term impacts

Taking account of the identification and monitoring of climate change, an annual portfolio materiality assessment, which is integrated into the double materiality assessment according to the process described in section SBM-3 "Material impacts, risks and opportunities and their interaction with strategy and business model", is performed through scenario analysis. This serves to identify the climate-related risk factors that can have a material impact on the portfolio at single-risk-type level based on common metrics and a unique threshold for risks and time horizons. For each risk and time horizon in the short term (12 months), medium term (2030) and long term (up to 2050), the metrics are defined based on an annualised unexpected loss concept, while the threshold for identifying a risk driver as material is defined in line with the internal materiality threshold of the ICAAP.

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The set of climate scenarios considered for the analysis is provided by a qualified external provider and is meant to assess and quantify potential vulnerabilities for the short-, medium- and long-term horizons. The main climate assumptions incorporated into the scenarios in terms of transition policies and level of emissions/temperatures are consistent with those of the Network for Greening the Financial System/International Energy Agency (NGFS/IEA) to ensure consistency with scientific climate change pathways to properly assess the impact of physical and transition risk drivers. The scenarios are expanded to include a more comprehensive set of variables (climate and macroeconomic-related aspects) which are broken down at granular level to better fit the Bank's risk profile.

In particular, a central scenario (baseline) is considered that takes account of the current transition strategies, the central macroeconomic outlook and climate assumptions similar to the IEA's STEPS scenario and incorporates policies deemed sufficiently credible to materialise into action. Moreover, two polarised stressed scenarios with a very low probability of occurrence are included. To account for the pure impact of climate risk, a counterfactual baseline scenario is considered, removing from the baseline scenario any impact from climate risk.

The scenario descriptions for the 2024 climate-risk scenario analysis are provided below:

## **BASELINE**

### **Baseline scenario**

*Description:* Central scenario: projection of current commitments and measures currently adopted in various countries. Climate assumptions correspond to the IEA scenario with the guidelines declared.

## **DELAYED TRANSITION**

### **Stressed scenario with transition risk**

*Description:* Policies are introduced in 2030, thus starting the transition. The delayed start results in a stricter policy to achieve similar climate results by 2050, which leads to greater economic impacts. Aggressive and uncertain CO<sub>2</sub> pricing policies cause sustained inflationary pressure, stranded assets and financial instability. There are sufficient government CO<sub>2</sub> tax revenues to cover fiscal transition costs.

## **DISORDERLY ENERGY CONSUMPTION**

### **Stressed scenario with physical risk**

*Description:* Greater protectionism in the energy sector, where demand continues to be met primarily by fossil fuels. This also affects other strategic sectors and is accompanied by the absence of effective political measures to combat climate change, leading to high emissions and a sharp increase in temperatures.

The scenario also includes estimates of physical damage attributable to changes in temperature fluctuations and the increasing likelihood of acute climate events.

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The baseline scenario and the polarised stressed scenarios are modelled as deviations from the macroeconomic outlook of the counterfactual baseline scenario. This modelling is used to capture climate risk-related outcomes, where the risks in the scenarios are composed of varying weightings of physical risk (main driver of “disorderly energy consumption” scenario) and transition risk (main driver of the “delayed transition” scenario) or a combination of both factors (baseline scenario).

The 2024 portfolio materiality assessment shows that climate-related risk drivers have only limited impact in the short term. However, physical risk is expected to have a material impact on credit risk in the long term. In view of this, physical risk is considered a relevant risk driver for HVB Group’s portfolio.



Medium term = 2030  
Long term = 2040-2050

- Low
- Medium low
- Medium
- High

The figure above shows the results of the stressed scenario analyses for transition risk and physical risk in all three time horizons considered. The result of the baseline scenario is not shown above. This would have shown a lower level of transition risk and physical risk in all three time horizons considered.

As described above, the portfolio materiality assessment is the starting point enabling the risk drivers to be identified that are to be included in the general risk management framework to properly manage, monitor and mitigate them.

Within the overall risk management framework, the potential impacts of climate risks have been included in the provisions compliant with IFRS 9 and in the internal risk-taking capacity concept in order to analyse HVB Group's capital adequacy in relation to climate-related risks. The evaluation is carried out using scenario analyses that take account of the various risk types (e.g. credit risk, market risk) and include methodological assumptions with a longer-term focus.

The integration of transition risk and physical risk into the Risk Appetite Framework (RAF) and into the credit portfolio is described in the sections below. Moreover, additional details are also provided on financial and non-financial risks, taking account of their relevance for HVB Group.

## Integration of climate risk into RAF

HVB Group's risk appetite provides an integrated overview of the business and risk strategy, defines the target risk profile and supports the implementation of short- and long-term strategic targets. In this context, the Executive Board is responsible for supervision.

The RAF is composed of three key elements:

- Risk Appetite Statement (RAS) - provides a strategic view of, and guidance on, the target risk profile and is expressed via qualitative statements.
- Risk Appetite Dashboard - quantitative KPIs with related targets and risk tolerance thresholds for proactive risk steering.
- Risk strategies – ensure the cascading of the risk appetite to more granular levels via operative indicators, limits and controls.

Since 2020, dedicated Risk Appetite Statements have been drawn up on climate and environmental (C&E) risks, including a definition of HVB Group's commitment to assist its customers in their transition, and the continuous integration of C&E risks within the risk management framework. Dedicated quantitative risk-related KPIs for C&E risks have been included in the Risk Appetite Dashboard since 2022 that take account of both transition and physical C&E risks.

As of 2024, the following C&E KPIs are included in the Risk Appetite Dashboard and are monitored at HVB Group level on a quarterly basis:

- KPI for high transition risk – aimed at measuring HVB Group's exposure against the largest counterparties that appear more vulnerable on their path to a lower carbon economy, based on information retrieved through the climate and environmental questionnaire (C&E questionnaire) during the credit application.
- KPI for physical risk – designed to measure the potential damage that extreme climate-related events with acute physical risks could cause to the collateral portfolio of HVB Group.
- Net zero KPI – has been defined for the following three prioritised sectors with the same metrics used to set UniCredit group's 2030 targets (financed emissions and physical intensity) to steer the portfolio accordingly in 2024:
  - oil and gas: financed emissions (tCO<sub>2</sub>)
  - power generation: physical intensity (gCO<sub>2</sub>e/kWh)
  - automotive: physical intensity (gCO<sub>2</sub>/vkm)

As of the 2025 RAF dashboard, the net zero KPI will also include the following sectors:

- commercial real estate: physical intensity (Kg CO<sub>2</sub>e/m<sup>2</sup>)
- residential real estate: physical intensity (Kg CO<sub>2</sub>e/m<sup>2</sup>)

In 2025, the KPI will be specifically monitored at UniCredit group level and cascaded to all relevant legal entities, thus also to HVB Group.

As an integral part of the risk appetite monitoring process, C&E KPIs are subject to an escalation process (in the event of breaches of the risk tolerance threshold) with related corrective/mitigation actions to be defined, if needed. The Executive Board is informed of the breaches and any remedial action (if any) on a quarterly basis in the periodical information sharing process.

As of today, there was no occurrence of a breach of the defined thresholds.

### **Integration of transition risk into the credit portfolio – credit risk strategy and counterparty level**

HVB Group has been working on the identification, measurement, monitoring and mitigation of transition risk. The transition risk of the portfolio is measured with different metrics that include the distribution of the credit portfolio by industry.

An approach has been developed to assess and manage transition risk. The risk management framework defined is fully consistent with the RAF and is based on three pillars:

- specific policies for reputation risk (refer to subparagraph “Non-Financial Risks” below);
- dedicated industry steering signals based on relevant C&E factors (related to transition risk) included in the credit risk strategies framework reviewed at least once a year;
- assessment at customer group or single customer level, mainly leveraging a dedicated C&E questionnaire or an external provider score.

Relevant C&E factors are embedded particularly in the industry steering signals (underweight, neutral, overweight) and in the related industry limits. For this purpose, a heatmap is mainly used that is based on harmonised transition risk scores (integrating the C&E questionnaire where available) by economic activity. Further principles are also integrated into qualitative guidelines (including net zero indication where relevant) for the Bank to assess and mitigate the risks for each specific industry. By cascading the limits and principles to subsidiaries of the Group and due to the monitoring and escalation processes at local level and at the level of UniCredit group, the various credit portfolios are steered in alignment with the RAF.

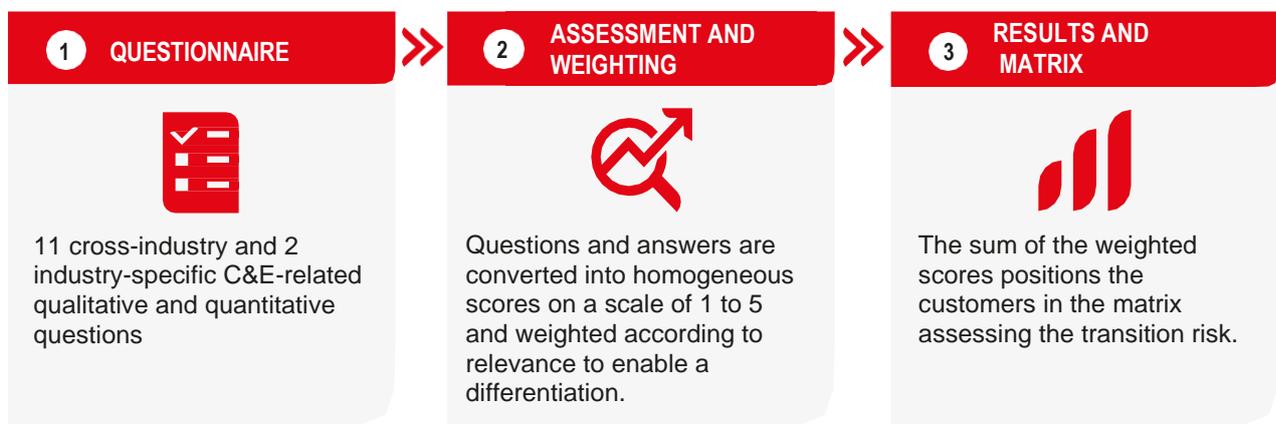
To determine the extent to which HVB Group’s customers, who are subject to the C&E questionnaire, are exposed to climate and environmental risks, the C&E questionnaire is based on a set of both cross-industry questions (in total eleven considering the different sections) and industry-specific questions (an additional two for specific sectors), measuring qualitative and quantitative current and forward-looking key indicators across the three main drivers below.

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The three main drivers of the C&E questionnaire are as follows:

- C&E exposure – Five questions enable an analysis of the current level of exposure of the economic group under assessment: (i) level of greenhouse gas (GHG) emissions (Scope 1, 2 and 3); (ii) water consumption, (iii) energy consumption; (iv) waste production and recycling.
- C&E-vulnerability – Four questions enable a forward-looking analysis of how far climate change management has progressed and cover: (i) the company's investment plan to shift to a business model with a lower emission level; (ii) the target to reduce greenhouse gas emissions.
- Economic impact – Two questions enable an analysis of the potential impacts on corporate customers' financial and industrial performance in terms of cost and revenues.

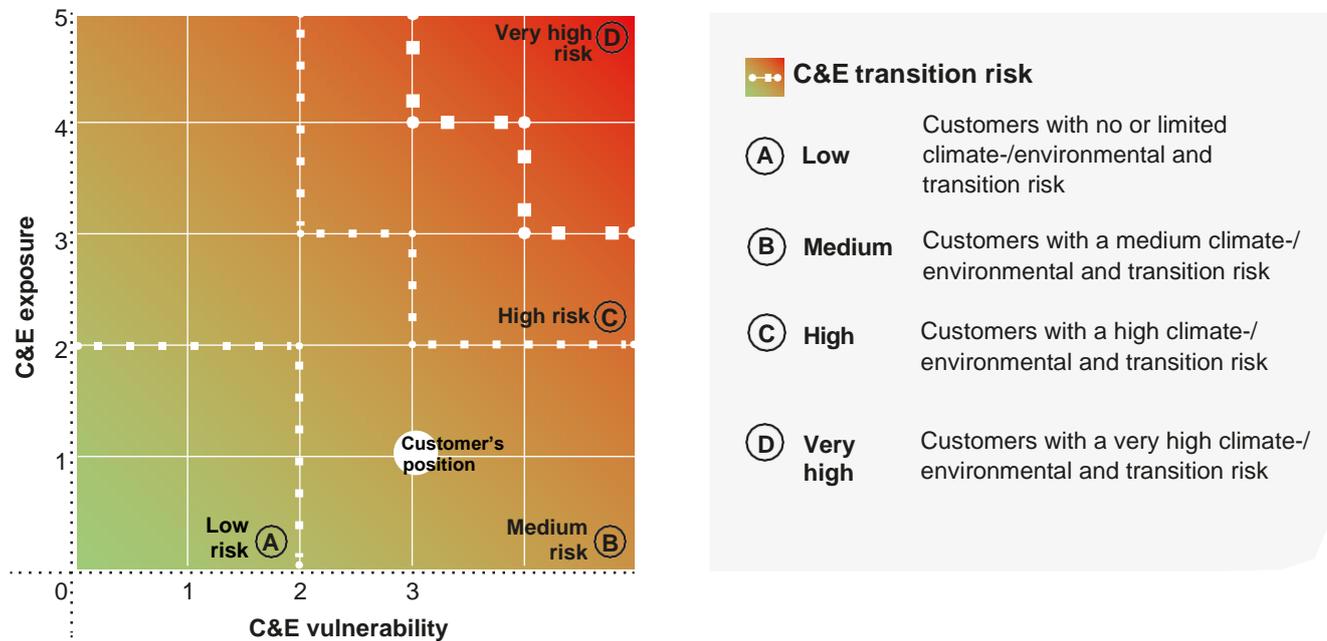
Three steps are applied in order to determine the outcome of the questionnaire as shown below:



Procedure for the individual steps:

- Calculation of question-specific indicators based on the answers provided (a penalty system is in place and applied when information cannot be retrieved).
- Standardisation of question-related indicators to ensure the comparability of results.
- Weighting of standardised question-specific scores based on a pre-defined table (that takes into account the relevance of the questions) and calculation of the total score for the different dimensions.
  - Sum of question-specific scores (and penalties if necessary) for each question in the exposure cluster: The result is plotted on the vertical axis of the matrix.
  - Sum of question-specific scores (and penalties if necessary) for each question in the vulnerability cluster; the result is plotted on the horizontal axis of the matrix.
- Determination of the final C&E-scores (1-Low; 2-Medium; 3-High; 4-Very high), as shown in the matrix below.

## Scoring methodology matrix



Specific controls have been put in place to ensure the robustness of the model and the correctness of the data collected. Relationship managers use a window to upload documents and verify the sources and correctness of data. The results of the questionnaire are integrated into the credit application, which enables the decision-maker to effectively take climate and environmental factors into account in the credit decision phase.

Taking the transition risk into account, the application of this process supports the development of specific strategies related to the product offering. These strategies aim at steering the corporate portfolio, promoting the green transition of customers and addressing the C&E risk in the portfolios.

Specifically, the strategy stipulates a prevalence or exclusivity of ESG-related products if the customer is exposed to a high or very high transition risk. This strategy is supplemented by an assessment of the physical risk (at customer level). Measures to mitigate physical risks can be requested, if necessary.

This process was designed by UniCredit group and by means of a dedicated group-wide policy, was rolled out to group subsidiaries where the respective infrastructure is currently being implemented.

## **Transition risk at collateral level**

To evaluate the transition risk associated with assets accepted as collateral and to fulfil regulatory requirements (EBA Pillar 3, EU taxonomy, stress tests) and meet internal management requirements, data was collected on Energy Performance Certificates (EPC) in the various Group companies of UniCredit group.

- For the stock for which the data cannot be retrieved by individual name, the Bank used external specialist providers who developed an estimation model.
- For the new inflows, the following KPIs for transition risk are collected and appropriately taken into consideration:
  - Energy efficiency rating with an indication of whether the values are estimated or reported
  - Primary energy demand (PED) measured in kWh/m<sup>2</sup>
  - Greenhouse gas emissions
  - Year of issue of the Energy Performance Certificate

Such information has been integrated into the ESG global IT infrastructure and is available on the local underwriting platforms in the course of the lending process.

## **Physical risk in the credit portfolio**

Physical risk is carefully monitored for customers within HVB Group's portfolio and for individual collateral assets. This involves the assessment of a wide range of hazard events, with particular attention given to the following:

- material hazard events related to physical risk at customer level and
- material hazard events related to physical risk at collateral level.

## Material hazard events related to physical risk at customer level:

TYPE OF PHYSICAL RISK (ACUTE/ CHRONIC)	MATERIAL PHYSICAL RISK HAZARD EVENT	DESCRIPTION OF THE PHYSICAL RISK HAZARD EVENT	METRIC/APPROACH	SPATIAL RESOLUTION	SOURCE
Acute	Landslides	Risk of landslide events, long historical data	Annual probability of event with high severity	grid 200 metres/census cell	Third party data, Bundesanstalt für Geowissenschaften und Rohstoffe and Istituto di Ricerca per la Protezione Idrogeologica
Acute	Floods	Risk of flood events, related to waterways and heavy rain events, predictive model	Annual probability of event with high severity, return period 50y	grid 100 metres/census cell	Third party data, Istituto Superiore per la Protezione e la Ricerca Ambientale (ISPRA)
Acute	Wind (extreme wind-related events)	Probability of extreme wind events based on storm footprint, measured on Beaufort scale, return period 50y	Annual probability of extreme events (11-12 Beaufort scale)	grid H3	Third party data
Acute	Wildfire	Risk classes depending on days with high fire risk subject to the type of environment in which the company is located, Representative Concentration Pathways (RCP) 4.5 scenario	Average days/year with high fire risk, subject to type of environment	grid 4 kilometres	Third party data, data from European Space Agency (ESA) and from Copernicus
Acute	Extreme waves (extreme waves, storm surges)	Probability of having storm surges and high energy waves	Wave height in RCP 8.5 with a return period of 50y	grid 25 kilometres	Third party data
Acute	Frost occurrence	Probability of cold events (frost, even of short duration), predictive model	Average number of events by years	grid 10 kilometres	Third party data
Acute	Heat occurrence	Probability of hot events (even of short duration), predictive model	Average number of events by years	grid 10 kilometres	Third party data

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TYPE OF PHYSICAL RISK (ACUTE/ CHRONIC)	MATERIAL PHYSICAL RISK HAZARD EVENT	DESCRIPTION OF THE PHYSICAL RISK HAZARD EVENT	METRIC/APPROACH	SPATIAL RESOLUTION	SOURCE
Acute	Heat waves	Probability of heat waves (extreme hot event > 3 days), historical data	Number of events (> 3 days) observed in a 60y period	grid 10 kilometres	Third party data
Acute	Aridity	Probability of aridity phenomena (ratio precipitation/ evaporation), predictive model	Mean annual precipitation (P)/mean annual evapotranspiration (ETP)	grid 500 metres	Third party data
Chronic	Sea level rise	Estimates the sea level with various meteorological models	Max wave height in 2050, return period in 50y	grid 25 kilometres	Third party data

## Material hazard events related to physical risk at collateral level:

TYPE OF PHYSICAL RISK (ACUTE/ CHRONIC)	MATERIAL PHYSICAL RISK HAZARD EVENT	DESCRIPTION OF THE PHYSICAL RISK HAZARD EVENT	METRIC/APPROACH	SPATIAL RESOLUTION	SOURCE
Chronic	Sea level rise	Estimates the sea level using various meteorological models	Sea level rise hazard zones defined based on the elevation index (depending on coastal topography) and sea level rise index (determined by sea level rise). Hazard information on sea level rise is available for various scenarios.	30-metre resolution for flooding hazard due to rise in global sea level	Third-party data: The sea level rise zones were modelled based on high-resolution elevation data from elevation models and sea level rise projections from climate models.
Acute	Flooding: <ul style="list-style-type: none"> <li>River floods</li> <li>Flash floods</li> </ul>	<ul style="list-style-type: none"> <li>River floods: risk of river flood events in connection with waterways and heavy rainfall events</li> <li>Flash floods are short-term events that can be caused by multiple thunderstorms with heavy rain over one area</li> </ul>	<ul style="list-style-type: none"> <li>River floods: Global climate models and global land surface models estimate changes in peak runoff at hydrological basin resolution. These changes in peak runoff are then used to scale current river flood maps. The projections are available in various scenarios.</li> <li>Flash floods: The flash flood map is based on meteorological data as well as soil, terrain and hydrographic data (slope and runoff accumulation). The meteorological data includes the amount, variability and peaks of precipitation events.</li> </ul>	<ul style="list-style-type: none"> <li>River flooding: 30 metres</li> <li>Flash flooding: approx. 250 metres</li> </ul>	<p>Third-party data:</p> <ul style="list-style-type: none"> <li>River floods: Geoweb natural hazard maps</li> <li>Flash floods: soil sealing maps (detected by looking at impervious surfaces), curvature (from global multi-resolution terrain elevation data), slope and flow accumulation (from processed terrain data) as modifiers to generate the final flash flood map.</li> </ul>

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TYPE OF PHYSICAL RISK (ACUTE/ CHRONIC)	MATERIAL PHYSICAL RISK HAZARD EVENT	DESCRIPTION OF THE PHYSICAL RISK HAZARD EVENT	METRIC/APPROACH	SPATIAL RESOLUTION	SOURCE
Acute	Storms	Storms (including blizzards, dust and sandstorms): extratropical storms and storm surges	<ul style="list-style-type: none"> <li>Extratropical storms: The main variables of the exposure analysis are forward wind, maximum wind speed, minimum central pressure, radius of maximum wind speeds, track of the centre (eye) in 3 to 6 hourly intervals.</li> <li>Storm surges: multiple wave heights are simulated for each coast and the maximum expansion calculated. Wind speeds and bathymetry data were also taken into account.</li> </ul>	<ul style="list-style-type: none"> <li>Extratropical storms: approximately 5 kilometres</li> <li>Storm surges: approximately 30 metres</li> </ul>	Third-party data
Acute	Wildfire	Risk classes depending on days with high fire risk subject to the type of environment where the company is located, RCP 4.5 scenario	Fire Weather Index (FWI), combining the probability of ignition, the speed and likelihood of fire spread and the availability of fuel.	Approx.1 kilometre	Third-party data: modelled according to daily information on temperature, precipitation, humidity and wind
Acute	Hail	Heavy hailstorms are usually triggered by wide cold fronts. Occasionally, local hot weather thunderstorms – a result of intense isolation over land or mountain slopes – also lead to severe localised hailstorms	Global standardised records of meteorological data. Hailstorm map is based on a number of atmospheric conditions with the potential to create a hailstorm. The following parameters were taken into account for the calculation: <ul style="list-style-type: none"> <li>Average annual evapotranspiration [mm]</li> <li>Average annual temperature gradient [°C/km]</li> <li>Average annual potential height of fall of hail [m]</li> </ul>		Third-party data

In 2023, UniCredit group issued Group guidelines for the integration of KPIs for climate change-related physical risk and climate change-related transition risk into the evaluation of collateral. These internal Group guidelines are based on external regulatory requirements (e.g. the Capital Requirements Regulation, the EBA Guidelines and MaRisk in the version applicable at the time). The regulation and guidelines were cascaded for application in HVB Group in January 2024.

According to this regulation, a property appraiser is tasked with evaluating, according to his/her own independent assessment, a) the extent of transition risk (based on information on the energy situation as, for example, documented in the Energy Performance Certificate) and b) the extent of physical risk (by using a standardised set of data on natural hazards, including changes to these due to climate change at the respective property location). The evaluations are to be taken into account in the valuation and incorporated into the final value assigned to the collateral.

## Financial risk

With regards to financial risk (market risk, liquidity risk and counterparty credit risk), several specific initiatives have been implemented in recent years to further integrate C&E risk into the financial risk management framework. The key pillars of the approach adopted are as follows:

- A general methodological approach for incorporating C&E drivers within the financial risk framework has been refined, using a combination of assessment methodologies already employed by HVB Group. The methodological framework measures transition and physical risks within the financial risk-relevant perimeter. For this purpose, both internal (transition) risk scores and externally sourced scores are applied. For the purpose of transition risk, these scores are supplemented by industry scores to further increase the data coverage. For the relevant market risk perimeter (corporates & financial institutions) in the trading book, a very high coverage can be accomplished (almost 100%) for transition risk and over 80% coverage for physical risk. For the perimeter relevant to the investment portfolio (corporates & financial institutions), an almost full coverage can be obtained for transition risk and about 50% coverage for physical risk; this also applies for the purpose of counterparty credit risk and liquidity risk (counterbalancing capacity - CBC).
- C&E KPIs are included within market risk / counterparty credit risk strategy in line with the ESG strategy of HVB Group. The following limits and warning levels apply:
  - Granular market risk limits (GMLs) for equities and credit exposure compared with a high transition and physical risk score in the trading book.
  - GMLs for exposure to non-sovereign debt securities compared with a high transition and physical risk score in the investment portfolio, i.e. in the banking book.
  - Early warning about exposure to sovereign debt securities compared with a high transition and physical risk score in the investment portfolio, i.e. in the banking book.
  - Stress text warning levels (STWL) on dedicated climate scenarios.
  - Early warning signals about the risk prior to default for counterparties with a high transition and physical risk score.
- The assessment of C&E drivers is incorporated into the process for evaluating new financial products within HVB Group. When evaluating new products, a check is carried out to determine whether any C&E risk is embedded in the product's payoff structure and it is consistent with HVB Group's ESG strategy. If necessary, the local competent department is involved.
- Specific inclusion and exclusion criteria for the due diligence of investment processes and transactions in coherence with coal, oil and gas sector policies.

The Financial Risk department monitors the concentration on climate risks with reference to equity risk and corporate and financial bonds in the trading book, corporate and financial bonds in the investment portfolio, counterparty risk and counterbalancing capacity and reports this each month to the competent corporate governing bodies. The monitoring framework includes physical and transition risks within the financial risk-relevant perimeter supplemented by an analysis for physical risk hazards. In addition, it includes a carbon footprint analysis for corporate and financial bonds in the investment portfolio.

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In April 2022, the market risk stress testing program was enhanced to include a dedicated climate risk scenario which extends the ECB's short-term disorderly transition scenario. Moreover, since October 2022, the monthly reporting and monitoring framework has been expanded to incorporate transition and physical risks and in December 2022 the climate risk stress test scenarios were further increased. In September 2024, the counterfactual baseline scenario, which does not include any impact from climate risk, was introduced. This scenario is used to identify the climate risk that may materially impact the portfolio in the stressed scenarios and in the baseline scenario by neutralising the purely macroeconomic outlook in the estimates.

## Investment portfolio

Direct transition and physical risk scores are available for 100% and 46% respectively of the relevant perimeter of the investment portfolio (corporates and financials exposure). The distribution of the investment portfolio is mainly concentrated in the "medium-low" category (60%) for transition risk and in the "low" category (73%) for physical risk. There is no material exposure with a high transition risk score and no high risk score for physical risk.

## Trading portfolio

The overall materiality of climate-related exposure is very low. The split between equity-related and credit-related risk in the trading book is shown below.

### Equity risk in the trading book

Direct transition and physical risk scores are available for 99% and 92% respectively of the relevant perimeter of the portfolio (corporates and financials exposure). Risk distribution is mainly concentrated in the "medium-low" category for both transition (40%) and physical (68%) risk. There is currently virtually no risk of a high-risk score for either transition or physical risk.

### Credit risk in the trading book

Direct transition and physical risk scores are available for 98% and 79% respectively of the relevant perimeter of the portfolio (corporates and financials exposure).

Risk distribution is mainly concentrated in the "medium-low" category (62%) for transition risk and in the "low" category (55%) for physical risk. There is currently virtually no risk of a high-risk score for either transition or physical risk.

Risk distribution	Investment portfolio	Equity risk in the trading book	Credit risk in the trading book
<b>Transition risk</b>			
High	0%	1%	1%
Medium-high	39%	20%	26%
Medium-low	60%	40%	62%
Low	1%	39%	11%
<b>Physical risk</b>			
High	0%	1%	0,2%
Medium-high	7%	10%	13%
Medium-low	20%	68%	32%
Low	73%	20%	55%

As described earlier, the materiality of financial risk is assessed through the standard ICAAP framework and is supplemented by further concentration analyses and stressed scenarios. Based on these assessments, combined with qualitative considerations concerning HVB Group's trading business model, there is no materiality relating to climate and environmental factors for market risk exposures.

Similarly, the outcome of the liquidity impact of climate risks shows a limited materiality of the exposures to these risks also in the internal liquidity adequacy assessment process (ILAAP).

According to the definition of physical risk and transition risk, climate risk could cause material net cash outflows or the depletion of liquidity buffers in the following ways:

- Counterbalancing capacity (CBC): Risk premiums on securities of carbon-intensive issuers (transition risk) or issuers particularly exposed to extreme climate events (physical risk) could increase, causing the market value of the liquidity buffer to deteriorate.
- Deposits: Outflow of deposits mainly due to a high liquidity requirement and credit losses that could stem from corporate customers with high greenhouse gas emissions that might have to adapt their technologies and production plants to more carbon-neutral processes (transition risk) or from customers hit by severe weather events thus production outages (physical risk), which reduce profitability and potentially increase credit risk and liquidity requirements.
- Undrawn credit and liquidity facilities, whose usage might increase for the same reasons listed for deposits.
- Market valuation changes on derivatives transactions, climate related price shocks and increased market volatility could result in increased derivative exposures and margin calls associated with this.

In addition, a transition risk might arise if HVB Group itself fails to adapt its practices to the new climate regulations, which could impact its reputation. Such a risk is regularly monitored through the name crisis scenario of the liquidity stress test.

To assess the materiality of the liquidity risk arising from climate factors in connection with deposits and committed credit lines, HVB Group's customers are classified according to a climate risk score defined by means of an internal questionnaire or obtained from external information providers. A liquidity outflow ratio is applied to customers with a high or medium risk: The underlying assumption of the impact analysis is that these customers will have increased liquidity requirements comparable to those simulated in the strict internal liquidity stress test.

The potential deterioration of the value of the counterbalancing capacity or the change in the value of derivatives (generating margin calls) is estimated by applying specific climate scenarios to the most relevant market variables (the same scenarios used in the ICAAP analysis).

The effects described above are applied to the operative maturity ladder (OML) and the liquidity coverage ratio (LCR) to assess the impact of climate risk on the short-term perspective. Similarly, the effects are applied to the net stable funding ratio (NSFR) to simulate the structural liquidity changes produced by the scenarios described above.

The resulting impact is compared with the internal thresholds for inherent risk severity.

In general, longer-term impacts on the balance sheet structure are low for both transition risk and physical risk, as the liquidity structure of the consolidated balance sheet is sound and ensures enough time to absorb potential climate-related changes. In the event that a physical risk occurs, the risk to liquidity would materialise mainly through potential deposit outflows.

As far as the short-term effects (direct impacts on liquidity) are concerned, the exposure to physical risk is classified as medium to low as the impact of deposit outflows has a higher weight on short-term metrics.

Also for transition risks, the impacts are negligible over the longer term. Instead, short-term metrics are impacted more strongly by both the potential higher usage of deposits from customers with a high or medium-high exposure to transition risk and by potential margin calls in connection with the higher volatility of commodity prices. The overall impact on HVB Group are rated at a medium-low level according to its internal severity scale. The identified impacts classified as medium low for both physical risk and transition risk can be easily absorbed by the liquidity buffers available in HVB Group.

## Non-financial risk

Non-financial risks can be influenced by environmental factors in general and by climate change in particular in two different ways:

- Reputational risk - Risk for HVB Group of being perceived and criticised for supporting activities and projects with its financial products and services that harm the environment and contribute to climate change worsening.
- Operational risk - Risk for HVB Group of facing temporary disruption or unavailability of key premises (e.g. data centres, operational centres, headquarters) or risk of the discontinuity of services provided by some of its external providers due to extremely adverse climate conditions.

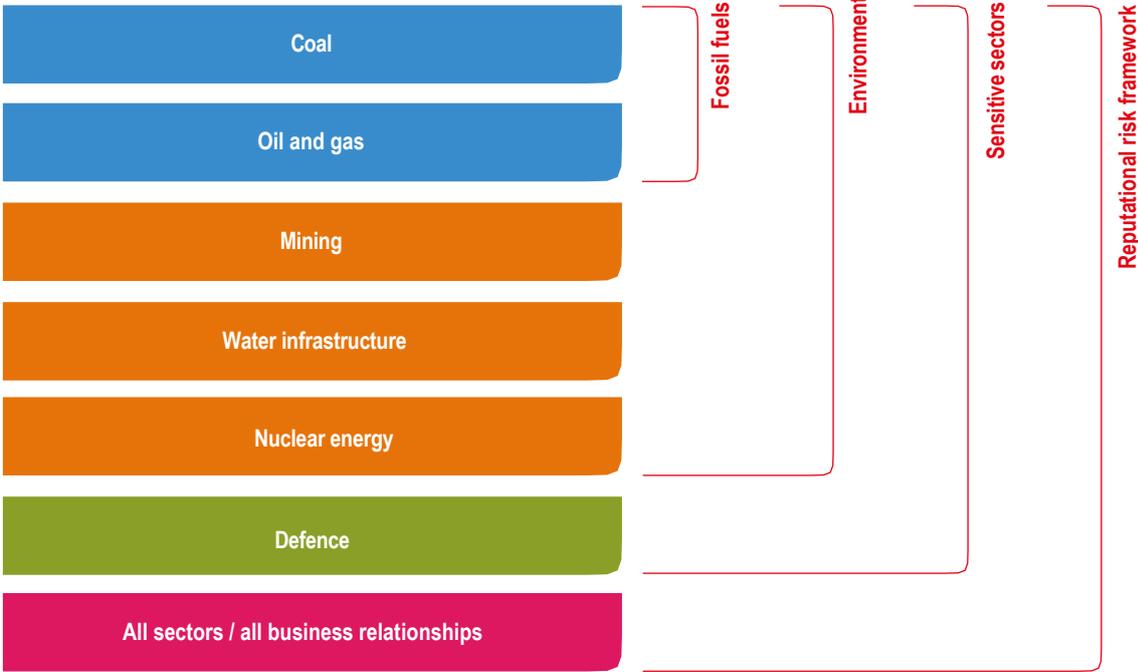
HVB Group has implemented processes to mitigate the risks mentioned above. HVB Group defines reputational risk as the current or future risk to earnings and capital resulting from the negative perception of the financial institution's image by various stakeholders including customers, shareholders/investors, regulators, employees, creditors, market analysts, civil society, NGOs, media and other relevant groups.

The management of reputational risk relies on:

- setting clear general rules and guidelines for:
  - defining the profile of relationships (with customers and with other relevant contracting parties such as suppliers) and business operations (mainly financial advice, but also investments and other financial products and services offered) that HVB Group is available to manage and develop;
  - defining the profile of what HVB Group does not consider to be compatible with its core principles and reputation standards. These rules and guidelines are designed to ensure compliance with laws, internal and external regulations and best practices within the customer's sector and reflect the risk appetite and the sensitivity of HVB Group;
- setting additional specific rules and guidelines for sectors considered sensitive (coal, oil and gas, defence, nuclear, mining and water infrastructures) and contributing to UniCredit group's own commitments to specific topics (rainforest, tobacco, human rights, natural capital/biodiversity);
- requiring the assessment of compliance with the rules and guidelines mentioned above for each business relationship;
- ensuring compliance with the rules mentioned above for each transaction, performance of a specific reputational risk assessment involving the dedicated Reputational Risk function of the CRO and other specialist/competent functions of the Bank (e.g. ESG Germany Team, Compliance, Legal) if there are any potential deviations or any rejection of transactions in breach of such rules);
- setting conditions, controls or limitations, where deemed necessary, in order to reduce the material residual reputational risk for HVB Group, regardless of the sector connected to the case;
- independently of the sector, evaluating the liability/litigation risk that can arise from supporting a transaction that could have a negative impact on the environment or society if the transaction is subject to the Equator Principles (EP) framework;
- taking decisions at the right level of authorisation in cases of potential reputational risk, involving the Non-Financial Risk and Control Committee (NFRCC) in the highest risk cases and/or for strategic decisions.

# Sustainability Report

During HVB Group’s monitoring of the market and stakeholder’s expectations, it identified six “sensitive sectors” for which it has adopted a dedicated additional set of provisions and rules described in specific internal regulations listed below.



In addition, UniCredit group has signed specific commitments regarding the exit from the tobacco industry and from activities that favour deforestation or forest degradation and also reinforced its positioning on its commitment to human rights. These commitments are also applied in HVB Group. Further information can be found in the section “MDR-P – Policies adopted to manage material sustainability matters” of ESRS 2.

The inclusion of new sectors in the sensitive ones and the adaptation of rules of existing sensitive sectors takes place taking account of market developments and the sensitivity HVB Group towards these sectors.

The Global Policy on Reputational Risk sets minimum requirements for companies and transactions regardless of sector affiliation. This includes, for example, no transactions in areas protected by UNESCO<sup>6</sup>.

- For each sensitive sector, the specific policy includes the following aspects:
- scope of the sector (type of activities);
  - prohibited activities (activities that HVB Group is not available to support with its financial products and services, e.g. controversial weapons, nuclear weapons, coal-related activities, oil and gas activities in the Arctic region);
  - the classification of customers into classes A-C which, depending on the degree of compliance with rules, describe future business activities with HVB Group.

<sup>6</sup> United Nations Educational, Scientific and Cultural Organization

HVB Group has defined a process for assessing reputational risk which identifies cases where a dedicated assessment is necessary.

The decision-making bodies responsible for assessing cases of reputational risk can vary depending on the relevance of the case and alignment with the policy provisions.

Cases showing a potentially high relevance in terms of reputational risk are brought to the attention of the Non-Financial Risk and Control Committee (NFRCC) chaired by the CEO of HVB and submitted to it for decision-making.

Cases where reputational risks are deemed to be of significant relevance and/or strategic importance are submitted to the parent company with the request for a Non-Binding Opinion – NBO of the parent company.

Decisions on reputational risk also require an NBO by the parent company in two specific situations:

- When the case authorised by the NFRCC represents a high reputational risk and has to be submitted to a Group Credit Committee (GCC or GTCC).
- When explicitly requested by the policy. For example, financing a green project in the oil and gas or coal sectors, granted to a B class customer, requires an NBO to verify that the green project is currently aligned with the EU taxonomy.

Whenever a further scrutiny is deemed necessary, HVB Group can obtain an NBO from the parent company for cases other than the two mentioned above.

Any unplanned and unforeseen situations related to a particular business relationship or transaction not aligned with the standard provisions of the policy are evaluated individually. An expert assessment is required for evaluating the alignment of the case with HVB Group's general principles on reputational risk. Any decisions must duly take account of the provisions of the applicable policy and the characteristics and context of the case under examination.

In the 2024 reporting year, 180 cases (number of customers/transactions evaluated) were subject to a reputational risk assessment.

Decisions on reputational risk by sector:

- Defence: 72
- Coal: 31
- Oil and gas: 34
- Nuclear / water infrastructures / mining: 31
- Compliance cases: 8
- Other: 4

## **Operational risk**

With regard to operational risk, UniCredit group carries out an assessment for all subsidiaries which is aimed at identifying critical locations where unavailability could harm business continuity (e.g. data centres, headquarters, operational centres). Each critical location has been classified based on current risks from extremely adverse climatic conditions (river floods, flash floods and wildfire) that could affect the particular location.

For the buildings selected, the related business continuity plan is assessed to check the effectiveness of protection in cases of adverse climatic conditions.

Moreover, exposure to the perceived risk in a scenario of +4°C in 2030 has been taken into account. Dedicated KPIs have been introduced in collaboration with Group Real Estate in order to monitor future climate events and compare them with the location history so that immediate action can be taken in the event of an increase in climate risk. To date, no deviations from the historic data of the buildings have been found. HVB Group has provided data for the buildings concerned.

The assessment of third parties performed during the onboarding of new suppliers, then on a yearly basis has been enhanced by also taking account of their business continuity plans adopted to manage potential adverse climate events.

## **Beyond climate**

HVB Group has carried out an analysis of its business activities and locations to assess potential impacts, risks and opportunities in connection with other environmental factors such as pollution, water consumption, biodiversity and waste management. Although the Bank's core business activities are not considered to be major sources of emissions, water consumption or waste, HVB Group remains committed to monitoring its impact on the environment.

This analysis took account of a range of factors, including emissions due to business travel, possible improper water management (in terms of both consumption and discharge), the use of resources and raw materials, waste generation and potential impacts on ecosystems or biodiversity loss. The latter was particularly relevant for the activities of HVB Group in industries such as construction, which by their very nature impact ecosystems.

In addition to the effects of environmental impacts, economic opportunities were also identified, for example through initiatives for the efficient use of resources and raw materials, recycling, circular economy and the continuous monitoring of water consumption and compliance with water regulations. Overall, however, it was found that the environmental impact of business activities in these areas is not significant and that there are no material risks with regard to biodiversity or physical or systemic environmental aspects.

HVB Group has also analysed its credit portfolio beyond its own business processes. Using a heatmap, a cross-sector risk assessment was carried out to identify industries that are exposed to increased natural and biodiversity risk due to their dependence on natural resources or their ecological footprint. Further details on this can be found in the sections "E3 - Water and marine resources", "E4 - Biodiversity and ecosystems" and "E5 - Resource use and circular economy".

Negative environmental impacts were also identified, especially from financing emission-intensive sectors, water-intensive industries as well as sectors with a high resource consumptions and waste generation. With the exception of the standard "E5 - Resource use and circular economy", the negative impacts identified are classified as immaterial.

At the same time, positive developments were found, in particular a heightened awareness of customers for environmental issues.

Building on these findings, business opportunities were identified, particularly as a result of developing and promoting new financial products and services geared towards green and sustainable investments.

At the same time, however, risks were also identified, particularly in connection with the possibility that customers financed by or investing through HVB Group might fail to comply with environmental laws and regulations. There is also a risk of potential decline in the creditworthiness of customers operating in environmentally sensitive sectors, which could pose financial challenges for the Bank. These risks are not considered material.

A component of the process for identifying environmentally-related material impacts, risks and opportunities was organising the ESG Day. This event provided a valuable opportunity to UniCredit group and thus also to HVB Group to stage a dialogue between stakeholders on environmental issues, allowing them to consult stakeholders and obtain their views and perceptions.

The double materiality assessment showed that all environmental topics, except for the topic of environmental pollution, were considered material.

## **Business conduct**

To determine HVB Group's impact in connection with its business conduct, it carried out an in-depth analysis of its internal structure, its policies and its business model. Factors such as its internal corporate culture, its approach to combating corruption and bribery, supplier relationships and payment practices as well as compliance with whistleblowing procedures were specifically taken into account. The analysis included relevant criteria, including the location and activity of the projects, the sector context and the transaction structure to ensure a comprehensive approach to the assessment of business conduct.

This analysis identified several opportunities, including an improvement in reputation by investing in the development of innovative tools to manage, monitor and prevent corruption and bribery. In addition, opportunities were identified to improve the quality of purchased products and services by promoting more sustainable supply chains and giving preference to certified products that meet minimum environmental criteria. However, the assessment also identified risks such as the potential for fraud, money laundering, sanction violations, bribery and corruption as well as possible failures to comply with the know your customer (KYC) process.

## Minimum disclosure requirement on policies and actions

### ***MDR-P - Policies adopted to manage material sustainability matters***

From the perspective of HVB Group, policies represent the tangible expression of its commitment to ESG principles. In particular, the topics and sub-topics identified as material in the double materiality assessment are comprehensively addressed within the policies outlined below. Further details on material impacts, risks or opportunities covered by each policy are described under each topic-specific section.

#### **Smart Office Workplace Policy**

The Global Smart Office Workplace Policy and the annex belonging to it (guidelines) define internal principles, rules and guidelines for the planning and occupancy of the larger office locations of Group companies. The policy aims to create a framework for long-term, resources-sparing real estate investments that are aligned with the corporate culture and promote a state-of-the-art workplace environment that takes ergonomic aspects into account.

The policy supports HVB Group's commitment to reduce company's CO2 emissions of buildings by taking action to improve space optimisation and energy efficiency and achieve net zero emissions.

This global policy is applicable to all head offices and larger corporate headquarters (generally for a headcount of 100 or more) of UniCredit S.p.A and all Group companies and should be observed in the event of a decision on opening an office, lease extensions, relocations, major refurbishment or need for adoption to significant changes in the size of the workforce. The Smart Office Workplace Policy was adopted by the Group Real Estate department and is monitored and implemented with the support of the HVB departments responsible (e.g. Real Estate).

The Smart Office Workplace Policy is for internal use only and, like all group policies, is accessible within the Bank.

#### **Civil Nuclear Sector Policy**

This Civil Nuclear Sector Policy establishes standards and guidelines that address the risks associated with the civil nuclear sector. Specifically, it defines criteria for identifying activities covered by the scope of the policy and the process, roles and responsibilities for performing the "Reputational and ESG Risk Assessment", aiming at assessing the specific activity in connection with the civil nuclear sector.

The specific provisions of the policy for the civil nuclear sector apply to all prospective or active corporate customers who operate as owners or operators of nuclear power plants (NPP) and operators of non-commercial civil nuclear activities. In particular, the provisions apply to any specific purpose/transaction financing or support when related to the following:

- planning, construction, maintenance, expansion, upgrading, refurbishment and decommissioning of the NPP and ancillary services, key components, infrastructure and equipment for auxiliary systems, facilities for the receipt and interim storage of fuel and safeguard systems subject to safety requirements;
- nuclear waste processing activities;
- civil non-commercial nuclear activities (i.e. fusion nuclear energy research for improving the safety standards of the nuclear energy sector or for developing advanced technologies (e.g. ITER Project<sup>7</sup>) outside the military field, or research and development in the medical sector.

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<sup>7</sup> ITER (abbreviation for International Thermonuclear Experimental Reactor).

Policies for sensitive sectors were approved in UniCredit group by the Group Non-Financial Risks and Controls Committee (GNFRC) and in HVB Group by the head of Non-Financial Risks. At HVB, the highest level for decision-making on cases is the Non-Financial Risk & Control Committee (NFRCC). A summary of the policies for sensitive sectors is available on UniCredit group's website.

## Coal sector policy

The sector-specific policy establishes standards and guidelines that address the risks associated with the coal sector. Specifically, it defines criteria for identifying activities covered by the scope of the policy as well as the process, roles and responsibilities for performing the "Reputational and ESG Risk Assessment", aimed at assessing the specific activity in connection with the coal sector.

The policy for the coal sector applies to all prospective or active customers belonging to the Small & Medium Corporates or the Large Corporates business areas and are either operating in the coal-fired power generation area (e.g. coal-fired power plants (CFPPs)) as owners, operators or subcontractors or as suppliers of key components or infrastructures, coal traders and energy traders of coal-generated electricity or in the thermal coal mining area as owners, operators, subcontractors or suppliers of key components/infrastructures, coal traders/sellers and distributors of coal.

The provisions apply to activities related to:

- CFPPs: design, building (as well as expansion and/or upgrading), maintenance, ordinary operations and distribution (if it is electricity generated directly by CFPPs);
- thermal coal mines: design, building (as well as expansion and/or upgrading), maintenance, ordinary operations and distribution (thermal coal sale or trading of the commodity);
- key infrastructures (e.g. distribution network directly connected to the plant, railway network connected to the mine): design, building (as well as expansion and/or upgrading), maintenance and ordinary operations.

HVB Group is aware of the increasing adverse effects that CFPPs and thermal coal mining sector have on the climate system.

This policy therefore aims at assessing the potential environmental, social and reputational impacts of HVB Group's involvement in coal sector projects or transactions and, through the implementation of appropriate management and mitigation measures on HVB Group customers or counterparties' side, to limit associated risks for HVB Group.

Through this policy, HVB Group aims to support and accelerate the energy transition in the coal sector and the related improvement of its environmental/social footprint.

The policies for sensitive sectors were approved in UniCredit group by the GNFRC and in HVB Group by the head of Non-Financial Risks. At HVB, the highest level for decision-making on cases is the Non-Financial Risk & Control Committee (NFRCC). A summary of the policies for sensitive sectors is available on UniCredit group's website.

## Defence Sector Policy

This sector-specific policy establishes standards and guidelines that address the risks associated with the defence sector. Specifically, it defines criteria for identifying activities covered by the scope of the policy as well as the process, roles and responsibilities for performing the “Reputational and ESG Risk Assessment”, aimed at assessing the specific situation and activity in connection with the defence sector.

The specific provisions of the policy for the defence sector apply to all prospective or actual corporate customers belonging to the following categories:

- all the companies operating in the defence sector as designers, producers, traders, distributors or suppliers of weapons, their components, their infrastructures and their services within the meaning of the definition;
- all companies whose activity of exporting military goods is subject to special authorisation by local authorities, including companies involved in the production of dual use products for military purposes.

The provisions also apply to activities in connection with weapons or other products intended for the defence sector (military goods), key components of these or the related key infrastructures and key services required for their effective and efficient operation.

HVB Group is aware of the adverse impacts that defence-related activities have on the environment, health and humanitarian principles and its responsibilities towards society. However, HVB Group acknowledges that certain types of weapons are necessary for the effective pursuit of morally sound and internationally accepted goals, such as peacekeeping and national self-defence.

The policies for sensitive sectors were approved in UniCredit group by the GNFRCC and in HVB Group by the head of Non-Financial Risks. At HVB, the highest level for decision-making on cases is the Non-Financial Risk & Control Committee (NFRCC). A summary of the policies for sensitive sectors is available on UniCredit group’s website.

## Mining Sector Policy

This sector-specific policy establishes standards and guidelines that address the risks associated with the mining sector. Specifically, it defines criteria for identifying topics and activities covered by the scope of the policy as well as the process, roles and responsibilities for performing the “Reputational and ESG Risk Assessment”, aimed at assessing the specific situation and activity in connection with the mining sector.

The specific provisions of the policy for the mining sector apply to all the activities of companies operating in the area of mining for minerals and raw materials, which include (but are not limited to) base metals, precious metals, ferrous and non-ferrous metals, coal, uranium, asbestos, gemstones, salts and industrial or agricultural minerals as owners, operators, subsidiaries, subcontractors or suppliers of key components.

Specifically, the provisions apply to activities related to:

- prospecting, exploration and production of mineral raw materials, which include (but are not limited to) base metals, precious metals, ferrous and non-ferrous metals, coal, uranium, asbestos, gemstones, salts and industrial or agricultural minerals;
- development, construction and operation of facilities to mine, process and transport mineral raw materials as well as support infrastructure;
- decommissioning, closure, rehabilitation and post-closure monitoring activities associated with mines.

This policy aims to assess the potential environmental and social impacts originating from financing mining sector-related activities and to limit associated risks to HVB Group's reputation by implementing appropriate management and mitigation measures.

The policies for sensitive sectors were approved in UniCredit group by the GNFRCC and in HVB Group by the head of Non-Financial Risks. At HVB, the highest level for decision-making on cases is the Non-Financial Risk & Control Committee (NFRCC). A summary of the policies for sensitive sectors is available on UniCredit group's website.

## **Oil and Gas Sector Policy**

This sector-specific policy establishes standards and guidelines that address the risks associated with the oil and gas sector. Specifically, it defines criteria for identifying topics and activities covered by the scope of the policy as well as the process, roles and responsibilities for performing the "Reputational and ESG Risk Assessment", aimed at assessing the specific situation and activity in connection with the oil and gas sector.

The specific provisions of the policy for the oil and gas sector apply to all the activities of prospective or active customers belonging to the Small & Medium Corporates or the Large Corporates business areas operating in the oil and gas upstream and midstream sectors as owners, operators, subcontractors or suppliers of key components/infrastructures/services (e.g. EPC contractors). The provisions also apply to all the activities (planning, construction as well as expansion and/or upgrading, maintenance and ordinary operations) related to upstream and midstream segments of the oil and gas sector.

HVB Group is aware of the increasing adverse impacts that oil and gas-related activities as well as unconventional and Arctic risks have on the climate system and is aware of its responsibilities towards society and future generations in terms of environmental preservation (resources/ecosystem quality) as well as human health and pollution. This policy therefore aims to assess the potential environmental, social and reputational impacts of HVB Group's involvement in the oil and gas sector projects/transactions and, by implementing appropriate management and mitigation measures for Group customers or counterparties, to limit associated risks for HVB Group. HVB Group aims to promote and accelerate the energy transition in the oil and gas sector and the related improvement in its environmental/social footprint.

The policies for sensitive sectors were approved in UniCredit group by the GNFRCC and in HVB Group by the head of Non-Financial Risks. At HVB, the highest level for decision-making on cases is the Non-Financial Risk & Control Committee (NFRCC). A summary of the policies for sensitive sectors is available on UniCredit group's website.

## **Tobacco Sector Commitment**

The Tobacco Sector Commitment outlines the position of UniCredit group on the tobacco sector and its initiatives to play an active role in addressing global environmental and social priorities. UniCredit group and its Group companies have committed to withdrawing from the sector by the end of 2025: This refers to its exposure to manufacturers and producers of tobacco products (distributors of tobacco products and producers of packaging for tobacco products are not covered by the scope of this policy) in all the countries where UniCredit group and its Group companies operate.

UniCredit group has signed the Tobacco Free Finance Pledge with the aim of playing an active role in addressing global environmental and social priorities, as outlined in the Sustainable Development Goals (SDGs), including SDG 3 - Health and Well-Being and SDG 17 - Partnerships for the Goals, and recognised by the World Health Organization Framework Convention on Tobacco Control. Together with the other institutions who signed the Pledge, the financial institutions aim to underline the essential role the finance sector must play to assist in effective tobacco control and to encourage the transition towards tobacco-free finance policies.

UniCredit group's commitment also applies to all business areas of HVB Group and has been approved by the Group Executive Committee of UniCredit group. The monitoring process is the same for all sectors in which HVB Group operates and is described in detail in the Group Reputational Risk Management Global Policy rolled out at global level. A summary of the Tobacco Sector Commitment can be found on UniCredit group's website.

### **Water infrastructure (large dams)**

This sector-specific policy establishes standards and guidelines that address the risks associated with the water infrastructure sector. Specifically, it defines criteria for identifying activities covered by the scope of the policy as well as the process, roles and responsibilities for performing the "Reputational and ESG Risk Assessment" aimed at assessing the specific situation and activity in connection with the water infrastructure sector.

The specific provisions of the policy for water infrastructures (large dams) apply to prospective or active corporate customers operating as owners or operators of large dams and for any specific purpose/transaction financing or support, irrespective of the subject, when related to the planning, construction, maintenance, expansion, upgrading, refurbishment and decommissioning works of large dams and related infrastructure (e.g. hydropower plants), ancillary services, key components and equipment.

HVB Group is aware of the importance of the water industry and related activities which, if not managed in a responsible way, can have adverse impacts on the environment and on communities. The relevance of the sector is even more important in the current context, where climate change remains one of the biggest threats facing the planet, and for contributing to achieving the net-zero targets to which UniCredit group is strongly committed. Therefore, large dams and hydropower plants could play a key role on the road to energy transition.

The policies for sensitive sectors were approved in UniCredit group by the GNFRCC and in HVB Group by the head of Non-Financial Risks. At HVB, the highest level for decision-making on cases is the Non-Financial Risk & Control Committee (NFRCC). A summary of the policies for sensitive sectors is available on UniCredit group's website.

### **Statement on Natural Capital and Biodiversity**

The statement has been developed taking into account the point of view of stakeholders such as regulators, investors, civil society, NGOs and is based on the following internationally recognised standards and initiatives:

- Equator Principles (EP)
- International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability
- World Bank Group Environmental, Health and Safety (EHS) Guidelines
- Finance for Biodiversity Pledge (FfBP)

The document represents a positioning paper on the topics of natural capital and biodiversity, and is published on UniCredit group's website.

## ESG Product Guidelines

The ESG Product Guidelines, applicable since end 2022, aim at establishing a consistent and comprehensive methodology for the classification and reporting of HVB Group's ESG offering and at preventing the related risks of green washing and social washing.

ESG Product Guidelines are based on the following external regulations and principles:

- EU-Taxonomy (Regulation 2020/852, June 2020) and available Delegated Acts
- Green Bond Principles (GBP, June 2021) of the International Capital Market Association (ICMA)
- Sustainability Bond Guidelines (SBG, June 2021) of the ICMA
- ICMA Social Bond Principles (SBP, June 2023)
- ICMA Sustainability Linked Bond Principles (SLBP, 2024)
- ICMA Climate Transition Finance Handbook (June 2023)
- Sustainability-Linked Derivatives: Guidelines der International Swaps and Derivatives Association (ISDA, September 2021)
- Green Loan Principles (GLP, February 2023) der Loan Market Association (LMA);
- Social Loan Principles (SLP, February 2023) der Loan Market Association (LMA);
- Sustainability-Linked Loan Principles (SLLP, February 2023) der Loan Market Association (LMA);
- Transition Finance report (2022) der International Platform on Sustainable Finance;
- EU Transition Finance Recommendation (June 2023);
- EU Sustainable Finance Disclosure Regulation 2019/2088 (SFDR);
- EU Markets in Financial Instruments Directive 2014/65/EU (MiFID 2);
- Guidelines on funds' names using ESG or sustainability-related terms (August 2024) of the European Securities and Markets Authority (ESMA);

The scope of application covers all subsidiaries and business areas of HVB Group: credit products, bonds, investment products, hedging products, capital market products, transaction products and insurance products.

The ESG Product Guidelines were approved by the GNFRG and at local level by HVB's Executive Board.

Within this framework, HVB Group is responsible, among other things, for introducing specific processes for reviewing ESG features in transactions and products. UniCredit group's central ESG Team supports HVB Group's local ESG Team in reviewing transactions in line with market standards and policies and periodically carries out ex-post checks on new ESG transactions.

The ESG Product Guidelines are for internal use only and accessible within the Bank. A public version of the policy can be found on UniCredit group's website.

## Human Rights Commitment

The Human Rights Commitment outlines HVB Group's dedication to upholding human rights across its key stakeholder groups, including employees, customers, suppliers, and communities. This document summarises the roles and responsibilities as well as the principles, rules, procedures and systems adopted by HVB Group to comply with generally accepted international and local standards and regulations for preventing, managing and, where possible, reducing impacts on human rights.

Based on international standards and conventions, this commitment contributes to equal opportunities, secure and quality employment and the promotion of adequate wages, supported by social dialogue and collective bargaining. It also enhances employee well-being through dedicated activities and fosters skill development through training and professional development programmes. Opportunities include positioning HVB Group as an employer of choice, improving employee performance with forward-looking training and ensuring transparent performance reviews and career development plans.

UniCredit group's Human Rights Commitment is based on the following international standards:

- Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- The fundamental human rights conventions of the International Labour Organization (ILO) (29, 87, 98, 100, 105, 111, 138 and 182)
- UN Guiding Principles on Business and Human Rights
- Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD)
- UN Global Compact principles
- UN Principles for Responsible Investment (UN PRI)
- Performance Standards of the International Finance Corporation (IFC)
- World Bank Group Environmental, Health and Safety (EHS) Guidelines
- Principles for Responsible Banking of the United Nations Environment Programme Finance Initiative (UNEP FI)
- Equator Principles (EP)
- Women's Empowerment Principles (WEPs)
- UN Declaration on the Rights of Indigenous Peoples
- UN Declaration on Human Rights Defenders

Monitoring the effectiveness of the Human Rights Commitment is ensured by processes detailed in the policies named in the commitment and implemented by the functions responsible within HVB Group (e.g. the Group Reputational Risk Management Global Policy, the Global Whistleblowing Policy, the Global Policy against Harassment, Sexual Misconduct, Bullying and Retaliation).

The current version of the Human Rights Commitment was approved in June 2024 by the GNFRFC chaired by the CEO of UniCredit group and can be found on UniCredit group's website.

## **Diversity, Equity and Inclusion Global Policy**

The objective of this global policy is to set out the principles by which HVB Group enhances inclusion throughout the whole organisation, aiming to ensure that policies, procedures and behaviours promote diversity, equity and inclusion and create an environment where individual differences are valued.

The Diversity, Equity and Inclusion Global Policy positively impacts HVB Group by fostering equal opportunities, securing employment and enhancing employee well-being through dedicated benefits and a healthy work environment. The policy also ensures respect for diversity, advancing an inclusive corporate climate through initiatives that actively prevent discrimination. Key opportunities include becoming an employer of choice by cultivating a flexible, inclusive culture and improving employee performance through forward-looking training programmes.

This policy is aligned with all applicable international, national and local laws and regulations; it applies to behaviours internally and externally of all employees of HVB Group. Although HVB Group cannot control the conduct of third parties, it does not condone behaviours not aligned with the principles of this policy and will take appropriate action if necessary.

All employees of HVB Group play an active role and are responsible for the application of the policy.

## **Remuneration Policy**

HVB Group's Remuneration Policy defines the principles and standards applied in designing, implementing and monitoring the Group compensation practices, plans and systems. The policy aligns with HVB Group's long-term strategy and commitment to sustainability by making sure compensation is linked to risk-adjusted performance and discourages excessive risk-taking, also in connection with sustainability risks. This policy positively impacts the promotion of equal opportunities, secure and quality employment and fair compensation, and is further reinforced through social dialogue and collective bargaining. Opportunities arising from this policy include strengthening HVB Group's position as an employer of choice, promoting diversity, fostering an inclusive culture and offering flexible work-life balance solutions that meet evolving employee needs.

The principles of the Remuneration Policy are valid throughout HVB Group and are reflected in the remuneration practices for employees of all business areas, including staff belonging to external distribution networks, taking into account their remuneration peculiarities. Furthermore, the elements of the policy are fully applied across the entire "material risk taker" population, with local adaptations based on specific regulations and/or business specifics, consistent with the overall approach of HVB Group.

HVB Group's Remuneration Policy is reviewed on an annual basis and adopted by the Executive Board. At the recommendation of the Remuneration Control Committee, the Supervisory Board of HVB Group then determines the appropriateness of the Remuneration Policy and adopts a resolution to apply it also to members of the Executive Board.

The Remuneration Policy can be found on HVB's website.

## **People & Culture Policy Framework**

The People & Culture Framework is meant as a central reference for all fundamental People & Culture rules in HVB Group. It establishes a unified approach to managing human resources and ensures consistency in practices, processes and programmes throughout HVB Group. The framework aims to equip all employees with the necessary skills and competencies to effectively perform their tasks, aligning them with the company's strategic goals. This internal framework also ensures compliance with legal requirements, promoting a culture of professionalism and accountability throughout HVB Group.

The framework is for internal use only and the People & Culture functions and the managers of HVB Group are responsible for its implementation. It is accessible within the bank only.

## **Recruiting process (Human Resources handbook)**

The Human Resources handbook describes HVB Group's recruitment and selection processes, promoting transparency and consistency across all hiring practices. The processes ensure compliance with relevant labour laws and regulations and, at the same time, are aligned with the HVB Group's core values and Code of Conduct. By fostering a fair and unbiased recruitment process, the processes ensure that all candidates are treated with respect and given an equal opportunity based on their skills and qualifications, thereby upholding integrity and the ethical standards of HVB Group.

The processes also have a positive impact on the Bank by promoting the development of young talent through partnerships with universities, focusing on diversity and inclusion in line with the Diversity, Equity and Inclusion Global Policy. This approach offers HVB Group the opportunity of building a diverse workforce and strengthening its talent pipeline by working together with diverse communities and maintaining relationships with key educational institutions. These initiatives improve HVB Group's innovation, inclusive and long-term talent acquisition strategy.

The recruiting processes from the Human Resources handbook are intended for internal use and the People & Culture functions and managers of HVB Group are responsible for the implementation of these.

## **Training and Education Guidelines (part of the People & Culture Policy Framework)**

Guidelines on the design of the training and education of all HVB Group employees are defined in a specifically dedicated section of the People & Culture Policy Framework. This section not only defines HVB Group's aspired learning philosophy but also declares the aim of aligning the entire learning and development offering to cover both the individual needs of employees and the requirements of HVB Group as a whole.

This establishes a unified approach to staff development, enabling all employees to have or to develop the professional skills they need to perform the tasks assigned to them in the best way possible.

Among other things, the section of the framework mentioned describes central learning and development measures implemented locally in HVB Group. These primarily include the further development of employee skills through specific training and professional development measures as well as talent and development programmes that are to be linked to personal development and performance targets (e.g. through career development plans). Moreover, the guidelines also describe three main areas for further development activities: leadership curriculum, subject-specific learning and local learning. A transparent performance management system and individual development plans, designed to best equip employees for their respective role, are used to fairly design and determine professional development and advancement opportunities.

The guidelines are made available to the Bank's People & Culture Team and all stakeholders involved in their implementation via an internal process portal of HVB Group. HVB Group and particularly the team entrusted with their implementation in HVB Group in the area "Attraction Learning and Development" is supported by UniCredit S.p.A. in implementing the guidelines locally.

## **Global Policy against Harassment, Sexual Misconduct, Bullying and Retaliation**

The policy, aligned with the Universal Declaration of Human Rights and UniCredit group's values, outlines HVB Group's commitment to fostering a respectful and professional workplace free from harassment, sexual misconduct, bullying and retaliation. The aim of this policy is the prevention, detection, enforcement and ongoing monitoring of harassment, bullying, sexual misconduct and retaliation, which includes support for individuals who report such behaviour (both employees and third parties) and protecting them from retaliation. The policy upholds equal treatment and dignity for all, ensuring a safe work environment where any behaviour undermining these principles is not tolerated, while emphasising the need for employees to be mindful of how their actions may be perceived.

The global policy applies to behaviours internally and externally in all UniCredit group companies and thus to all employees of HVB Group, and it has positive impacts for the workplace by promoting specific initiatives for diversity and fostering an inclusive working environment through antidiscrimination efforts. The policy supports HVB Group's ambition to be seen as an attractive employer, confirming diversity and inclusion as central principles. The policy is intended to support flexible solutions for reconciling work and private life and to strengthen the well-being of its own workforce, thus again increasing its attractiveness as an employer.

The policy was adopted by HVB's Executive Board and is accessible within the Bank. It has also been published on UniCredit group's website.

## **UniCredit Statement on Modern Slavery Act and Human Trafficking**

UniCredit group's statement demonstrates its commitment to promoting respect for human rights and must be read in conjunction with its Human Rights Commitment.

Specifically, the statement describes the action taken to mitigate the risk of modern slavery and human trafficking in the Bank's own business areas and supply chain. This action is in line with Section 54 of the United Kingdom's Modern Slavery Act 2015, the fundamental human rights conventions of the International Labour Organization (ILO), the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, the UN Guiding Principles on Business and Human Rights as well as the UNEP FI Principles for Responsible Banking.

At HVB Group, suppliers and contractors must meet certain minimum requirements and are subject to an appropriate review and evaluation both before being commissioned and on an ongoing basis.

UniCredit group has been publishing this statement every year since 2016 with the following contents: The Group's commitment to international norms, internal policies to ensure employees act with integrity, measures to ensure businesses and supply chains are free of slavery and human trafficking, and trainings available to employees to raise awareness of human rights.

The statement was approved by the Board of Directors of UniCredit S.p.A. in June 2024 and also applies to HVB Group.

## Privacy Policy

The Privacy Policy aims at ensuring a homogeneous approach in HVB Group for the protection of personal data of individuals, both employees and customers<sup>8</sup>. The policies and principles of HVB Group provide the framework for compliance with the EU General Data Protection Regulation (EU) 2016/679 and local regulations. Among other things, its objective is to support HVB Group and its employees by advising and carrying out controls and measures for training and raising awareness. Compliance with the Privacy Policy ensures that the protection of personal data in HVB Group is given the highest priority and that customers and stakeholders can rely on the handling of their data in line with data protection regulations. The HVB Group employees entrusted with processing the data are responsible for ensuring compliance with confidentiality and data protection requirements when performing their tasks and duties (within the scope of their respective area of responsibility), and are advised and supported by the Bank's Data Protection Officer.

The policy was approved by the Chief Compliance Officer of HVB and is accessible within the Bank.

## Customer protection rules

The policy relating to the offering of banking products and services defines principles and standards for managing the obligations set out in regulatory requirements. Specifically, the regulatory requirements refer to the following:

- Consumer Credit Directive - Directive 2008/48/EC
- Mortgage Credit Directive - Directive 2014/17/EU
- Payment Accounts Directive - Directive 2014/92/EU
- Payment Services Directive "PSD2" - Directive 2015/2366/EU only for the part relating to banking transparency requirements
- Deposit Guarantee Schemes Directive - Directive 2014/49/ EU
- Guidelines on product oversight and governance arrangements for retail banking products, EBA-GL-2015

The policy was approved by the Chief Compliance Officer of HVB, is relevant to HVB and accessible within the Bank.

## Code of Conduct

In line with the corporate culture and corporate values (Caring, Ownership, Integrity), the Code of Conduct entails principles which apply to all employees including the Executive Board of HVB Group to ensure high standards of professional conduct and integrity related to their activity in, or on behalf of, HVB Group. This code contains general principles of conduct about key compliance risks, i.e. protection of customer interests, antitrust, market integrity, anti-money laundering and counter-terrorist financing, financial sanctions, anti-bribery and anticorruption as well as data protection, which are periodically monitored by respective functions.

The Code of Conduct was approved by HVB's Executive Board and rolled out to subsidiaries. It is published on HVB's website.

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<sup>8</sup> Personal data is information relating to natural persons. In particular, these include individuals, individual companies, self-employers and individuals connected to companies (e.g. legal representatives).

## **Whistleblowing Policy**

The principal object of this policy is to guarantee the protection of the whistleblowers who report misconduct in the working environment or with an effect on it. For this purpose, the policy ensures the confidentiality of the identity of the whistleblower and prevents retaliation.

This policy aims to promote a corporate environment where employees and third parties are encouraged to report unacceptable conduct within HVB Group and make a valuable contribution to self-correction and detection of possible misconduct. Unacceptable conduct refers to any action and/or failure to act in a work-related context or impacting it, that is or could be harmful to HVB Group and/or its employees, including conduct that is:

- illegal, unfair or unethical,
- in breach of laws and regulations, including but not limited to European Union laws, or
- in breach of internal rules.

This policy defines appropriate communication channels for receiving reports of unacceptable behaviour within HVB Group as well as procedures for analysing and dealing with them.

The policy takes into account the requirements of the European Whistleblowing Directive No. 1937/2019” and the Whistleblower Protection Act, which transposes the EU directive mentioned above into German law. It is important for all of HVB Group’s stakeholders that there is a regulation in place to ensure the protection of whistleblowers. The policy applies to all employees (including the Executive Board) of HVB Group, regardless of the location or the department in which they work. Third parties such as service providers and suppliers can therefore report misconduct, which will also be investigated and dealt with in line with the provisions of the policy. The policy was approved by HVB’s Executive Board and rolled out to subsidiaries. It is to be read in conjunction with the Code of Conduct and the “Global Policy against harassment, sexual misconduct, bullying and retaliation”, which have also been implemented in HVB Group. The policy is published on UniCredit group’s website. Specific information on whistleblower reports is also provided on HVB’s website.

## **Global Policy on Anti-bribery and Anti-corruption**

This policy aims to:

- articulate HVB Group’s commitment to prohibiting bribery and corruption
- define principles for identifying and preventing potential bribery and corruption
- communicate anti-bribery and anti-corruption principles both to internal and external stakeholders
- provide a framework for a group-wide anti-corruption programme

The policy also covers the requirements of the following regulations: UK Bribery Act, Foreign Corrupt Practices Act, SAPIN II and OECD Convention on combating bribery of foreign public officials in international business transactions

The policy addresses all relevant HVB Group companies and applies to all employees, including members of the Executive Board and Supervisory Board (if these are employees) as well as to all business activities and is applied in compliance with legal requirements and regulations locally in force.

In case local legal requirements are more restrictive than the principles of this policy, the more restrictive requirements of local laws in force are to be adopted by the respective subsidiaries of UniCredit group. The key principles of the policy have been approved by HVB's Executive Board and rolled out to subsidiaries. For stakeholders, it is important that HVB Group has a policy in place to ensure compliance with integrity, transparency and accountability and that it pursues a culture of respect in which corruption is never acceptable. The policy is published on UniCredit group's website. The key data can also be found on HVB's website.

## **Anti-fraud Policy**

The Anti-fraud Policy serves to ensure that internal and external risks of fraud are adequately identified, understood and assessed.

The objective of the policy is the definition of:

- a fraud management system that all HVB Group subsidiaries must introduce to proactively and effectively deal with current risks of fraud within a suitable framework and to protect the Bank's assets;
- the roles and responsibilities of the various areas and functions involved in the fraud management process.

European Directive (EU) 2015/2366 serves as the basis for implementing the Anti-fraud Policy in HVB Group. The policy has been approved by HVB's Executive Board and rolled out to relevant foreign branches as well as to relevant subsidiaries. It is accessible within the Bank. For stakeholders, it is important that HVB Group has a policy in place demonstrating compliance with integrity, transparency and accountability and showing that fraud is never acceptable.

## **Supplier qualification process**

The supplier qualification process, the details of which are set out in the Global Supplier Qualification Process Policy, is aligned with fundamental human rights conventions of the International Labour Organization (ILO) and the UN Global Compact principles. The process defines criteria and methods for screening suppliers prior to any engagement by Group Purchasing of UniCredit S.p.A.

The qualification of suppliers enables the Bank to:

- identify adequate suppliers based on compliance, sustainability and economic-financial criteria in line with UniCredit group's policies and guidelines
- manage risks associated with suppliers (e.g. corruption risk, reputational risks, economic risks, etc.) by excluding suppliers who have not passed the qualification process
- promote ethical principles and policies in the area of sustainability vis-à-vis suppliers
- create, on a regular basis, lists of suppliers who have passed the qualification process and can be selected in the procurement process

The supplier qualification process is performed only when the negotiation and purchase of goods and services are carried out centrally by Group Purchasing of UniCredit S.p.A. For all other purchases, the requirements that apply in this respect with regard to corruption and bribery are set out in section "G1-3 – Prevention and detection of corruption and bribery".

The screening of suppliers is based on risk assessments provided by external risk information providers and on other specific controls carried out by Group Purchasing of UniCredit S.p.A. and/or the Compliance department of UniCredit S.p.A. (focusing on checking anti-corruption aspects and negative news). If no risk assessment is available from external information providers for a particular supplier, the supplier evaluation is based in exceptional cases on feedback from the suppliers via standardised questionnaires provided by Group Purchasing of UniCredit S.p.A. As soon as the questionnaires completed by the suppliers are submitted to Group Purchasing of UniCredit S.p.A., they are evaluated. The supplier qualification is periodically reviewed. A monitoring function is in place in Group Purchasing of UniCredit S.p.A.

This policy has been approved by the head of the business area responsible, who reports directly to HVB's Executive Board member responsible and is rolled out to relevant foreign branches and relevant subsidiaries. The policy is accessible within the Bank.

## **Expenditure Regulation**

This global policy defines the minimum requirements that must be met for managing disbursements of other administrative expenses and investments from the time a requirement is requested until the time payment is made. In particular, the confirmation of the receipt of goods in the system and the verification of the invoice for services provided and deliveries are prerequisites for the payment of a supplier invoice. The service recipient is responsible for obtaining all the information necessary for verifying the accuracy of the invoice in relation to the goods delivered and/or the service provided. Once the invoice has been approved by the budget owner or a delegate, the supplier invoice is settled.

This policy applies to all disbursements of other administrative expenses and investments and for HVB and relevant subsidiaries. It takes account of the following:

- entries of disbursements related to the procurement of goods and/or services with an effect on the income statement;
- investments related to the procurement of goods and services with a multi-year useful life.

This policy has been approved by HVB's Executive Board and rolled out to relevant foreign branches and relevant subsidiaries. The policy is accessible within the Bank.

## Disclosure requirements in ESRS covered by the undertaking's sustainability statement

### ***IRO-2 – List of data points in cross-cutting and topical standards that derive from other EU legislation***

The double materiality assessment process was used to identify key topics, sub-topics and sub-sub-topics with material matters being determined for each impact, risk and opportunity on the basis of these (sub-)sub-topics. The prioritisation of the impacts on people and the environment is carried out using thresholds to define the materiality of each impact. For potential negative impacts on human rights, the weighting increases in the final assessment. In addition, the assessment by the top management was also taken into account (further information on the methodology and process to identify material impacts, risks and opportunities can be found in section "IRO-1 – Description of processes to identify and assess material impacts, risks and opportunities"). Specific information and detailed data points (DPs) were then selected for reporting and disclosed accordingly. This is why only DPs relating to material policies, actions, targets and key figures are reported that are associated with the (sub-)sub-topics identified. The following sections reflect the results of the double materiality assessment based on material information which HVB Group will disclose in its 2024 Sustainability Report.

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## IRO-2 Par. 56 - DPs that derive from other EU legislation

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL/ NOT MATERIAL	PAGE
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II			31
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II			31
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1					35
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II			38
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II			38
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II			38
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II			38
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	material	166
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		material	166
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		material	179
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				material	181
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				material	181

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ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				material	182
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		material	184
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		material	183
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	material	189
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		material	subject to phase in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			material	subject to phase in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralized by immovable property - Energy efficiency of the collateral			material	subject to phase in
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		material	subject to phase in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				not material	
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				not material	
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				material	190
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				not material	

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ESRS E3-4 Total water recycled and reused paragraph 28c	Indicator number 6.2 Table #2 of Annex 1				not material	
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				not material	
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				not material	
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				not material	
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				not material	
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				not material	
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				not material	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				not material	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				not material	
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				not material	
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				not material	
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				not material	
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				material	201
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		material	201

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DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL/ NOT MATERIAL	PAGE
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				not material	
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				not material	
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				not material	
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				not material	
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		material	216
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				material	216
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				material	217
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		material	217
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				material	50
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				material	218
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				material	218

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ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		material	219
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		material	218
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				material	219
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				material	220
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		material	220
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				material	223
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				material	229
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		material	230
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				material	230
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				material	244
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				material	242
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		material	246
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				material	246

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			GOV-1 The role of the administrative, management and supervisory bodies	31
			GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	34
			GOV-3 Integration of sustainability-related performance in incentive schemes	34
			GOV-4 Statement on due diligence	36
			GOV-5 Risk management and internal controls over sustainability reporting	36
			SBM-1 Strategy, business model and value chain	38
			SBM-2 Interests and views of stakeholders	43
			SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	45
Environment	ESRS E1 Climate change	Climate change mitigation	ESRS 2 GOV-3 Climate performance in incentive schemes	34
			E1-1 – Transition plan for climate change mitigation	166
			ESRS 2 SBM-3 Material IROs and interactions with SBM	45
			ESRS 2 IRO-1 Description and assessment of IROs	58
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			E1-3 Actions	168
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			E1-5-Energy Consumption and mix	181
			E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	183
			E1-7 GHG Removals	(only specification of not applicability)
			E1-8 Internal carbon pricing	(only specification of not applicability)
		Climate change adaptation	ESRS 2 SBM-3 Material IROs and interactions with SBM	45
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		Energy	ESRS 2 SBM-3 Material IROs and interactions with SBM	45
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		Pollution of living organisms and food resources	not material		
		Substances of very high concern	not material		
		Microplastics	not material		
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not material					
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			E5-1 Policies	197
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			S1-6 Characteristics of the Undertaking's Employees	210
			S1-7 Characteristics of nonemployee workers in the undertaking's own workforce	211
			S1-11 Social protection	214
			S1-17 Incidents, complaints and severe human rights impacts	217
		Working conditions - Working time	not material	
		Working conditions - Adequate wages	ESRS 2 SBM-2 Interests and views of stakeholders	43
			ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	45
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			S1-2 Processes for engaging with own workers and workers' representatives about impacts	202
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			S1-2 Processes for engaging with own workers and workers' representatives about impacts	202
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			S1-7 Characteristics of nonemployee workers in the undertaking's own workforce	211
			S1-8 Collective bargaining coverage and social dialogue	212
			S1-17 Incidents, complaints and severe human rights impacts	217
		Working conditions - Freedom of association, works councils and the information, consultation and participation rights of workers	ESRS 2 SBM-2 Interests and views of stakeholders	43
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		Working conditions - Collective bargaining, including the rate of workers covered by collective agreements	ESRS 2 SBM-2 Interests and views of stakeholders	43
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			S1-6 Characteristics of the Undertaking's Employees	210
			S1-7 Characteristics of nonemployee workers in the undertaking's own workforce	211
			S1-15 Work-life balance metrics	216
			S1-17 Incidents, complaints and severe human rights impacts	217
		Working conditions - Health and safety	not material	
		Equal treatment and opportunities for all - Gender equality and equal pay for work of equal value	ESRS 2 SBM-2 Interests and views of stakeholders	43
			ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	45
				201
			S1-2 Processes for engaging with own workers and workers' representatives about impacts	202
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		Equal treatment and opportunities for all - Employment and inclusion of persons with disabilities	ESRS 2 SBM-2 Interests and views of stakeholders	43
			ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	45
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S1-7 Characteristics of nonemployee workers in the undertaking's own workforce	211			
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Social	ESRS S1 Own workforce	Equal treatment and opportunities for all - Diversity	ESRS 2 SBM-2 Interests and views of stakeholders	43
			ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	45
				201
			S1-2 Processes for engaging with own workers and workers' representatives about impacts	202
			S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns	203
			S1-4 Actions	205
			S1-5 Targets	209
			S1-6 Characteristics of the Undertaking's Employees	210
			S1-7 Characteristics of nonemployee workers in the undertaking's own workforce	211
			S1-9 Diversity metrics	213
			S1-17 Incidents, complaints and severe human rights impacts	217
			Other work-related rights - Child labour	not material
		Other work-related rights - Forced labour	not material	
		Other work-related rights - Adequate housing	not material	
		Other work-related rights - Privacy	ESRS 2 SBM-2 Interests and views of stakeholders	43
			ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	45
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			S1-2 Processes for engaging with own workers and workers' representatives about impacts	202
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		Equal treatment and opportunities for all	not material	
		Other work-related rights - Child labour	ESRS 2 SBM-2 Interests and views of stakeholder	43
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			S2-2 Processes for engaging with value chain workers about impacts	219
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		Other work-related rights - Forced labour	ESRS 2 SBM-2 Interests and views of stakeholder	43
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SECTION	TOPIC	SUB-TOPIC	DISCLOSURE REQUIREMENT	PAGE
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			S3-5 Targets	226
		Communities' economic, social and cultural rights - adequate food	ESRS 2 SBM-2 Interests and views of stakeholders	43
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			S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns	223
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			S3-5 Targets	226
		Communities' economic, social and cultural rights - security-related impacts	ESRS 2 SBM-2 Interests and views of stakeholders	43
			ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	45
			S3-1 Policies	220
			S3-2 Processes for engaging with affected communities about impacts	221
			S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns	223
			S3-4 Actions	223
			S3-5 Targets	226
		Communities' civil and political rights	ESRS 2 SBM-2 Interests and views of stakeholders	43
			ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	45
			S3-1 Policies	220
			S3-2 Processes for engaging with affected communities about impacts	221
			S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns	223
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			S3-5 Targets	226
Rights of indigenous peoples	not material			

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SECTION	TOPIC	SUB-TOPIC	DISCLOSURE REQUIREMENT	PAGE
Social	ESRS S4 Consumers and end-users	Information-related impacts for consumers and/or end-users	ESRS 2 SBM-2 Interests and views of stakeholders	43
			ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	45
			S4-1 Policies	229
			S4-2 Processes for engaging with consumers and end-users about impacts	231
			S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	233
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		Personal safety of consumers and/or end users	not material	
		Social inclusion of consumers and/or end users	ESRS 2 SBM-2 Interests and views of stakeholders	43
			ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	45
			S4-1 Policies	229
			S4-2 Processes for engaging with consumers and end-users about impacts	231
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SECTION	TOPIC	SUB-TOPIC	DISCLOSURE REQUIREMENT	PAGE
Governance	ESRS G1 Business conduct	Corporate culture	ESRS 2-GOV1 The role of the administrative, management and supervisory bodies	31
			ESRS 2-IRO 1 Description and assessment of IROs	58
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			G1-2 Management of relationships with suppliers	243
			G1-3 Prevention and detection of corruption and bribery	244
		Protection of whistleblowers	ESRS 2-GOV1 The role of the administrative, management and supervisory bodies	31
			ESRS 2-IRO 1 Description and assessment of IROs	58
			G1-1 Business conduct policies and corporate culture	240
			G1-2 Management of relationships with suppliers	243
			G1-3 Prevention and detection of corruption and bribery	244
		Animal welfare	not material	
		Political engagement and lobbying activities	not material	
		Management of relationships with suppliers including payment practices	ESRS 2-GOV1 The role of the administrative, management and supervisory bodies	31
			ESRS 2-IRO 1 Description and assessment of IROs	58
			G1-1 Business conduct policies and corporate culture	240
			G1-2 Management of relationships with suppliers	243
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		Corruption and bribery	ESRS 2-GOV1 The role of the administrative, management and supervisory bodies	31
			ESRS 2-IRO 1 Description and assessment of IROs	58
			G1-1 Business conduct policies and corporate culture	240
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## Environmental information

### Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation)

#### Introduction

The following tables show the disclosure obligations under Article 8 of the Disclosures Delegated Act (EU) 2021/2178 supplementing the EU Taxonomy Regulation (2020/852), which obliges financial companies to report the key performance indicators (KPIs) for Taxonomy eligibility and alignment, starting with disclosure in 2024.

The disclosure is intended to provide transparency on sustainability and facilitate the transition towards a low-carbon economy. In particular, Article 8 of the Taxonomy Regulation requires undertakings obliged to report non-financial information pursuant to Article 19a or Article 29a of Directive 2013/34/EU (NFRD and CSRD) to publish information on how and to what extent their economic activities qualify as environmentally sustainable under the Taxonomy Regulation. The result is presented through the green asset ratio (GAR), that is the assets associated with taxonomy-aligned economic activities (numerator) divided by total GAR assets (denominator).

HVB Group integrates the EU Taxonomy into its product strategy by classifying its clients' sustainable financing based on relevant EU requirements and further market standards, such as the International Capital Market Association (ICMA) standards. The methodologies and processes are described in detail in HVB Group's ESG Product Guidelines. This policy is an integral part of the ESG business strategy and ensures that sustainable products are compatible with the requirements of the EU Taxonomy and other directives. Further information can be found in the section ESRS 2 MDR-P, and the standards E3-E5.

In the 2024 reporting year, the **turnover-based GAR is 0.56% of total GAR assets (€184 billion)**, and is mainly explained by uncommitted exposures contributing to the climate change mitigation objective.

#### Description of the calculation approach

In accordance with the templates provided by the Regulation, the portfolio has been differentiated by assets and, where required, different calculation approaches applied for the calculation of the GAR KPIs. Only undertakings subject to the NFRD with mandatory disclosures, excluding exposures to central governments, central banks, and supranational issuers, have been included in the calculation of the GAR. Moreover, real estate loans collateralised to households were included. Exposures to sovereigns, central banks and supranational issuers are excluded from the GAR denominator and the numerator.

Even where available, information on the purpose of individual loans was not included in the Taxonomy tables pursuant to Article 8. Instead, HVB Group used only the KPIs on borrower level to determine Taxonomy alignment.

As disclosure was only carried out for the 2024 financial year, the T-1 templates for the previous year are not published.

A detailed description of the approach applied is given below.

**Financial corporations, non-financial corporations, and financial guarantees:** the Taxonomy KPIs consist of the weighted average of financing activities, and the proportion of Taxonomy-aligned economic activities of the counterparties. The collection of reports disclosed by the counterparties according to the NFRD was carried out with the support of an external provider.

When identifying the NFRD counterparties, all corporations which by themselves or as part of a group subject to the NFRD fulfil the criteria of the mandatory NFRD requirements were included. When a counterparty has contributed to its parent's reported KPIs, the value for the counterparty was included in addition by using the KPIs of its parent company.

There have been cases where a counterparty, in its NFRD disclosure, did not report the breakdown of its Taxonomy KPIs among CCM and CCA. In this case, for our disclosure, it was decided to include the KPIs in the TOTAL columns ("TOTAL CCM + CCA + WTR + CE + PPC + BIO")<sup>9</sup>. Therefore, the values in the total columns might be greater than the sum of the single components.

**Loans collateralised to private households:** the focus was on the "7.7 Acquisition and ownership of buildings" perimeter under Delegated Regulation (EU) 2021/2139; (excluding the "Renovation" perimeter under Delegated Regulation 2021/2139, and "Motor vehicles" due to a lack of specific information related to the identification of "green loans").

- For the analysis of Alignment KPIs, the assets built before 31 December 2020 with a documented EPC = A were considered. Only actually documented EPC were considered.
- The calculation approach also integrates the analysis of physical risks in the Do No Significant Harm (DNSH) assessment, which is aligned with the thresholds and climate data used for the Pillar 3 Template 5 disclosure - "Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk (Group)". If physical climate risks were identified, the assets were classified as non-aligned without considering any possible mitigating actions.

**Motor vehicle loans to private households:** loans granted to fund the purchase of motor vehicles were considered under eligible exposures. For aligned exposures, only loans to purchase low-emission vehicles were considered, provided the information required for the classification of the loans was available.

**Assets under Management (AuM):** the reporting perimeter of the AuM KPIs is based on the volumes of investment funds. The numerator is calculated as a weighted average of the proportion of Taxonomy-aligned economic activities in relation to total investments aggregated at portfolio level. The aggregated portfolio data, which are the result of the calculations based on actual portfolio KPIs available on the market, were collected through an external provider.

The total value of AuM includes all types of asset class funds, while the 'of which' only includes bonds and equity instruments as classified by the external data provider (commodities are not classified, for example). This means that the total value of AuM might be greater than the sum of the 'of which bonds' and 'of which equity instruments' single components.

<sup>9</sup> Climate change mitigation, Climate change adaptation, Water and marine resources, Circular economy, Pollution, Biodiversity.

**New business:** the flow has been calculated as a delta stock approach at transaction level, between T (31 December 2024) and T-1 (31 December 2023).

**Additional disclosure on nuclear and fossil gas-related activities:** we have disclosed the Taxonomy eligibility, non-eligibility, and alignment of nuclear energy and fossil gas-related economic activities in accordance with Article 8(6), (7) and (8) of the amended Disclosures Delegated Act as of 1 January 2023. The nuclear energy and fossil gas-related activities' KPIs have been computed by using the most recently available data and key performance indicators of our (non-financial corporations) counterparties, therefore only considering undertakings subject to the NFRD. In this regard, the templates are only published for the GAR portfolio.

# Sustainability Report

## Annex VI – Template for the KPIs of credit institutions

### 0 Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

(€ million)

MAIN KPI	TOTAL ENVIRONMENTALLY SUSTAINABLE ASSETS	KPI TURNOVER BASED	KPI CAPEX BASED	COVERAGE OVER TOTAL ASSETS	% OF ASSETS EXCLUDED FROM THE NUMERATOR OF THE GAR (ARTICLE 7 (2) AND (3) AND SECTION 1.1.2. OF ANNEX V)	% OF ASSETS EXCLUDED FROM THE DENOMINATOR OF THE GAR (ARTICLE 7 (1) AND SECTION 1.2.4 OF ANNEX V)
Green Assets Ratio (GAR) stock	1,037	0.56%	1.04%	63.22%	73.45%	36.78%

ADDITIONAL KPI	TOTAL ENVIRONMENTALLY SUSTAINABLE ASSETS	KPI TURNOVER BASED	KPI CAPEX BASED	COVERAGE OVER TOTAL ASSETS	% OF ASSETS EXCLUDED FROM THE NUMERATOR OF THE GAR (ARTICLE 7 (2) AND (3) AND SECTION 1.1.2. OF ANNEX V)	% OF ASSETS EXCLUDED FROM THE DENOMINATOR OF THE GAR (ARTICLE 7 (1) AND SECTION 1.2.4 OF ANNEX V)
GAR flow	434	1.18%	2.30%	12.72%	-	-
Trading book	-	-	-	-	-	-
Financial Guarantees	4	10.38%	14.70%	-	-	-
Assets Under Management	166	6.42%	10.25%	-	-	-
Fees and commissions income	-	-	-	-	-	-

# Sustainability Report

## 1 Assets for the calculation of GAR - CapEx based

(€ million)

	31.12.2024													
	TOTAL GROSS CARRYING AMOUNT	CLIMATE CHANGE MITIGATION (CCM)			CLIMATE CHANGE ADAPTATION (CCA)			WATER AND MARINE RESOURCES (WTR)			m	n		
		OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)						
		OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)			OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)			OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)						
		OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING	OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING	OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING				
a	b	c	d	e	f	g	h	i	j	k	l			
<b>GAR - Covered assets in both numerator and denominator</b>														
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	38,518	29,725	1,894	-	284	460	16	12	-	6	1	1	-
2	<b>Financial undertaking</b>	6,073	1,813	431	-	14	124	4	1	-	-	0	-	-
3	Credit institutions	4,572	1,377	100	-	11	7	1	0	-	-	-	-	-
4	Loans and advances	2,989	943	68	-	10	5	0	0	-	-	-	-	-
5	Debt securities, including UoP	1,583	434	33	-	1	2	1	0	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other Financial corporation	1,501	436	331	-	3	117	3	1	-	-	0	-	-
8	<i>Of which: investment firms</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
12	<i>Of which: management companies</i>	29	8	1	-	0	0	-	-	-	-	-	-	-
13	Loans and advances	0	0	0	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	29	8	1	-	0	0	-	-	-	-	-	-	-
16	<i>Of which: insurance undertakings</i>	445	-	8	-	0	1	-	0	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	445	-	8	-	0	1	-	0	-	-	-	-	-
20	<b>Non-Financial undertakings</b>	7,462	3,455	1,357	-	165	336	11	11	-	6	1	1	-
21	Loans and advances	7,247	3,438	1,354	-	165	335	11	11	-	6	1	1	-
22	Debt securities, including UoP	210	15	3	-	-	1	-	-	-	-	-	-	-
23	Equity instruments	6	2	0	-	0	-	-	-	-	-	-	-	-
24	<b>Households</b>	24,977	24,457	105	-	105	-	-	-	-	-	-	-	-
25	<i>Of which: loans collateralised by residential immovable property</i>	24,571	24,052	105	-	105	-	-	-	-	-	-	-	-
26	<i>Of which: building renovation loans</i>	405	405	-	-	-	-	-	-	-	-	-	-	-
27	<i>Of which: motor vehicle loans</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
28	<b>Local governments financing</b>	7	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	7	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-

# Sustainability Report

continued: 1 Assets for the calculation of GAR - CapEx based

(€ million)

		o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		31.12.2024																
		CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
		OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				
		OF WHICH USE OF PROCEEDS		OF WHICH ENABLING		OF WHICH USE OF PROCEEDS		OF WHICH ENABLING		OF WHICH USE OF PROCEEDS		OF WHICH ENABLING		OF WHICH USE OF PROCEEDS		OF WHICH TRANSITIONAL		OF WHICH ENABLING
	<b>GAR - Covered assets in both numerator and denominator</b>																	
1	Loans and advances, debt securities and equity instruments not HTI eligible for GAR calculation	35	3	-	-	45	1	-	-	0	-	-	-	29,928	1,909	-	284	466
2	<b>Financial undertaking</b>	0	-	-	-	0	-	-	-	0	-	-	-	1,923	432	-	14	124
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	1,392	100	-	11	7
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	943	68	-	10	5
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	449	33	-	1	2
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other Financial corporation	0	-	-	-	0	-	-	-	0	-	-	-	531	331	-	3	117
8	<i>Of which: investment firms</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	<i>Of which: management companies</i>	-	-	-	-	-	-	-	-	-	-	-	-	8	1	-	0	0
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	0	0	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	8	1	-	0	0
16	<i>Of which: insurance undertakings</i>	-	-	-	-	-	-	-	-	-	-	-	-	78	9	-	0	1
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	78	9	-	0	1
20	<b>Non-Financial undertakings</b>	35	3	-	-	45	1	-	-	0	-	-	-	3,548	1,373	-	165	342
21	Loans and advances	34	3	-	-	22	1	-	-	0	-	-	-	3,508	1,369	-	165	341
22	Debt securities, including UoP	-	-	-	-	23	-	-	-	-	-	-	-	37	3	-	-	1
23	Equity instruments	1	-	-	-	-	-	-	-	-	-	-	-	3	0	-	0	-
24	<b>Households</b>	-	-	-	-	-	-	-	-	-	-	-	-	24,457	105	-	105	-
25	<i>Of which: loans collateralised by residential immovable property</i>	-	-	-	-	-	-	-	-	-	-	-	-	24,052	105	-	105	-
26	<i>Of which: building renovation loans</i>	-	-	-	-	-	-	-	-	-	-	-	-	405	-	-	-	-
27	<i>Of which: motor vehicle loans</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	<b>Local governments financing</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



# Sustainability Report

continued: 1 Assets for the calculation of GAR - CapEx based

(€ million)

		31.12.2024																
		CIRCULAR ECONOMY (CE)			POLLUTION (PPC)			BIODIVERSITY AND ECOSYSTEMS (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)							
		OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)							
		OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)			OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)			OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)			OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)							
		OF WHICH USE OF PROCEEDS		OF WHICH ENABLING		OF WHICH USE OF PROCEEDS		OF WHICH ENABLING		OF WHICH USE OF PROCEEDS		OF WHICH ENABLING						
		o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Financial and Non-Financial undertaking	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which: loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which: building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	On demand interbank loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Cash and cash-related assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	Other categories of assets (e.g. Goodwill, commodities etc.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	<b>Total GAR assets</b>	<b>35</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,928</b>	<b>1,909</b>	<b>-</b>	<b>284</b>	<b>466</b>
49	<b>Assets not covered for GAR calculation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
50	Central governments and supranational issuers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	Central banks exposure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	Trading book	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	<b>Total assets</b>	<b>35</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,928</b>	<b>1,909</b>	<b>-</b>	<b>284</b>	<b>466</b>
	<b>Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
54	Financial guarantees	0	-	-	-	0	-	-	-	-	-	-	-	15	6	-	1	2
55	Assets under management	24	-	-	-	53	-	-	-	1	-	-	-	700	265	-	11	145
56	of which: debt securities	1	-	-	-	1	-	-	-	0	-	-	-	103	24	-	2	7
57	of which: equity instruments	15	-	-	-	39	-	-	-	0	-	-	-	349	135	-	4	78

# Sustainability Report

## 1 Assets for the calculation of GAR - Turnover based

(€ million)

	31.12.2024													
	a	b	c	d	e	f	g	h	i	j	k	l	m	n
	TOTAL GROSS CARRYING AMOUNT	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)			
		OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)					OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)					
				OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING
<b>GAR - Covered assets in both numerator and denominator</b>														
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	38,518	29,157	1,022	-	188	310	8	2	-	2	0	0	-
2	<b>Financial undertaking</b>	6,073	1,685	266	-	14	98	5	0	-	0	0	-	
3	Credit institutions	4,572	1,370	94	-	12	4	1	0	-	-	-	-	
4	Loans and advances	2,989	937	61	-	10	4	0	0	-	-	-	-	
5	Debt securities, including UoP	1,583	433	33	-	2	1	1	0	-	-	-	-	
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	
7	Other Financial corporation	1,501	315	172	-	2	94	4	0	-	0	-	-	
8	<i>Of which: investment firms</i>	-	-	-	-	-	-	-	-	-	-	-	-	
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	
12	<i>Of which: management companies</i>	29	8	1	-	0	0	0	-	-	-	-	-	
13	Loans and advances	0	0	0	-	-	-	-	-	-	-	-	-	
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	
15	Equity instruments	29	8	1	-	0	0	0	-	-	-	-	-	
16	<i>Of which: insurance undertakings</i>	445	-	6	-	0	1	-	0	-	-	-	-	
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	
19	Equity instruments	445	-	6	-	0	1	-	0	-	-	-	-	
20	<b>Non-Financial undertakings</b>	7,462	3,015	651	-	69	212	3	2	-	2	0	0	
21	Loans and advances	7,247	3,011	649	-	69	211	3	2	-	2	0	0	
22	Debt securities, including UoP	210	3	1	-	-	1	-	-	-	-	-	-	
23	Equity instruments	6	0	-	-	-	-	-	-	-	-	-	-	
24	<b>Households</b>	24,977	24,457	105	-	105	-	-	-	-	-	-	-	
25	<i>Of which: loans collateralised by residential immovable property</i>	24,571	24,052	105	-	105	-	-	-	-	-	-	-	
26	<i>Of which: building renovation loans</i>	405	405	-	-	-	-	-	-	-	-	-	-	
27	<i>Of which: motor vehicle loans</i>	-	-	-	-	-	-	-	-	-	-	-	-	
28	<b>Local governments financing</b>	7	-	-	-	-	-	-	-	-	-	-	-	
29	Housing financing	7	-	-	-	-	-	-	-	-	-	-	-	
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	

# Sustainability Report

continued: 1 Assets for the calculation of GAR - Turnover based

(€ million)

		o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		31.12.2024																
		CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
		OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				
		OF WHICH USE OF PROCEEDS		OF WHICH ENABLING	OF WHICH USE OF PROCEEDS		OF WHICH ENABLING	OF WHICH USE OF PROCEEDS		OF WHICH ENABLING	OF WHICH USE OF PROCEEDS			OF WHICH ENABLING	OF WHICH TRANSITIONAL	OF WHICH ENABLING		
	<b>GAR - Covered assets in both numerator and denominator</b>																	
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	52	12	-	-	80	0	-	-	0	-	-	-	29,429	1,037	-	188	312
2	<b>Financial undertaking</b>	6	-	-	-	0	-	-	-	0	-	-	-	1,811	266	-	14	98
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	1,384	94	-	12	4
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	937	61	-	10	4
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	447	33	-	2	1
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other Financial corporation	6	-	-	-	0	-	-	-	0	-	-	-	427	172	-	2	94
8	<i>Of which: investment firms</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	<i>Of which: management companies</i>	-	-	-	-	-	-	-	-	-	-	-	-	8	1	-	0	0
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	0	0	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	8	1	-	0	0
16	<i>Of which: insurance undertakings</i>	-	-	-	-	-	-	-	-	-	-	-	-	83	6	-	0	1
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	83	6	-	0	1
20	<b>Non-Financial undertakings</b>	46	12	-	-	80	0	-	-	0	-	-	-	3,161	666	-	69	214
21	Loans and advances	46	12	-	-	18	0	-	-	0	-	-	-	3,096	665	-	69	213
22	Debt securities, including UoP	-	-	-	-	62	-	-	-	-	-	-	-	65	1	-	-	1
23	Equity instruments	0	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-
24	<b>Households</b>	-	-	-	-	-	-	-	-	-	-	-	-	24,457	105	-	105	-
25	<i>Of which: loans collateralised by residential immovable property</i>	-	-	-	-	-	-	-	-	-	-	-	-	24,052	105	-	105	-
26	<i>Of which: building renovation loans</i>	-	-	-	-	-	-	-	-	-	-	-	-	405	-	-	-	-
27	<i>Of which: motor vehicle loans</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	<b>Local governments financing</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

# Sustainability Report

continued: 1 Assets for the calculation of GAR - Turnover based

(€ million)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
		31.12.2024													
		TOTAL GROSS CARRYING AMOUNT	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)			
			OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
			OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)					OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)			
			OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING	OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING	OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING	OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING	
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	145,936	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Financial and Non-Financial undertaking	116,392	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	45,563	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	45,185	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which: loans collateralised by commercial immovable property	14,403	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which: building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities	287	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	91	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	7,717	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	7,717	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Derivatives	7,851	-	-	-	-	-	-	-	-	-	-	-	-	-
45	On demand interbank loans	9,019	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Cash and cash-related assets	419	-	-	-	-	-	-	-	-	-	-	-	-	-
47	Other categories of assets (e.g. Goodwill, commodities etc.)	12,254	-	-	-	-	-	-	-	-	-	-	-	-	-
48	<b>Total GAR assets</b>	<b>184,455</b>	<b>29,157</b>	<b>1,022</b>	-	<b>188</b>	<b>310</b>	<b>8</b>	<b>2</b>	-	<b>2</b>	<b>0</b>	<b>0</b>	-	-
49	Assets not covered for GAR calculation	107,266	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Central governments and supranational issuers	32,424	-	-	-	-	-	-	-	-	-	-	-	-	-
51	Central banks exposure	6,486	-	-	-	-	-	-	-	-	-	-	-	-	-
52	Trading book	68,356	-	-	-	-	-	-	-	-	-	-	-	-	-
53	<b>Total assets</b>	<b>291,720</b>	<b>29,157</b>	<b>1,022</b>	-	<b>188</b>	<b>310</b>	<b>8</b>	<b>2</b>	-	<b>2</b>	<b>0</b>	<b>0</b>	-	-
<b>Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations</b>															
54	Financial guarantees	42	11	4	-	1	2	0	0	-	-	0	-	-	-
55	Assets under management	2,582	436	161	-	6	97	17	4	-	2	3	-	-	-
56	of which: debt securities	341	93	18	-	2	4	1	0	-	0	1	-	-	-
57	of which: equity instruments	1,305	195	81	-	1	53	8	1	-	1	1	-	-	-

# Sustainability Report

continued: 1 Assets for the calculation of GAR - Turnover based

(€ million)

		o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		31.12.2024																
		CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
		OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				
		OF WHICH USE OF PROCEEDS		OF WHICH ENABLING	OF WHICH USE OF PROCEEDS		OF WHICH ENABLING	OF WHICH USE OF PROCEEDS		OF WHICH ENABLING	OF WHICH USE OF PROCEEDS		OF WHICH ENABLING	OF WHICH USE OF PROCEEDS		OF WHICH TRANSITIONAL	OF WHICH ENABLING	
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Financial and Non-Financial undertaking	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which: loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which: building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	On demand interbank loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Cash and cash-related assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	Other categories of assets (e.g. Goodwill, commodities etc.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	<b>Total GAR assets</b>	<b>52</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,429</b>	<b>1,037</b>	<b>-</b>	<b>188</b>	<b>312</b>
49	Assets not covered for GAR calculation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Central governments and supranational issuers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	Central banks exposure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	Trading book	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	<b>Total assets</b>	<b>52</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,429</b>	<b>1,037</b>	<b>-</b>	<b>188</b>	<b>312</b>
<b>Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations</b>																		
54	Financial guarantees	0	-	-	-	0	-	-	-	-	-	-	-	11	4	-	1	2
55	Assets under management	37	-	-	-	58	-	-	-	3	-	-	-	555	166	-	6	99
56	of which: debt securities	1	-	-	-	1	-	-	-	0	-	-	-	97	18	-	2	5
57	of which: equity instruments	23	-	-	-	44	-	-	-	2	-	-	-	273	81	-	1	54

# Sustainability Report

## 2 GAR sector information - Turnover based

(€ million)

BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)	a	b	e	f	i	j	m	n	q	r	u	v	y	z
	31.12.2024													
	CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)		WATER AND MARINE RESOURCES (WTR)		CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
	NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)	
GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		
OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCA)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (WTR)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CE)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (PPC)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (BIO)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM + CCA + WTR + CE + PPC + BIO)		
1	A02.10 Silviculture and other forestry activities	-	-	-	-	-	-	-	-	-	-	-	-	-
2	A02.20 Logging	-	-	-	-	-	-	-	-	-	-	-	-	-
3	A02.30 Gathering of wild growing non-wood products	-	-	-	-	-	-	-	-	-	-	-	-	-
4	A02.40 Support services to forestry	-	-	-	-	-	-	-	-	-	-	-	-	-
5	C16.10 Sawmilling and planing of wood	-	-	-	-	-	-	-	-	-	-	-	-	-
6	C16.21 Manufacture of veneer sheets and wood-based panels	-	-	-	-	-	-	-	-	-	-	-	-	-
7	C16.22 Manufacture of assembled parquet floors	-	-	-	-	-	-	-	-	-	-	-	-	-
8	C16.23 Manufacture of other builders' carpentry and joinery	-	-	-	-	-	-	-	-	-	-	-	-	-
9	C16.24 Manufacture of wooden containers	-	-	-	-	-	-	-	-	-	-	-	-	-
10	C16.29 Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials	-	-	-	-	-	-	-	-	-	-	-	-	-
11	C17.11 Manufacture of pulp	-	-	-	-	-	-	-	-	-	-	-	-	-
12	C17.12 Manufacture of paper and paperboard	-	-	-	-	-	-	-	-	-	-	-	-	-
13	C17.21 Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	-	-	-	-	-	-	-	-	-	-	-	-	-
14	C17.22 Manufacture of household and sanitary goods and of toilet requisites	-	-	-	-	-	-	-	-	-	-	-	-	-
15	C17.23 Manufacture of paper stationery	-	-	-	-	-	-	-	-	-	-	-	-	-
16	C17.24 Manufacture of wallpaper	-	-	-	-	-	-	-	-	-	-	-	-	-
17	C17.29 Manufacture of other articles of paper and paperboard	-	-	-	-	-	-	-	-	-	-	-	-	-
18	C20.11 Manufacture of industrial gases	-	-	-	-	-	-	-	-	-	-	-	-	-
19	C20.13 Manufacture of other inorganic basic chemicals	-	-	-	-	-	-	-	-	-	-	-	-	-
20	C20.14 Manufacture of other organic basic chemicals	-	-	-	-	-	-	-	-	-	-	-	-	4
21	C20.15 Manufacture of fertilisers and nitrogen compounds	-	-	-	-	-	-	-	-	-	-	-	-	-
22	C20.16 Manufacture of plastics in primary forms	-	-	-	-	-	-	-	-	-	-	-	-	-
23	C22.11 Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	-	-	-	-	-	-	-	-	-	-	-	-	-
24	C22.19 Manufacture of other rubber products	-	-	-	-	-	-	-	-	-	-	-	-	-
25	C22.21 Manufacture of plastic plates, sheets, tubes and profiles	-	-	-	-	-	-	-	-	-	-	-	-	-
26	C22.22 Manufacture of plastic packing goods	-	-	-	-	-	-	-	-	-	-	-	-	-

# Sustainability Report

continued: 2 GAR sector information - Turnover based

(€ million)

BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)	a	b	e	f	i	j	m	n	q	r	u	v	y	z	
	31.12.2024														
	CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)		WATER AND MARINE RESOURCES (WTR)		CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)		
	NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		
	GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		
	OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCA)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (WTR)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CE)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (PPC)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (BIO)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM + CCA + WTR + CE + PPC + BIO)		
27	C22.23	Manufacture of builders ware of plastic	-	-	-	-	-	-	-	-	-	-	-	-	
28	C22.29	Manufacture of other plastic products	-	-	-	-	-	-	-	-	-	-	-	-	
29	C23.11	Manufacture of flat glass	-	-	-	-	-	-	-	-	-	-	-	-	
30	C23.12	Shaping and processing of flat glass	-	-	-	-	-	-	-	-	-	-	-	-	
31	C23.13	Manufacture of hollow glass	-	-	-	-	-	-	-	-	-	-	-	-	
32	C23.14	Manufacture of glass fibres	-	-	-	-	-	-	-	-	-	-	-	-	
33	C23.19	Manufacture and processing of other glass, including technical glassware	-	-	-	-	-	-	-	-	-	-	-	-	
34	C23.20	Manufacture of refractory products	-	-	-	-	-	-	-	-	-	-	-	-	
35	C23.31	Manufacture of ceramic tiles and flags	-	-	-	-	-	-	-	-	-	-	-	-	
36	C23.32	Manufacture of bricks, tiles and construction products, in baked clay	-	-	-	-	-	-	-	-	-	-	-	-	
37	C23.41	Manufacture of ceramic household and ornamental articles	-	-	-	-	-	-	-	-	-	-	-	-	
38	C23.42	Manufacture of ceramic sanitary fixtures	-	-	-	-	-	-	-	-	-	-	-	-	
39	C23.43	Manufacture of ceramic insulators and insulating fittings	-	-	-	-	-	-	-	-	-	-	-	-	
40	C23.44	Manufacture of other technical ceramic products	-	-	-	-	-	-	-	-	-	-	-	-	
41	C23.49	Manufacture of other ceramic products	-	-	-	-	-	-	-	-	-	-	-	-	
42	C23.51	Manufacture of cement	78	5	-	-	-	-	-	-	-	-	-	78	5
43	C23.52	Manufacture of lime and plaster	-	-	-	-	-	-	-	-	-	-	-	-	-
44	C23.61	Manufacture of concrete products for construction purposes	-	-	-	-	-	-	-	-	-	-	-	-	-
45	C23.62	Manufacture of plaster products for construction purposes	-	-	-	-	-	-	-	-	-	-	-	-	-
46	C23.63	Manufacture of ready-mixed concrete	-	-	-	-	-	-	-	-	-	-	-	-	-
47	C23.64	Manufacture of mortars	-	-	-	-	-	-	-	-	-	-	-	-	-
48	C23.65	Manufacture of fibre cement	-	-	-	-	-	-	-	-	-	-	-	-	-
49	C23.69	Manufacture of other articles of concrete, plaster and cement	-	-	-	-	-	-	-	-	-	-	-	-	-
50	C23.70	Cutting, shaping and finishing of stone	-	-	-	-	-	-	-	-	-	-	-	-	-
51	C23.91	Production of abrasive products	-	-	-	-	-	-	-	-	-	-	-	-	-

# Sustainability Report

continued: 2 GAR sector information - Turnover based

(€ million)

BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)	a	b	e	f	i	j	m	n	q	r	u	v	y	z
	31.12.2024													
	CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)		WATER AND MARINE RESOURCES (WTR)		CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
	NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)	
	GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT	
	OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCA)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (WTR)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CE)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (PPC)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (BIO)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM + CCA + WTR + CE + PPC + BIO)	
52 C23.99 Manufacture of other non-metallic mineral products n.e.c.	2	1	-	-	-	-	-	-	-	-	-	-	2	1
53 C24.10 Manufacture of basic iron and steel and of ferro-alloys	40	26	-	-	-	-	6	6	-	-	-	-	46	32
54 C24.20 Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	0	0	-	-	-	-	-	-	-	-	-	-	0	0
55 C24.31 Cold drawing of bars	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56 C24.32 Cold rolling of narrow strip	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57 C24.33 Cold forming or folding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58 C24.34 Cold drawing of wire	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59 C24.42 Aluminium production	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60 C24.51 Casting of iron	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61 C24.52 Casting of steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62 C24.53 Casting of light metals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63 C25.11 Manufacture of metal structures and parts of structures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
64 C25.12 Manufacture of doors and windows of metal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
65 C25.21 Manufacture of central heating radiators and boilers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
66 C25.29 Manufacture of other tanks, reservoirs and containers of metal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
67 C25.30 Manufacture of steam generators, except central heating hot water boilers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
68 C25.40 Manufacture of weapons and ammunition	-	-	-	-	-	-	-	-	-	-	-	-	-	-
69 C25.50 Forging, pressing, stamping and roll-forming of metal; powder metallurgy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70 C25.61 Treatment and coating of metals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71 C25.62 Machining	-	-	-	-	-	-	-	-	-	-	-	-	-	-
72 C25.71 Manufacture of cutlery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
73 C25.72 Manufacture of locks and hinges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
74 C25.73 Manufacture of tools	-	-	-	-	-	-	-	-	-	-	-	-	-	-
75 C25.91 Manufacture of steel drums and similar containers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
76 C25.92 Manufacture of light metal packaging	-	-	-	-	-	-	-	-	-	-	-	-	-	-

# Sustainability Report

continued: 2 GAR sector information - Turnover based

(€ million)

BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)	a	b	e	f	i	j	m	n	q	r	u	v	y	z	
	31.12.2024														
	CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)		WATER AND MARINE RESOURCES (WTR)		CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)		
	NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		
	GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		
	OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCA)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (WTR)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CE)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (PPC)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (BIO)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM + CCA + WTR + CE + PPC + BIO)		
77	C25.93 Manufacture of wire products, chain and springs	-	-	-	-	-	-	-	-	-	-	-	-	-	
78	C25.94 Manufacture of fasteners and screw machine products	-	-	-	-	-	-	-	-	-	-	-	-	-	
79	C25.99 Manufacture of other fabricated metal products n.e.c.	-	-	-	-	-	-	-	-	-	-	-	-	-	
80	C26.11 Manufacture of electronic components	7	7	-	-	0	-	2	-	0	-	0	-	9	7
81	C26.12 Manufacture of loaded electronic boards	-	-	-	-	-	-	-	-	-	-	-	-	-	-
82	C26.20 Manufacture of computers and peripheral equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
83	C26.30 Manufacture of communication equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
84	C26.40 Manufacture of consumer electronics	-	-	-	-	-	-	-	-	-	-	-	-	-	-
85	C26.51 Manufacture of instruments and appliances for measuring, testing and navigation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
86	C26.52 Manufacture of watches and clocks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
87	C26.60 Manufacture of irradiation, electromedical and electrotherapeutic equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
88	C26.70 Manufacture of optical instruments and photographic equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
89	C26.80 Manufacture of magnetic and optical media	-	-	-	-	-	-	-	-	-	-	-	-	-	-
90	C27.11 Manufacture of electric motors, generators and transformers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91	C27.12 Manufacture of electricity distribution and control apparatus	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92	C27.20 Manufacture of batteries and accumulators	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93	C27.31 Manufacture of fibre optic cables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94	C27.32 Manufacture of other electronic and electric wires and cables	1	0	-	-	-	-	-	-	-	-	-	-	1	0
95	C27.33 Manufacture of wiring devices	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96	C27.40 Manufacture of electric lighting equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97	C27.51 Manufacture of electric domestic appliances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
98	C27.52 Manufacture of non-electric domestic appliances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
99	C27.90 Manufacture of other electrical equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100	C28.11 Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	-	-	-	-	-	-	-	-	-	-	-	-	-	-
101	C28.12 Manufacture of fluid power equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-

# Sustainability Report

continued: 2 GAR sector information - Turnover based

(€ million)

BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)	a	b	e	f	i	j	m	n	q	r	u	v	y	z
	31.12.2024													
	CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)		WATER AND MARINE RESOURCES (WTR)		CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
	NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)	
	GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT	
	OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCA)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (WTR)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CE)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (PPC)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (BIO)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM + CCA + WTR + CE + PPC + BIO)	
102 C28.13 Manufacture of other pumps and compressors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
103 C28.14 Manufacture of other taps and valves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C28.15 Manufacture of bearings, gears, gearing and driving elements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
104	-	-	-	-	-	-	-	-	-	-	-	-	-	-
105 C28.21 Manufacture of ovens, furnaces and furnace burners	-	-	-	-	-	-	-	-	-	-	-	-	-	-
106 C28.22 Manufacture of lifting and handling equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C28.23 Manufacture of office machinery and equipment (except computers and peripheral equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
107	-	-	-	-	-	-	-	-	-	-	-	-	-	-
108 C28.24 Manufacture of power-driven hand tools	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C28.25 Manufacture of non-domestic cooling and ventilation equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
109	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C28.29 Manufacture of other general-purpose machinery n.e.c.	0	0	-	-	-	-	-	-	0	-	-	-	0	0
110	-	-	-	-	-	-	-	-	-	-	-	-	-	-
111 C28.30 Manufacture of agricultural and forestry machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
112 C28.41 Manufacture of metal forming machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
113 C28.49 Manufacture of other machine tools	-	-	-	-	-	-	-	-	-	-	-	-	-	-
114 C28.91 Manufacture of machinery for metallurgy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C28.92 Manufacture of machinery for mining, quarrying and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
115	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C28.93 Manufacture of machinery for food, beverage and tobacco processing	21	2	-	-	-	-	-	-	-	-	-	-	21	2
116	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C28.94 Manufacture of machinery for textile, apparel and leather production	-	-	-	-	-	-	-	-	-	-	-	-	-	-
117	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C28.95 Manufacture of machinery for paper and paperboard production	-	-	-	-	-	-	-	-	-	-	-	-	-	-
118	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C28.96 Manufacture of plastics and rubber machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
119	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C28.99 Manufacture of other special-purpose machinery n.e.c.	12	-	-	-	-	-	-	-	-	-	-	-	12	-
120	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C29.10 Manufacture of motor vehicles	419	63	2	2	-	-	8	-	-	-	-	-	429	64
121	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C30.11 Building of ships and floating structures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
122	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C30.12 Building of pleasure and sporting boats	-	-	-	-	-	-	-	-	-	-	-	-	-	-
123	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C30.20 Manufacture of railway locomotives and rolling stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-
124	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C30.91 Manufacture of motorcycles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C30.92 Manufacture of bicycles and invalid carriages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
126	-	-	-	-	-	-	-	-	-	-	-	-	-	-

# Sustainability Report

continued: 2 GAR sector information - Turnover based

(€ million)

BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)	a	b	e	f	i	j	m	n	q	r	u	v	y	z
	31.12.2024													
	CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)		WATER AND MARINE RESOURCES (WTR)		CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
	NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)	
	GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT	
	OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCA)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (WTR)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CE)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (PPC)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (BIO)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM + CCA + WTR + CE + PPC + BIO)	
127 C30.99 Manufacture of other transport equipment n.e.c.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
128 C33.12 Repair of machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
129 C33.15 Repair and maintenance of ships and boats	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130 C33.17 Repair and maintenance of other transport equipment	64	39	-	-	-	-	-	-	-	-	-	-	64	39
131 D35.11 Production of electricity	33	28	0	0	0	0	0	-	0	-	-	-	33	28
132 D35.12 Transmission of electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
133 D35.13 Distribution of electricity	4	3	0	0	-	-	-	-	-	-	-	-	4	3
134 D35.21 Manufacture of gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-
135 D35.22 Distribution of gaseous fuels through mains	-	-	-	-	-	-	-	-	-	-	-	-	-	-
136 D35.30 Steam and air conditioning supply	-	-	-	-	-	-	-	-	-	-	-	-	-	-
137 E36.00 Water collection, treatment and supply	15	11	0	0	-	-	-	-	-	-	-	-	15	11
138 E37.00 Sewerage	-	-	-	-	-	-	-	-	-	-	-	-	-	-
139 E38.11 Collection of non-hazardous waste	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140 E38.21 Treatment and disposal of non-hazardous waste	-	-	-	-	-	-	-	-	-	-	-	-	-	-
141 E38.32 Recovery of sorted materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-
142 E39.00 Remediation activities and other waste management services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
143 F41.10 Development of building projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-
144 F41.20 Construction of residential and non-residential buildings	113	23	1	0	-	-	-	-	0	-	-	-	113	24
145 F42.11 Construction of roads and motorways	4	2	-	-	-	-	-	-	-	-	-	-	4	2
146 F42.12 Construction of railways and underground railways	0	0	-	-	-	-	-	-	-	-	-	-	0	0
147 F42.13 Construction of bridges and tunnels	-	-	-	-	-	-	-	-	-	-	-	-	-	-
148 F42.21 Construction of utility projects for fluids	21	11	-	-	-	-	-	-	-	-	-	-	21	11
149 F42.22 Construction of utility projects for electricity and telecommunications	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150 F42.91 Construction of water projects	4	3	0	0	0	0	0	0	0	0	-	-	5	3
151 F42.99 Construction of other civil engineering projects n.e.c.	-	-	-	-	-	-	-	-	-	-	-	-	-	-

# Sustainability Report

continued: 2 GAR sector information - Turnover based

(€ million)

BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)	a	b	e	f	i	j	m	n	q	r	u	v	y	z
	31.12.2024													
	CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)		WATER AND MARINE RESOURCES (WTR)		CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
	NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)	
GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		
OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCA)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (WTR)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CE)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (PPC)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (BIO)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM + CCA + WTR + CE + PPC + BIO)		
152 F43.11 Demolition	-	-	-	-	-	-	-	-	-	-	-	-	-	-
153 F43.12 Site preparation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
154 F43.13 Test drilling and boring	-	-	-	-	-	-	-	-	-	-	-	-	-	-
155 F43.21 Electrical installation	0	0	-	-	-	-	-	-	-	-	-	-	0	0
156 F43.22 Plumbing, heat and air-conditioning installation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
157 F43.29 Other construction installation	6	6	-	-	-	-	-	-	-	-	-	-	6	6
158 F43.31 Plastering	-	-	-	-	-	-	-	-	-	-	-	-	-	-
159 F43.32 Joinery installation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
160 F43.33 Floor and wall covering	-	-	-	-	-	-	-	-	-	-	-	-	-	-
161 F43.34 Painting and glazing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
162 F43.39 Other building completion and finishing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
163 F43.91 Roofing activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
164 F43.99 Other specialised construction activities n.e.c.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
165 H49.10 Passenger rail transport, interurban	-	-	-	-	-	-	-	-	-	-	-	-	-	-
166 H49.20 Freight rail transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-
167 H49.31 Urban and suburban passenger land transport	9	8	-	-	-	-	0	-	-	-	-	-	9	8
168 H49.32 Taxi operation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
169 H49.39 Other passenger land transport n.e.c.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170 H49.41 Freight transport by road	-	-	-	-	-	-	-	-	-	-	-	-	-	-
171 H49.50 Transport via pipeline	-	-	-	-	-	-	-	-	-	-	-	-	-	-
172 H50.10 Sea and coastal passenger water transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-
173 H50.20 Sea and coastal freight water transport	3	-	-	-	-	-	-	-	-	-	-	-	3	-
174 H50.30 Inland passenger water transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-
175 H50.40 Inland freight water transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-
176 H52.21 Service activities incidental to land transportation	8	3	-	-	-	-	-	-	-	-	-	-	8	3

# Sustainability Report

continued: 2 GAR sector information - Turnover based

(€ million)

BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)	a	b	e	f	i	j	m	n	q	r	u	v	y	z
	31.12.2024													
	CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)		WATER AND MARINE RESOURCES (WTR)		CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
	NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)	
	GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT	
	OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCA)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (WTR)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CE)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (PPC)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (BIO)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM + CCA + WTR + CE + PPC + BIO)	
177	H52.22 Service activities incidental to water transportation	-	-	-	-	-	-	-	-	-	-	-	-	-
178	H53.10 Postal activities under universal service obligation	-	-	-	-	-	-	-	-	-	-	-	-	-
179	H53.20 Other postal and courier activities	25	3	-	-	-	-	-	-	-	-	-	25	3
180	J59.11 Motion picture, video and television programme production activities	-	-	-	-	-	-	-	-	-	-	-	-	-
181	J59.12 Motion picture, video and television programme post-production activities	-	-	-	-	-	-	-	-	-	-	-	-	-
182	J59.13 Motion picture, video and television programme distribution activities	-	-	-	-	-	-	-	-	-	-	-	-	-
183	J59.14 Motion picture projection activities	-	-	-	-	-	-	-	-	-	-	-	-	-
184	J59.20 Sound recording and music publishing activities	-	-	-	-	-	-	-	-	-	-	-	-	-
185	J60.10 Radio broadcasting	-	-	-	-	-	-	-	-	-	-	-	-	-
186	J60.20 Television programming and broadcasting activities	-	-	-	-	-	-	-	-	-	-	-	-	-
187	J61.10 Wired telecommunications activities	7	1	-	-	-	2	-	-	-	-	-	9	1
188	J61.20 Wireless telecommunications activities	2	1	-	-	-	1	-	-	-	-	-	3	1
189	J61.30 Satellite telecommunications activities	-	-	-	-	-	-	-	-	-	-	-	-	-
190	J61.90 Other telecommunications activities	32	13	-	-	-	3	-	-	-	-	-	35	13
191	J62.01 Computer programming activities	0	0	-	-	-	-	-	-	-	-	-	0	0
192	J62.02 Computer consultancy activities	2	-	-	-	-	0	-	-	-	-	-	2	-
193	J62.03 Computer facilities management activities	-	-	-	-	-	-	-	-	-	-	-	-	-
194	J62.09 Other information technology and computer service activities	-	-	-	-	-	-	-	-	-	-	-	-	-
195	J63.11 Data processing, hosting and related activities	-	-	-	-	-	-	-	-	-	-	-	-	-
196	K65.12 Non-life insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
197	K65.20 Reinsurance	-	-	-	-	-	-	-	-	-	-	-	-	-
198	L68.10 Buying and selling of own real estate	-	-	-	-	-	-	-	-	-	-	-	-	-
199	L68.20 Rental and operating of own or leased real estate	1,598	274	-	-	-	14	-	4	-	-	-	1,616	274
200	L68.31 Real estate agencies	-	-	-	-	-	-	-	-	-	-	-	-	-
201	L68.32 Management of real estate on a fee or contract basis	14	14	-	-	-	-	-	-	-	-	-	14	14

# Sustainability Report

continued: 2 GAR sector information - Turnover based

(€ million)

BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)	a	b	e	f	i	j	m	n	q	r	u	v	y	z
	31.12.2024													
	CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)		WATER AND MARINE RESOURCES (WTR)		CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
	NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)	
GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		
OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCA)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (WTR)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CE)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (PPC)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (BIO)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM + CCA + WTR + CE + PPC + BIO)		
202	M71.11 Architectural activities	-	-	-	-	-	-	-	-	-	-	-	-	-
203	M71.12 Engineering activities and related technical consultancy	-	-	-	-	-	-	-	-	-	-	-	-	-
204	M71.20 Technical testing and analysis	-	-	-	-	-	-	-	-	-	-	-	-	-
205	M72.11 Research and experimental development on biotechnology	-	-	-	-	-	-	-	-	-	-	-	-	-
206	M72.19 Other research and experimental development on natural sciences and engineering	-	-	-	-	-	-	-	-	-	-	-	-	-
207	M72.20 Research and experimental development on social sciences and humanities	-	-	-	-	-	-	-	-	-	-	-	-	-
208	N77.11 Rental and leasing of cars and light motor vehicles	19	-	-	-	-	-	-	-	-	-	-	-	19
209	N77.12 Rental and leasing of trucks	-	-	-	-	-	-	-	-	-	-	-	-	-
210	N77.21 Rental and leasing of recreational and sports goods	-	-	-	-	-	-	-	-	-	-	-	-	-
211	N77.34 Rental and leasing of water transport equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
212	N77.39 Rental and leasing of other machinery, equipment and tangible goods n.e.c.	-	-	-	-	-	-	-	-	-	-	-	-	-
213	P85.10 Pre-primary education	-	-	-	-	-	-	-	-	-	-	-	-	-
214	P85.20 Primary education	-	-	-	-	-	-	-	-	-	-	-	-	-
215	P85.31 General secondary education	-	-	-	-	-	-	-	-	-	-	-	-	-
216	P85.32 Technical and vocational secondary education	-	-	-	-	-	-	-	-	-	-	-	-	-
217	P85.41 Post-secondary non-tertiary education	-	-	-	-	-	-	-	-	-	-	-	-	-
218	P85.42 Tertiary education	-	-	-	-	-	-	-	-	-	-	-	-	-
219	P85.51 Sports and recreation education	-	-	-	-	-	-	-	-	-	-	-	-	-
220	P85.52 Cultural education	-	-	-	-	-	-	-	-	-	-	-	-	-
221	P85.53 Driving school activities	-	-	-	-	-	-	-	-	-	-	-	-	-
222	P85.59 Other education n.e.c.	-	-	-	-	-	-	-	-	-	-	-	-	-
223	P85.60 Educational support activities	-	-	-	-	-	-	-	-	-	-	-	-	-
224	Q87.10 Residential nursing care activities	1	-	-	-	-	-	1	-	-	-	-	-	2
225	Q87.20 Residential care activities for mental retardation, mental health and substance abuse	-	-	-	-	-	-	-	-	-	-	-	-	-
226	Q87.30 Residential care activities for the elderly and disabled	-	-	-	-	-	-	-	-	-	-	-	-	-

# Sustainability Report

continued: 2 GAR sector information - Turnover based

(€ million)

BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)	a	b	e	f	i	j	m	n	q	r	u	v	y	z
	31.12.2024													
	CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)		WATER AND MARINE RESOURCES (WTR)		CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
	NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)	
GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		
OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCA)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (WTR)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CE)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (PPC)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (BIO)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM + CCA + WTR + CE + PPC + BIO)		
227	Q87.90 Other residential care activities	-	-	-	-	-	-	-	-	-	-	-	-	-
228	R90.01 Performing arts	-	-	-	-	-	-	-	-	-	-	-	-	-
229	R90.02 Support activities to performing arts	-	-	-	-	-	-	-	-	-	-	-	-	-
230	R90.03 Artistic creation	-	-	-	-	-	-	-	-	-	-	-	-	-
231	R90.04 Operation of arts facilities	-	-	-	-	-	-	-	-	-	-	-	-	-
232	R91.01 Library and archives activities	-	-	-	-	-	-	-	-	-	-	-	-	-
233	R91.02 Museums activities	-	-	-	-	-	-	-	-	-	-	-	-	-
234	R91.03 Operation of historical sites and buildings and similar visitor attractions	-	-	-	-	-	-	-	-	-	-	-	-	-
235	R91.04 Botanical and zoological gardens and nature reserves activities	-	-	-	-	-	-	-	-	-	-	-	-	-
236	S95.21 Repair of consumer electronics	-	-	-	-	-	-	-	-	-	-	-	-	-
237	S95.22 Repair of household appliances and home and garden equipment	-	-	-	-	-	-	-	-	-	-	-	-	-

# Sustainability Report

## 3 GAR KPI (stock) - Capex based - % (compared to total covered assets in the denominator)

	31.12.2024												
	CLIMATE CHANGE MITIGATION (CCM)				CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)				
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				
	% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)				% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)				% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)				
	a	b	c	d	e	f	g	h	i	j	k	l	m
	OF WHICH USE OF PROCEEDS				OF WHICH TRANSITIONAL				OF WHICH ENABLING				
	OF WHICH USE OF PROCEEDS				OF WHICH TRANSITIONAL				OF WHICH ENABLING				
	OF WHICH USE OF PROCEEDS				OF WHICH TRANSITIONAL				OF WHICH ENABLING				
	OF WHICH USE OF PROCEEDS				OF WHICH TRANSITIONAL				OF WHICH ENABLING				
<b>GAR - Covered assets in both numerator and denominator</b>													
1 Loans and advances, debt securities and equity instruments not HTT eligible for GAR calculation	16.12%	1.03%	-	0.15%	0.25%	0.01%	0.01%	-	0.00%	0.00%	0.00%	-	-
2 <b>Financial undertakings</b>	<b>0.98%</b>	<b>0.23%</b>	-	<b>0.01%</b>	<b>0.07%</b>	<b>0.00%</b>	<b>0.00%</b>	-	-	<b>0.00%</b>	-	-	-
3 Credit institutions	0.75%	0.05%	-	0.01%	0.00%	0.00%	0.00%	-	-	-	-	-	-
4 Loans and advances	0.51%	0.04%	-	0.01%	0.00%	0.00%	0.00%	-	-	-	-	-	-
5 Debt securities, including UoP	0.24%	0.02%	-	0.00%	0.00%	0.00%	-	-	-	-	-	-	-
6 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Other Financial corporation	0.24%	0.18%	-	0.00%	0.06%	0.00%	0.00%	-	-	0.00%	-	-	-
8 <i>Of which: investment firms</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
12 <i>Of which: management companies</i>	0.00%	0.00%	-	0.00%	0.00%	-	-	-	-	-	-	-	-
13 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Equity instruments	0.00%	0.00%	-	0.00%	0.00%	-	-	-	-	-	-	-	-
16 <i>Of which: insurance undertakings</i>	-	0.00%	-	0.00%	0.00%	-	0.00%	-	-	-	-	-	-
17 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
18 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
19 Equity instruments	-	0.00%	-	0.00%	0.00%	-	0.00%	-	-	-	-	-	-
20 <b>Non-Financial undertakings</b>	<b>1.87%</b>	<b>0.74%</b>	-	<b>0.09%</b>	<b>0.18%</b>	<b>0.01%</b>	<b>0.01%</b>	-	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	-	-
21 Loans and advances	1.87%	0.73%	-	0.09%	0.18%	0.01%	0.01%	-	0.00%	0.00%	0.00%	-	-
22 Debt securities, including UoP	0.01%	0.00%	-	0.00%	0.00%	-	-	-	-	-	-	-	-
23 Equity instruments	0.00%	0.00%	-	0.00%	-	-	-	-	-	-	-	-	-
24 <b>Households</b>	<b>13.27%</b>	<b>0.06%</b>	-	<b>0.06%</b>	-	-	-	-	-	-	-	-	-
25 <i>Of which: loans collateralised by residential immovable property</i>	13.05%	0.06%	-	0.06%	-	-	-	-	-	-	-	-	-
26 <i>Of which: building renovation loans</i>	0.22%	-	-	-	-	-	-	-	-	-	-	-	-
27 <i>Of which: motor vehicle loans</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
28 <b>Local governments financing</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
29 Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
31 <b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
32 <b>Total GAR assets</b>	<b>16.12%</b>	<b>1.03%</b>	-	<b>0.15%</b>	<b>0.25%</b>	<b>0.01%</b>	<b>0.01%</b>	-	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	-	-

# Sustainability Report

continued: 3 GAR KPI (stock) - Capex based - % (compared to total covered assets in the denominator)

		31.12.2024					
		CIRCULAR ECONOMY (CE)			POLLUTION (PPC)		
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)		
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
		OF WHICH USE OF PROCEEDS		OF WHICH ENABLING	OF WHICH USE OF PROCEEDS		OF WHICH ENABLING
% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)							
<b>GAR - Covered assets in both numerator and denominator</b>							
1	Loans and advances, debt securities and equity instruments not HT eligible for GAR calculation	0.02%	0.00%	-	-	0.02%	0.00%
2	<b>Financial undertakings</b>	0.00%	-	-	-	0.00%	-
3	Credit institutions	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-
7	Other Financial corporation	0.00%	-	-	-	0.00%	-
8	<i>Of which: investment firms</i>	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-
12	<i>Of which: management companies</i>	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-
16	<i>Of which: insurance undertakings</i>	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-
20	<b>Non-Financial undertakings</b>	0.02%	0.00%	-	-	0.02%	0.00%
21	Loans and advances	0.02%	0.00%	-	-	0.01%	0.00%
22	Debt securities, including UoP	-	-	-	-	0.01%	-
23	Equity instruments	0.00%	-	-	-	-	-
24	<b>Households</b>	-	-	-	-	-	-
25	<i>Of which: loans collateralised by residential immovable property</i>	-	-	-	-	-	-
26	<i>Of which: building renovation loans</i>	-	-	-	-	-	-
27	<i>Of which: motor vehicle loans</i>	-	-	-	-	-	-
28	<b>Local governments financing</b>	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-
32	<b>Total GAR assets</b>	0.02%	0.00%	-	-	0.02%	0.00%

# Sustainability Report

continued: 3 GAR KPI (stock) - Capex based - % (compared to total covered assets in the denominator)

	v	w	x	z	31.12.2024					af				
					BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					
					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		OF WHICH USE OF PROCEEDS		OF WHICH ENABLING		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		OF WHICH USE OF PROCEEDS	
% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)														
<b>GAR - Covered assets in both numerator and denominator</b>														
1	Loans and advances, debt securities and equity instruments not HHT eligible for GAR calculation	0.00%	-	-	-	16.23%	1.04%	-	0.15%	0.25%	13.21%			
2	<b>Financial undertakings</b>	0.00%	-	-	-	1.04%	0.23%	-	0.01%	0.07%	2.08%			
3	Credit institutions	-	-	-	-	0.76%	0.05%	-	0.01%	0.00%	1.57%			
4	Loans and advances	-	-	-	-	0.51%	0.04%	-	0.01%	0.00%	1.02%			
5	Debt securities, including UoP	-	-	-	-	0.24%	0.02%	-	0.00%	0.00%	0.54%			
6	Equity instruments	-	-	-	-	-	-	-	-	-	-			
7	Other Financial corporation	0.00%	-	-	-	0.29%	0.18%	-	0.00%	0.06%	0.51%			
8	<i>Of which: investment firms</i>	-	-	-	-	-	-	-	-	-	-			
9	Loans and advances	-	-	-	-	-	-	-	-	-	-			
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-			
11	Equity instruments	-	-	-	-	-	-	-	-	-	-			
12	<i>Of which: management companies</i>	-	-	-	-	0.00%	0.00%	-	0.00%	0.00%	0.01%			
13	Loans and advances	-	-	-	-	0.00%	-	-	-	-	0.00%			
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-			
15	Equity instruments	-	-	-	-	0.00%	0.00%	-	0.00%	0.00%	0.01%			
16	<i>Of which: insurance undertakings</i>	-	-	-	-	0.04%	0.00%	-	0.00%	0.00%	0.15%			
17	Loans and advances	-	-	-	-	-	-	-	-	-	-			
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-			
19	Equity instruments	-	-	-	-	0.04%	0.00%	-	0.00%	0.00%	0.15%			
20	<b>Non-Financial undertakings</b>	0.00%	-	-	-	1.92%	0.74%	-	0.09%	0.19%	2.56%			
21	Loans and advances	0.00%	-	-	-	1.90%	0.74%	-	0.09%	0.19%	2.48%			
22	Debt securities, including UoP	-	-	-	-	0.02%	0.00%	-	-	0.00%	0.07%			
23	Equity instruments	-	-	-	-	0.00%	0.00%	-	0.00%	-	0.00%			
24	<b>Households</b>	-	-	-	-	13.27%	0.06%	-	0.06%	-	8.56%			
25	<i>Of which: loans collateralised by residential immovable property</i>	-	-	-	-	13.05%	0.06%	-	0.06%	-	8.43%			
26	<i>Of which: building renovation loans</i>	-	-	-	-	0.22%	-	-	-	-	0.14%			
27	<i>Of which: motor vehicle loans</i>	-	-	-	-	-	-	-	-	-	-			
28	<b>Local governments financing</b>	-	-	-	-	-	-	-	-	-	0.00%			
29	Housing financing	-	-	-	-	-	-	-	-	-	0.00%			
30	Other local government financing	-	-	-	-	-	-	-	-	-	-			
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	-	-	-	-	-	-	-	-	-	-			
32	<b>Total GAR assets</b>	0.00%	-	-	-	16.23%	1.04%	-	0.15%	0.25%	63.22%			

# Sustainability Report

## 3 GAR KPI (stock) - Turnover based - % (compared to total covered assets in the denominator)

	a	b	c	d	e	f	g	h	i	j	k	l	m
	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)					WATER AND MARINE RESOURCES (WTR)		
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)		
	% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)	
OF WHICH USE OF PROCEEDS		OF WHICH TRANSITIONAL	OF WHICH ENABLING	OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING	OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING	OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING	
<b>GAR - Covered assets in both numerator and denominator</b>													
1	Loans and advances, debt securities and equity instruments not HTI eligible for GAR calculation	15.81%	0.55%	-	0.10%	0.17%	0.00%	0.00%	-	0.00%	0.00%	0.00%	-
2	<b>Financial undertakings</b>	<b>0.91%</b>	<b>0.14%</b>	<b>-</b>	<b>0.01%</b>	<b>0.05%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>
3	Credit institutions	0.74%	0.05%	-	0.01%	0.00%	0.00%	0.00%	-	-	-	-	-
4	Loans and advances	0.51%	0.03%	-	0.01%	0.00%	0.00%	-	-	-	-	-	-
5	Debt securities, including UoP	0.23%	0.02%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
7	Other Financial corporation	0.17%	0.09%	-	0.00%	0.05%	0.00%	0.00%	-	0.00%	0.00%	-	-
8	<i>Of which: investment firms</i>	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
12	<i>Of which: management companies</i>	0.00%	0.00%	-	0.00%	0.00%	0.00%	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	0.00%	0.00%	-	0.00%	0.00%	0.00%	-	-	-	-	-	-
16	<i>Of which: insurance undertakings</i>	-	0.00%	-	0.00%	0.00%	-	0.00%	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	0.00%	-	0.00%	0.00%	-	0.00%	-	-	-	-	-
20	<b>Non-Financial undertakings</b>	<b>1.64%</b>	<b>0.35%</b>	<b>-</b>	<b>0.04%</b>	<b>0.11%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>-</b>
21	Loans and advances	1.63%	0.35%	-	0.04%	0.11%	0.00%	0.00%	-	0.00%	0.00%	0.00%	-
22	Debt securities, including UoP	0.00%	0.00%	-	-	0.00%	-	-	-	-	-	-	-
23	Equity instruments	0.00%	-	-	-	-	-	-	-	-	-	-	-
24	<b>Households</b>	<b>13.27%</b>	<b>0.06%</b>	<b>-</b>	<b>0.06%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
25	<i>Of which: loans collateralised by residential immovable property</i>	13.05%	0.06%	-	0.06%	-	-	-	-	-	-	-	-
26	<i>Of which: building renovation loans</i>	0.22%	-	-	-	-	-	-	-	-	-	-	-
27	<i>Of which: motor vehicle loans</i>	-	-	-	-	-	-	-	-	-	-	-	-
28	<b>Local governments financing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-
32	<b>Total GAR assets</b>	<b>15.81%</b>	<b>0.55%</b>	<b>-</b>	<b>0.10%</b>	<b>0.17%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>-</b>

# Sustainability Report

continued: 3 GAR KPI stock - Turnover based - % (compared to total covered assets in the denominator)

		31.12.2024							
		CIRCULAR ECONOMY (CE)			POLLUTION (PPC)				
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				
		OF WHICH USE OF PROCEEDS		OF WHICH ENABLING		OF WHICH USE OF PROCEEDS		OF WHICH ENABLING	
% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)									
GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HTF eligible for GAR calculation	0.03%	0.01%	-	-	0.04%	0.00%	-	-
2	<b>Financial undertakings</b>	<b>0.00%</b>	-	-	-	<b>0.00%</b>	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other Financial corporation	0.00%	-	-	-	0.00%	-	-	-
8	<i>Of which: investment firms</i>	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	<i>Of which: management companies</i>	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	<i>Of which: insurance undertakings</i>	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	<b>Non-Financial undertakings</b>	<b>0.03%</b>	<b>0.01%</b>	-	-	<b>0.04%</b>	<b>0.00%</b>	-	-
21	Loans and advances	0.03%	0.01%	-	-	0.01%	0.00%	-	-
22	Debt securities, including UoP	-	-	-	-	0.03%	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-
24	<b>Households</b>	-	-	-	-	-	-	-	-
25	<i>Of which: loans collateralised by residential immovable property</i>	-	-	-	-	-	-	-	-
26	<i>Of which: building renovation loans</i>	-	-	-	-	-	-	-	-
27	<i>Of which: motor vehicle loans</i>	-	-	-	-	-	-	-	-
28	<b>Local governments financing</b>	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	-	-	-	-	-	-	-	-
32	<b>Total GAR assets</b>	<b>0.03%</b>	<b>0.01%</b>	-	-	<b>0.04%</b>	<b>0.00%</b>	-	-

# Sustainability Report

continued: 3 GAR KPI stock - Turnover based - % (compared to total covered assets in the denominator)

	u	v	w	x	z	aa		ab		ac		ad	ae						
						31.12.2024													
						BIODIVERSITY AND ECOSYSTEMS (BIO)								TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
						PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)								PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					
PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)						PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)													
						OF WHICH USE OF PROCEEDS	OF WHICH ENABLING	OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING									
	<b>GAR - Covered assets in both numerator and denominator</b>																		
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	0.00%	-	-	-	15.96%	0.56%	-	0.10%	0.17%	-	13.21%							
2	<b>Financial undertakings</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.98%</b>	<b>0.14%</b>	<b>-</b>	<b>0.01%</b>	<b>0.05%</b>	<b>-</b>	<b>2.08%</b>							
3	Credit institutions	-	-	-	-	0.75%	0.05%	-	0.01%	0.00%	-	1.57%							
4	Loans and advances	-	-	-	-	0.51%	0.03%	-	0.01%	0.00%	-	1.02%							
5	Debt securities, including UoP	-	-	-	-	0.24%	0.02%	-	0.00%	0.00%	-	0.54%							
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-							
7	Other Financial corporation	0.00%	-	-	-	0.23%	0.09%	-	0.00%	0.05%	-	0.51%							
8	<i>Of which: investment firms</i>	-	-	-	-	-	-	-	-	-	-	-							
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-							
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-							
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-							
12	<i>Of which: management companies</i>	-	-	-	-	0.00%	0.00%	-	0.00%	0.00%	-	0.01%							
13	Loans and advances	-	-	-	-	0.00%	-	-	-	-	-	0.00%							
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-							
15	Equity instruments	-	-	-	-	0.00%	0.00%	-	0.00%	0.00%	-	0.01%							
16	<i>Of which: insurance undertakings</i>	-	-	-	-	0.05%	0.00%	-	0.00%	0.00%	-	0.15%							
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-							
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-							
19	Equity instruments	-	-	-	-	0.05%	0.00%	-	0.00%	0.00%	-	0.15%							
20	<b>Non-Financial undertakings</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.71%</b>	<b>0.36%</b>	<b>-</b>	<b>0.04%</b>	<b>0.12%</b>	<b>-</b>	<b>2.56%</b>							
21	Loans and advances	0.00%	-	-	-	1.68%	0.36%	-	0.04%	0.12%	-	2.48%							
22	Debt securities, including UoP	-	-	-	-	0.04%	0.00%	-	-	0.00%	-	0.07%							
23	Equity instruments	-	-	-	-	0.00%	-	-	-	-	-	0.00%							
24	<b>Households</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.27%</b>	<b>0.06%</b>	<b>-</b>	<b>0.06%</b>	<b>-</b>	<b>-</b>	<b>8.56%</b>							
25	<i>Of which: loans collateralised by residential immovable property</i>	-	-	-	-	13.05%	0.06%	-	0.06%	-	-	8.43%							
26	<i>Of which: building renovation loans</i>	-	-	-	-	0.22%	-	-	-	-	-	0.14%							
27	<i>Of which: motor vehicle loans</i>	-	-	-	-	-	-	-	-	-	-	-							
28	<b>Local governments financing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>							
29	Housing financing	-	-	-	-	-	-	-	-	-	-	0.00%							
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-							
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-							
32	<b>Total GAR assets</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.96%</b>	<b>0.56%</b>	<b>-</b>	<b>0.10%</b>	<b>0.17%</b>	<b>-</b>	<b>63.22%</b>							

# Sustainability Report

## 4 GAR KPI flow - Capex based - % (compared to flow of total eligible assets)

	a	b	c	d	e	f	g	h	i	j	k	l	m
	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)					WATER AND MARINE RESOURCES (WTR)		
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)		
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
% (COMPARED TO FLOW OF TOTAL ELIGIBLE ASSETS)			OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING		OF WHICH USE OF PROCEEDS	OF WHICH ENABLING	
	31.12.2024												
	GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HTI eligible for GAR calculation	8.85%	2.28%	-	0.15%	0.71%	0.02%	0.02%	-	0.02%	0.00%	0.00%	-
2	<b>Financial undertakings</b>	3.95%	1.04%	-	0.03%	0.30%	0.00%	0.00%	-	-	0.00%	-	-
3	Credit institutions	2.98%	0.22%	-	0.03%	0.02%	0.00%	0.00%	-	-	-	-	-
4	Loans and advances	2.57%	0.18%	-	0.03%	0.01%	0.00%	0.00%	-	-	-	-	-
5	Debt securities, including UoP	0.41%	0.03%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
7	Other Financial corporation	0.97%	0.82%	-	0.00%	0.29%	0.00%	0.00%	-	-	0.00%	-	-
8	<i>Of which: investment firms</i>	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
12	<i>Of which: management companies</i>	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
16	<i>Of which: insurance undertakings</i>	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
20	<b>Non-Financial undertaking</b>	2.38%	1.24%	-	0.12%	0.41%	0.02%	0.02%	-	0.02%	0.00%	0.00%	-
21	Loans and advances	2.37%	1.24%	-	0.12%	0.41%	0.02%	0.02%	-	0.02%	0.00%	0.00%	-
22	Debt securities, including UoP	0.00%	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	0.01%	0.00%	-	0.00%	-	-	-	-	-	-	-	-
24	<b>Households</b>	2.52%	-	-	-	-	-	-	-	-	-	-	-
25	<i>Of which: loans collateralised by residential immovable property</i>	2.52%	-	-	-	-	-	-	-	-	-	-	-
26	<i>Of which: building renovation loans</i>	0.00%	-	-	-	-	-	-	-	-	-	-	-
27	<i>Of which: motor vehicle loans</i>	-	-	-	-	-	-	-	-	-	-	-	-
28	<b>Local governments financing</b>	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-
32	<b>Total GAR assets</b>	8.85%	2.28%	-	0.15%	0.71%	0.02%	0.02%	-	0.02%	0.00%	0.00%	-

# Sustainability Report

continued: 4 GAR KPI flow - Capex based - % (compared to flow of total eligible assets)

		n		o		p		q		r		s		t		u	
		31.12.2024															
		CIRCULAR ECONOMY (CE)								POLLUTION (PPC)							
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)								PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)							
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)			
		OF WHICH USE OF PROCEEDS		OF WHICH ENABLING		OF WHICH USE OF PROCEEDS		OF WHICH ENABLING		OF WHICH USE OF PROCEEDS		OF WHICH ENABLING		OF WHICH USE OF PROCEEDS		OF WHICH ENABLING	
% (COMPARED TO FLOW OF TOTAL ELIGIBLE ASSETS)																	
<b>GAR - Covered assets in both numerator and denominator</b>																	
1	Loans and advances, debt securities and equity instruments not HTF eligible for GAR calculation	0.06%		0.00%		-		-		0.04%		0.00%		-		-	
2	<b>Financial undertakings</b>	-		-		-		-		-		-		-		-	
3	Credit institutions	-		-		-		-		-		-		-		-	
4	Loans and advances	-		-		-		-		-		-		-		-	
5	Debt securities, including UoP	-		-		-		-		-		-		-		-	
6	Equity instruments	-		-		-		-		-		-		-		-	
7	Other Financial corporation	-		-		-		-		-		-		-		-	
8	<i>Of which: investment firms</i>	-		-		-		-		-		-		-		-	
9	Loans and advances	-		-		-		-		-		-		-		-	
10	Debt securities, including UoP	-		-		-		-		-		-		-		-	
11	Equity instruments	-		-		-		-		-		-		-		-	
12	<i>Of which: management companies</i>	-		-		-		-		-		-		-		-	
13	Loans and advances	-		-		-		-		-		-		-		-	
14	Debt securities, including UoP	-		-		-		-		-		-		-		-	
15	Equity instruments	-		-		-		-		-		-		-		-	
16	<i>Of which: insurance undertakings</i>	-		-		-		-		-		-		-		-	
17	Loans and advances	-		-		-		-		-		-		-		-	
18	Debt securities, including UoP	-		-		-		-		-		-		-		-	
19	Equity instruments	-		-		-		-		-		-		-		-	
20	<b>Non-Financial undertaking</b>	0.06%		0.00%		-		-		0.04%		0.00%		-		-	
21	Loans and advances	0.06%		0.00%		-		-		0.04%		0.00%		-		-	
22	Debt securities, including UoP	-		-		-		-		-		-		-		-	
23	Equity instruments	0.00%		-		-		-		-		-		-		-	
24	<b>Households</b>	-		-		-		-		-		-		-		-	
25	<i>Of which: loans collateralised by residential immovable property</i>	-		-		-		-		-		-		-		-	
26	<i>Of which: building renovation loans</i>	-		-		-		-		-		-		-		-	
27	<i>Of which: motor vehicle loans</i>	-		-		-		-		-		-		-		-	
28	<b>Local governments financing</b>	-		-		-		-		-		-		-		-	
29	Housing financing	-		-		-		-		-		-		-		-	
30	Other local government financing	-		-		-		-		-		-		-		-	
31	Collateral obtained by taking possession: residential and commercial immovable properties	-		-		-		-		-		-		-		-	
32	<b>Total GAR assets</b>	0.06%		0.00%		-		-		0.04%		0.00%		-		-	

# Sustainability Report

continued: 4 GAR KPI flow - Capex based - % (compared to flow of total eligible assets)

	v	w	x	z	31.12.2024				af				
					BIODIVERSITY AND ECOSYSTEMS (BIO)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		OF WHICH USE OF PROCEEDS			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		OF WHICH USE OF PROCEEDS	
		OF WHICH ENABLING				OF WHICH ENABLING		PROPORTION OF TOTAL NEW ASSETS COVERED					
% (COMPARED TO FLOW OF TOTAL ELIGIBLE ASSETS)													
	<b>GAR - Covered assets in both numerator and denominator</b>												
1	Loans and advances, debt securities and equity instruments not HTT eligible for GAR calculation	-	-	-	-	8.97%	2.30%	-	0.15%	0.72%	12.72%		
2	<b>Financial undertakings</b>	-	-	-	-	3.96%	1.04%	-	0.03%	0.30%	6.66%		
3	Credit institutions	-	-	-	-	2.98%	0.22%	-	0.03%	0.02%	5.67%		
4	Loans and advances	-	-	-	-	2.57%	0.18%	-	0.03%	0.01%	4.91%		
5	Debt securities, including UoP	-	-	-	-	0.41%	0.03%	-	0.00%	0.00%	0.76%		
6	Equity instruments	-	-	-	-	-	-	-	-	-	-		
7	Other Financial corporation	-	-	-	-	0.98%	0.82%	-	0.00%	0.29%	0.99%		
8	<i>Of which: investment firms</i>	-	-	-	-	-	-	-	-	-	-		
9	Loans and advances	-	-	-	-	-	-	-	-	-	-		
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-		
11	Equity instruments	-	-	-	-	-	-	-	-	-	-		
12	<i>Of which: management companies</i>	-	-	-	-	-	-	-	-	-	-		
13	Loans and advances	-	-	-	-	-	-	-	-	-	-		
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-		
15	Equity instruments	-	-	-	-	-	-	-	-	-	-		
16	<i>Of which: insurance undertakings</i>	-	-	-	-	-	-	-	-	-	-		
17	Loans and advances	-	-	-	-	-	-	-	-	-	-		
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-		
19	Equity instruments	-	-	-	-	-	-	-	-	-	-		
20	<b>Non-Financial undertaking</b>	-	-	-	-	2.50%	1.26%	-	0.12%	0.42%	4.53%		
21	Loans and advances	-	-	-	-	2.49%	1.26%	-	0.12%	0.42%	4.49%		
22	Debt securities, including UoP	-	-	-	-	0.00%	-	-	-	-	0.03%		
23	Equity instruments	-	-	-	-	0.01%	0.00%	-	0.00%	-	0.01%		
24	<b>Households</b>	-	-	-	-	2.52%	-	-	-	-	1.53%		
25	<i>Of which: loans collateralised by residential immovable property</i>	-	-	-	-	2.52%	-	-	-	-	1.53%		
26	<i>Of which: building renovation loans</i>	-	-	-	-	0.00%	-	-	-	-	0.00%		
27	<i>Of which: motor vehicle loans</i>	-	-	-	-	-	-	-	-	-	-		
28	<b>Local governments financing</b>	-	-	-	-	-	-	-	-	-	-		
29	Housing financing	-	-	-	-	-	-	-	-	-	-		
30	Other local government financing	-	-	-	-	-	-	-	-	-	-		
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-		
32	<b>Total GAR assets</b>	-	-	-	-	8.97%	2.30%	-	0.15%	0.72%	12.72%		

# Sustainability Report

## 4 GAR KPI flow - Turnover based - % (compared to flow of total eligible assets)

	31.12.2024													
	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)				
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				
% (COMPARED TO FLOW OF TOTAL ELIGIBLE ASSETS)			OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING				OF WHICH USE OF PROCEEDS	OF WHICH ENABLING		OF WHICH USE OF PROCEEDS	OF WHICH ENABLING	
<b>GAR - Covered assets in both numerator and denominator</b>														
1	Loans and advances, debt securities and equity instruments not HTI eligible for GAR calculation	7.68%	1.16%	-	0.15%	0.55%	0.01%	0.00%	-	0.00%	0.00%	0.00%	-	-
2	<b>Financial undertakings</b>	<b>3.63%</b>	<b>0.61%</b>	-	<b>0.03%</b>	<b>0.25%</b>	<b>0.01%</b>	<b>0.00%</b>	-	<b>0.00%</b>	<b>0.00%</b>	-	-	
3	Credit institutions	2.96%	0.20%	-	0.03%	0.01%	0.00%	0.00%	-	-	-	-	-	
4	Loans and advances	2.56%	0.17%	-	0.03%	0.01%	0.00%	0.00%	-	-	-	-	-	
5	Debt securities, including UoP	0.41%	0.03%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	
7	Other financial corporation	0.67%	0.41%	-	0.01%	0.24%	0.01%	0.00%	-	0.00%	0.00%	-	-	
8	<i>Of which: investment firms</i>	-	-	-	-	-	-	-	-	-	-	-	-	
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	
12	<i>Of which: management companies</i>	-	-	-	-	-	-	-	-	-	-	-	-	
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	
16	<i>Of which: insurance undertakings</i>	-	-	-	-	-	-	-	-	-	-	-	-	
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	
20	<b>Non-Financial undertaking</b>	<b>1.53%</b>	<b>0.55%</b>	-	<b>0.11%</b>	<b>0.30%</b>	<b>0.01%</b>	<b>0.00%</b>	-	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	-	
21	Loans and advances	1.53%	0.55%	-	0.11%	0.30%	0.01%	0.00%	-	0.00%	0.00%	0.00%	-	
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	
23	Equity instruments	0.00%	-	-	-	-	-	-	-	-	-	-	-	
24	<b>Households</b>	<b>2.52%</b>	-	-	-	-	-	-	-	-	-	-	-	
25	<i>Of which: loans collateralised by residential immovable property</i>	2.52%	-	-	-	-	-	-	-	-	-	-	-	
26	<i>Of which: building renovation loans</i>	0.00%	-	-	-	-	-	-	-	-	-	-	-	
27	<i>Of which: motor vehicle loans</i>	-	-	-	-	-	-	-	-	-	-	-	-	
28	<b>Local governments financing</b>	-	-	-	-	-	-	-	-	-	-	-	-	
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	-	-	-	-	-	-	-	-	-	-	-	-	
32	<b>Total GAR assets</b>	<b>7.68%</b>	<b>1.16%</b>	-	<b>0.15%</b>	<b>0.55%</b>	<b>0.01%</b>	<b>0.00%</b>	-	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	-	

# Sustainability Report

continued: 4 GAR KPI flow - Turnover based - % (compared to flow of total eligible assets)

		31.12.2024							
		CIRCULAR ECONOMY (CE)			POLLUTION (PPC)				
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)			
		OF WHICH USE OF PROCEEDS		OF WHICH ENABLING		OF WHICH USE OF PROCEEDS		OF WHICH ENABLING	
% (COMPARED TO FLOW OF TOTAL ELIGIBLE ASSETS)									
GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HT eligible for GAR calculation	0.07%	0.02%	-	-	0.04%	0.00%	-	-
2	<b>Financial undertakings</b>	<b>0.00%</b>	-	-	-	<b>0.00%</b>	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other Financial corporation	0.00%	-	-	-	0.00%	-	-	-
8	<i>Of which: investment firms</i>	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	<i>Of which: management companies</i>	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	<i>Of which: insurance undertakings</i>	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	<b>Non-Financial undertaking</b>	<b>0.07%</b>	<b>0.02%</b>	-	-	<b>0.04%</b>	<b>0.00%</b>	-	-
21	Loans and advances	0.07%	0.02%	-	-	0.04%	0.00%	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	0.00%	-	-	-	-	-	-	-
24	<b>Households</b>	-	-	-	-	-	-	-	-
25	<i>Of which: loans collateralised by residential immovable property</i>	-	-	-	-	-	-	-	-
26	<i>Of which: building renovation loans</i>	-	-	-	-	-	-	-	-
27	<i>Of which: motor vehicle loans</i>	-	-	-	-	-	-	-	-
28	<b>Local governments financing</b>	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	-	-	-	-	-	-	-	-
32	<b>Total GAR assets</b>	<b>0.07%</b>	<b>0.02%</b>	-	-	<b>0.04%</b>	<b>0.00%</b>	-	-

# Sustainability Report

continued: 4 GAR KPI flow - Turnover based - % (compared to flow of total eligible assets)

	v	w	x	z	aa	ab	ac	ad	ae	af	
	31.12.2024										
	BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)						
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)						
			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING	PROPORTION OF TOTAL NEW ASSETS COVERED	
<b>GAR - Covered assets in both numerator and denominator</b>											
1	Loans and advances, debt securities and equity instruments not HTF eligible for GAR calculation	-	-	-	-	7.83%	1.18%	-	0.15%	0.55%	12.72%
2	<b>Financial undertakings</b>	-	-	-	-	3.86%	0.61%	-	0.03%	0.25%	6.66%
3	Credit institutions	-	-	-	-	2.96%	0.20%	-	0.03%	0.01%	5.67%
4	Loans and advances	-	-	-	-	2.56%	0.17%	-	0.03%	0.01%	4.91%
5	Debt securities, including UoP	-	-	-	-	0.41%	0.03%	-	0.00%	0.00%	0.76%
6	Equity instruments	-	-	-	-	-	-	-	-	-	-
7	Other Financial corporation	-	-	-	-	0.70%	0.42%	-	0.01%	0.24%	0.99%
8	<i>Of which: investment firms</i>	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-
12	<i>Of which: management companies</i>	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-
16	<i>Of which: insurance undertakings</i>	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-
20	<b>Non-Financial undertaking</b>	-	-	-	-	1.65%	0.57%	-	0.11%	0.31%	4.53%
21	Loans and advances	-	-	-	-	1.65%	0.57%	-	0.11%	0.31%	4.49%
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	0.03%
23	Equity instruments	-	-	-	-	0.00%	-	-	-	-	0.01%
24	<b>Households</b>	-	-	-	-	2.52%	-	-	-	-	1.53%
25	<i>Of which: loans collateralised by residential immovable property</i>	-	-	-	-	2.52%	-	-	-	-	1.53%
26	<i>Of which: building renovation loans</i>	-	-	-	-	0.00%	-	-	-	-	0.00%
27	<i>Of which: motor vehicle loans</i>	-	-	-	-	-	-	-	-	-	-
28	<b>Local governments financing</b>	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	-	-	-	-	-	-	-	-	-	-
32	<b>Total GAR assets</b>	-	-	-	-	7.83%	1.18%	-	0.15%	0.55%	12.72%

# Sustainability Report

## 5 KPI off-balance sheet exposures flow - Capex based - % (compared to total eligible Off-Balance-Sheet assets)

% (COMPARED TO TOTAL ELIGIBLE OFF-BALANCE-SHEET ASSETS)	31.12.2024										
	CLIMATE CHANGE MITIGATION (CCM)				CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)		
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)		
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
	OF WHICH USE OF PROCEEDS		OF WHICH TRANSITIONAL		OF WHICH ENABLING		OF WHICH USE OF PROCEEDS		OF WHICH TRANSITIONAL		OF WHICH ENABLING
1 Financial guarantees (FinGuar KPI)	37.60%	0.18%	-	-	0.18%	-	-	-	-	-	-
2 Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-

continued: 5 KPI off-balance sheet exposures flow - Capex based - % (compared to total eligible Off-Balance-Sheet assets)

% (COMPARED TO TOTAL ELIGIBLE OFF-BALANCE-SHEET ASSETS)	31.12.2024												
	CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)						
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)						
	OF WHICH USE OF PROCEEDS	OF WHICH ENABLING	OF WHICH USE OF PROCEEDS	OF WHICH ENABLING	OF WHICH USE OF PROCEEDS	OF WHICH ENABLING	OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING				
1 Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	37.60%	0.18%	-	-	0.18%
2 Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-

# Sustainability Report

## 5 KPI off-balance sheet exposures flow - Turnover based - % (compared to total eligible Off-Balance-Sheet assets)

	31.12.2024											
	CLIMATE CHANGE MITIGATION (CCM)			CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)				
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				
	OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL		OF WHICH ENABLING	OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL		OF WHICH ENABLING	OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL		OF WHICH ENABLING
a	b	c	d	e	f	g	h	i	j	k	l	m
1 Financial guarantees (FinGuar KPI)	2.52%	-	-	-	-	-	-	-	-	-	-	-
2 Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-	-

continued: 5 KPI off-balance sheet exposures flow - Turnover based - % (compared to total eligible Off-Balance-Sheet assets)

	31.12.2024															
	CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)									
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)									
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)									
	OF WHICH USE OF PROCEEDS	OF WHICH ENABLING	OF WHICH USE OF PROCEEDS	OF WHICH ENABLING	OF WHICH USE OF PROCEEDS	OF WHICH ENABLING	OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING	OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING				
n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
1 Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	2.52%	-	-	-	-
2 Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

# Sustainability Report

## 5 KPI off-balance sheet exposures stock - Capex based - % (compared to total eligible Off-Balance-Sheet assets)

		31.12.2024												
		CLIMATE CHANGE MITIGATION (CCM)				CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)				
% (COMPARED TO TOTAL ELIGIBLE OFF-BALANCE-SHEET ASSETS)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				
		OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING		OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING		OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING		
1	Financial guarantees (FinGuar KPI)	35.62%	14.68%	-	2.25%	5.23%	0.02%	0.02%	-	0.00%	0.03%	-	-	-
2	Assets under management (AuM KPI)	22.87%	9.97%	-	0.44%	5.46%	1.05%	0.28%	-	0.17%	0.19%	-	-	-

continued: 5 KPI off-balance sheet exposures stock - Capex based - % (compared to total eligible Off-Balance-Sheet assets)

		31.12.2024														
		CIRCULAR ECONOMY (CE)			POLLUTION (PPC)			BIODIVERSITY AND ECOSYSTEMS (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
% (COMPARED TO TOTAL ELIGIBLE OFF-BALANCE-SHEET ASSETS)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					
		OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING	OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING	OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING	OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING			
1	Financial guarantees (FinGuar KPI)	0.02%	-	-	0.02%	-	-	-	-	-	-	35.71%	14.70%	-	2.25%	5.23%
2	Assets under management (AuM KPI)	0.94%	-	-	2.04%	-	-	0.02%	-	-	-	27.10%	10.25%	-	0.44%	5.63%

# Sustainability Report

## 5 KPI off-balance sheet exposures stock - Turnover based - % (compared to total eligible Off-Balance-Sheet assets)

		a	b	c	d	e	f	g	h	i	j	k	l	m
		31.12.2024												
		CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)					WATER AND MARINE RESOURCES (WTR)		
% (COMPARED TO TOTAL ELIGIBLE OFF-BALANCE-SHEET ASSETS)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)		
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
		OF WHICH USE OF PROCEEDS		OF WHICH TRANSITIONAL		OF WHICH ENABLING	OF WHICH USE OF PROCEEDS		OF WHICH TRANSITIONAL		OF WHICH ENABLING	OF WHICH USE OF PROCEEDS		OF WHICH TRANSITIONAL
1	Financial guarantees (FinGuar KPI)	25.10%	10.35%	-	1.96%	5.37%	0.02%	0.02%	-	-	-	-	-	-
2	Assets under management (AuM KPI)	16.90%	6.25%	-	0.22%	3.76%	0.67%	0.17%	-	0.07%	0.10%	-	-	-

continued: 5 KPI off-balance sheet exposures stock - Turnover based - % (compared to total eligible Off-Balance-Sheet assets)

		n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		31.12.2024																
		CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
% (COMPARED TO TOTAL ELIGIBLE OFF-BALANCE-SHEET ASSETS)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				
		OF WHICH USE OF PROCEEDS		OF WHICH ENABLING		OF WHICH USE OF PROCEEDS		OF WHICH ENABLING		OF WHICH USE OF PROCEEDS		OF WHICH ENABLING		OF WHICH USE OF PROCEEDS		OF WHICH TRANSITIONAL	OF WHICH ENABLING	
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-	25.13%	10.38%	-	1.96%	5.37%
2	Assets under management (AuM KPI)	1.42%	-	-	-	2.26%	-	-	-	0.13%	-	-	-	17.58%	6.42%	-	0.22%	3.83%

## Additional disclosure on Nuclear and Gas related activities

### 1 Nuclear and fossil gas related activities - Green Assets Ratio - Stock

NUCLEAR ENERGY RELATED ACTIVITIES		YES/NO
4.26	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	YES
4.27	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	YES
4.28	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	YES

FOSSIL GAS RELATED ACTIVITIES		YES/NO
4.29	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels	YES
4.30	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	YES
4.31	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	YES

# Sustainability Report

## 2 Taxonomy-aligned economic activities (denominator) - CapEx based

(€ thousands)

ECONOMIC ACTIVITIES	AMOUNT AND PROPORTION					
	TOTAL (CCM + CCA)		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI					
	-	-	-	-	-	-
2	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI					
	1	-	1	-	-	-
3	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI					
	3	-	3	-	-	-
4	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI					
	-	-	-	-	-	-
5	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI					
	-	-	-	-	-	-
6	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI					
	-	-	-	-	-	-
7	<b>Taxonomy-aligned economic activities (denominator) - Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>					
	<b>1,905,319</b>	<b>1.03%</b>	<b>1,893,606</b>	<b>1.03%</b>	<b>11,713</b>	<b>0.01%</b>
8	<b>Taxonomy-aligned economic activities (denominator) - Total applicable KPI</b>					
	<b>1,905,323</b>	<b>1.03%</b>	<b>1,893,610</b>	<b>1.03%</b>	<b>11,713</b>	<b>0.01%</b>

# Sustainability Report

## 2 Taxonomy-aligned economic activities (denominator) - Turnover based

(€ thousands)

ECONOMIC ACTIVITIES		AMOUNT AND PROPORTION					
		TOTAL (CCM + CCA)		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	615	0.00%	615	0.00%	-	-
4	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	<b>Taxonomy-aligned economic activities (denominator) - Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	<b>1,023,700</b>	<b>0.56%</b>	<b>1,021,209</b>	<b>0.55%</b>	<b>2,491</b>	<b>0.00%</b>
8	<b>Taxonomy-aligned economic activities (denominator) - Total applicable KPI</b>	<b>1,024,315</b>	<b>0.56%</b>	<b>1,021,824</b>	<b>0.55%</b>	<b>2,491</b>	<b>0.00%</b>

# Sustainability Report

## 3 Taxonomy-aligned economic activities (numerator) - CapEx based

(€ thousands)

ECONOMIC ACTIVITIES	AMOUNT AND PROPORTION					
	TOTAL (CCM + CCA)		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI					
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI					
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI					
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI					
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI					
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI					
7	<b>Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI</b>					
8	<b>Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI</b>					

# Sustainability Report

## 3 Taxonomy-aligned economic activities (numerator) - Turnover based

(€ thousands)

ECONOMIC ACTIVITIES		AMOUNT AND PROPORTION					
		TOTAL (CCM + CCA)		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.00%	1	0.00%	-	-
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1,233	0.12%	1,233	0.12%	-	-
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7	<b>Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI</b>	<b>1,023,081</b>	<b>99.88%</b>	<b>1,020,590</b>	<b>99.64%</b>	<b>2,491</b>	<b>0.24%</b>
8	<b>Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI</b>	<b>1,024,315</b>	<b>100.00%</b>	<b>1,021,824</b>	<b>99.76%</b>	<b>2,491</b>	<b>0.24%</b>

# Sustainability Report

## 4 Taxonomy-eligible but not taxonomy-aligned economic activities - CapEx based

(€ thousands)

ECONOMIC ACTIVITIES	AMOUNT AND PROPORTION					
	TOTAL (CCM + CCA)		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI					
	-	-	-	-	-	-
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI					
	-	-	-	-	-	-
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI					
	1,385	0.00%	1,385	0.00%	-	-
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI					
	2,385	0.00%	2,274	0.00%	111	0.00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI					
	414	0.00%	414	0.00%	-	-
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI					
	-	-	-	-	-	-
7	<b>Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>					
	<b>27,831,196</b>	<b>15.10%</b>	<b>27,827,371</b>	<b>15.09%</b>	<b>3,825</b>	<b>0.00%</b>
8	<b>Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI</b>					
	<b>27,835,380</b>	<b>15.10%</b>	<b>27,831,444</b>	<b>15.10%</b>	<b>3,936</b>	<b>0.00%</b>

# Sustainability Report

## 4 Taxonomy-eligible but not taxonomy-aligned economic activities - Turnover based

(€ thousands)

ECONOMIC ACTIVITIES	AMOUNT AND PROPORTION					
	TOTAL (CCM + CCA)		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI					
	-	-	-	-	-	-
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI					
	-	-	-	-	-	-
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI					
	548	0.00%	548	0.00%	-	-
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI					
	628	0.00%	628	0.00%	-	-
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI					
	121	0.00%	121	0.00%	-	-
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI					
	-	-	-	-	-	-
7	<b>Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>					
	<b>28,138,987</b>	<b>15.26%</b>	<b>28,133,730</b>	<b>15.26%</b>	<b>5,257</b>	<b>0.00%</b>
8	<b>Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI</b>					
	<b>28,140,284</b>	<b>15.26%</b>	<b>28,135,027</b>	<b>15.26%</b>	<b>5,257</b>	<b>0.00%</b>

# Sustainability Report

## 5 Taxonomy non-eligible economic activities

(€ thousands)

ECONOMIC ACTIVITIES	TURNOVER		CAPEX	
	AMOUNT	PERCENTAGE	AMOUNT	PERCENTAGE
1 Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
2 Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	3	-
3 Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	333	0.00%	111	0.00%
4 Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
5 Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
6 Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
7 <b>Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	<b>154,933,319</b>	<b>84.04%</b>	<b>154,435,075</b>	<b>83.77%</b>
8 <b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>	<b>154,933,652</b>	<b>84.04%</b>	<b>154,435,189</b>	<b>83.77%</b>

## E1 Climate change

### Strategy

#### ***E1-1 – Transition plan for climate change mitigation***

In line with the effort sustained in the previous years, in 2024 UniCredit group adopted a transition plan to support the achievement of the net-zero targets for financed and own emissions, and to convert commitments into actions. It was mainly shaped in line with Net-Zero Banking Alliance (NZBA) requirements and the Glasgow Financial Alliance for Net Zero (GFANZ), thus responding to CSRD requirements related to climate change.

The UniCredit group targets on financed emissions followed by this transition plan and applicable for six of the most carbon-intensive sectors have been defined in line with the NZBA principles and guidelines, international standards, best market practices and 1.5°C degree pathways. It is UniCredit group's goal to become a net-zero Bank by 2050.

The targets have been set considering the Group as a whole, in line with the commitment to the NZBA. This approach reflects UniCredit group's belief in the importance of collective accountability and Group-wide consistency when addressing global challenges like climate change. By adopting a centralised framework, the Group fosters coherence in its efforts, leverages synergies across business units, and maintains a unified strategic direction.

UniCredit group's defined targets of net zero on own emissions (Scope 1 and 2 market-based) and on financed emissions (Scope 3, Category 15) are in line with the objectives of the Paris Agreement.

HVB Group is fully integrated into UniCredit group's transition plan. The corresponding actions implemented within HVB Group are provided in section E1-3. Details of the net-zero targets and UniCredit group's progress are included and disclosed in UniCredit group's transition plan.

Neither UniCredit group nor HVB Group are excluded from the EU Paris-aligned benchmarks.

With regard to the operational and capital expenditures (OpEx and CapEx) for supporting its commitment to net zero, UniCredit group established a dedicated net-zero project which was initially set up in 2022 and is led by a cross-functional team. This project brings together ESG, Finance, Risk Management, Business and Digital teams to identify and implement the key actions as part of the transition strategy of UniCredit group and therefore also of HVB Group. HVB Group participates actively in this project, involving approximately 150 employees throughout the Group.

In addition, HVB Group has set up a team of ESG advisory experts to support Relationship Managers in the origination and structuring of ESG deals for corporate clients.

UniCredit group has invested in the IT infrastructure to provide all involved functions – also HVB Group functions – with relevant net-zero information and methodologies needed in its view to effectively implement the transition strategy. This has enhanced and partially extended existing functionalities. These include:

- structuring and automatising net-zero data flows for monitoring and reporting activities;
- introducing clients' transition plan assessment methodologies and functionalities;
- displaying net-zero-relevant data by client (including their environmental impact, cluster and recommended strategy) on existing dashboards;
- simulating net-zero impact at single deal and portfolio level;
- identifying deals aiming to support client transition.

In this context, UniCredit group delivered dedicated net-zero training sessions for internal functions during the reporting year. Based on this, HVB Group carried out additional local training.

Details of the actions defined by UniCredit group and by HVB Group at local level are disclosed in section *E1-3 – Actions and resources in relation to climate change policies*.

The amount invested in the IT infrastructure for the action plans has no material financial impact for UniCredit group.

The UniCredit group transition plan was approved by the UniCredit group CEO during the Group Executive Committee (GEC) meeting and finally reviewed by the UniCredit group Board of Directors in February 2024. The CEO of HVB Group is also a member of the GEC. The same formal process had been followed for the approval and review of net-zero intermediate 2030 targets before these were disclosed by UniCredit group.

## **Impact, risk and opportunity management**

### ***E1-2 – Policies related to climate change mitigation and adaptation***

UniCredit group's and HVB Group's commitment to net-zero emissions is fostered through specific policies on climate change, which address material impacts, risks and opportunities resulting from the Double Materiality Assessment.

Negative impacts:

- generation of direct and indirect energy GHG emissions (Scope 1 and 2);
- generation of indirect GHG emissions produced in the value chain as a result of the business activities performed by actors in the downstream value chain (Scope 3 – only category 15);
- generation of indirect GHG emissions in the value chain as a result of the business activities performed by actors in the upstream and downstream value chain (Scope 3 – all categories except 15).

Positive impacts:

- fostering awareness and commitments related to climate change and accelerating the green transition through the support towards energy efficiency initiatives and renewable sources financial projects across counterparties for the years ahead.

## Risk:

- credit risk: impact on credit risk portfolio due to potential deterioration of the counterparty's creditworthiness due to damage which can be caused by acute and chronic events, to the counterparty's plants and production sites and decrease in the recoverable amount/market values of collateral due to damage which can be caused by acute and chronic climate events.

## Opportunities:

- investments in the implementation of green/environmental projects
- creation of new products and services to support clients in achieving their decarbonisation targets
- invest in/finance green tech (start-ups) and access to new markets (e.g. carbon emissions trading).

The Smart Office Workplace Policy renewed in 2023 is aimed at enhancing the quality of HVB Group's office space in the main offices and larger corporate head offices. In the area of sustainability there is a particular focus on internal energy consumption optimisation. The Smart Office Workplace Policy therefore supports the ambition of reducing operational CO<sub>2</sub> emissions and achieving net-zero emissions. For more information, please refer to sections E1-3 and E1-4.

Sector-specific policies include climate adaptation and mitigation strategies among HVB Group's credit portfolio; these oblige HVB Group to discontinue the financing of controversial CO<sub>2</sub>-intensive activities, such as energy production from thermic coal and the oil and gas activities with the highest environmental impact. These specific policies include the coal, oil & gas, defence, nuclear energy, mining as well as water infrastructure sectors.

Additionally, through the global Tobacco Commitment, UniCredit group has undertaken to exit the financing of the tobacco industry by the end of 2025. UniCredit group would like to take the impact of the tobacco industry on climate change into consideration and intends to reduce greenhouse gas emissions along the value chain.

The ESG Product Guidelines include a comprehensive methodology for classifying and reporting HVB Group's ESG offering in connection with financing energy efficiency, renewable energy deployment, and climate change mitigation and adaptation activities.

For more details on climate-related policies, please refer to section MDR-P in ESRS2.

### ***E1-3 – Actions and resources in relation to climate change policies***

HVB Group puts clients at the centre of its actions. Its decision-making is therefore influenced by their needs. It is HVB Group's responsibility to support clients on their transition path as progress is made towards the ESG targets. The partner-based collaboration with its clients for a just and fair transition is a central component of HVB Group's strategic orientation and represents the foundation of its ESG strategy.

In the course of this, and taking the lead for the group as a whole, UniCredit group is working to increasingly embed net zero into its core banking processes, such as the financial, risk and business processes. This also applies to the local processes within HVB Group. For instance, UniCredit group has included net zero in the planning process since 2023. This comprises target setting, assigning clear responsibilities within the existing governance structures as well as setting up adequate tools to systematically gather and analyse relevant data.

Based on UniCredit group's transition plan, HVB Group is supporting its clients by accelerating their transition and offering them advisory, tools and appropriate financing solutions. The aim is to provide clients with lasting support by financing renewable energy projects and energy efficiency efforts.

HVB Group's business units are focused on supporting clients that are already more advanced in their decarbonisation strategy and engaging clients still in the early stage of their transition path. They therefore developed a specific methodology based on a dedicated climate and environmental questionnaire (C&E questionnaire) to evaluate the clients' position on their transition pathway. The C&E questionnaire is described in more detail in section IRO-1 "Description of the processes to identify and assess material impacts, risks and opportunities".

Furthermore, sector-specific policies were introduced to stop the direct financing of carbon-intensive activities, such as energy production from thermal coal and controversial oil and gas operations (e.g. tar sands, fracking, ultra-deepwater drilling, arctic oil and gas extraction etc.). The corresponding policies are continually reviewed and updated to ensure that the most recent evolution of related risks is considered and properly managed.

Decarbonisation lever types defined by UniCredit group as well as the most important climate protection actions taken in the 2024 reporting year to reduce greenhouse gas emissions are presented below.

## Own emissions

As in previous years, HVB Group prioritised efforts to mitigate climate impacts arising from its own operations in the 2024 reporting year as well.

HVB Group regards actions in the following categories in particular as essential for reducing its own CO2 footprint:

- space optimisation;
- creating additional building energy efficiency;
- transforming fossil fuel heating systems to more environmentally friendly alternatives such as district heating or heat pumps;
- realigning the Bank's vehicle fleet to electric-only vehicles;
- procuring electricity from renewable sources for its own buildings.

The following actions are to be pointed out:

HVB Group introduced a Workplace Policy in 2012 which was repeated and last updated in 2023 as the Smart Office Workplace Policy to define space efficiency KPIs, provide guidelines on energy efficiency measures and improve the quality of the working environment. The focus is on hybrid workplace solutions, health, wellbeing and sustainability (details in section MDR-P of ESRS2).

In light of the hybrid way of working and the increase in the home office quota, HVB Group was able to lower its CO2 footprint by releasing selected buildings as well as creating newly refurbished spaces in recent years, before the reporting year.

Furthermore, smart energy control systems are being applied in HVB's buildings. In the HVB Tower, for example, thermal insulation has been optimised, temperatures for heating and cooling adjusted and algorithms that manage heating, ventilation and air conditioning (HVAC) as well as lighting controls improved.

In addition, HVB is planning to convert its own buildings from fossil fuel heating systems to heat pumps or distance heating in the coming years. In the course of the planned heating system transformation, heating systems based on renewable energies are considered the preferred option. HVB therefore plans to convert fossil fuel heating systems, such as gas or oil heating, to more sustainable alternatives such as heat pumps or distance heating.

Since 2018 it has been possible to choose between electric and hybrid company cars at HVB. With the updating of the Car Policy in 2024, entitled employees can order exclusively electric vehicles. HVB's entire company car fleet is to be converted to electric vehicles by 2028.

Moreover, renewable energy sourcing is a crucial step on HVB Group's path towards net zero on own emissions. Green energy sourcing is being continued. For buildings in Germany under the operational control of UniCredit Bank GmbH, the procurement of green electricity certificates for 100% of the electricity consumed in these buildings was agreed by contract in 2024.

Information on significant contributions from CapEx or OpEx to reducing greenhouse gas emissions from the buildings used is not published as the disclosure of business secrets would harm the Company.

## **Financed emissions**

Financed emissions account for most of HVB Group's climate impact, therefore their reduction is considered essential to becoming a net-zero bank. HVB Group has therefore begun to systematically analyse the portfolio of clients to define actions that enable it to reduce its financed emissions. Identified levers differ from sector to sector.

The first three sectors - oil & gas, power generation and automotive – were integrated within HVB Group into the local credit process in 2024; the corresponding implementation of the newly added sectors - steel, shipping, commercial and residential real estate – is planned for 2025.

All relevant sectors, including the planned actions and decarbonisation levers, are described below.

## **Oil & gas**

In the oil & gas sector, traditional business models are increasingly under pressure because the effects of climate change are worsening, with energy security becoming even more relevant.

While the investments into clean-energy projects are increasing, tailored solutions are required based on geography, off-take industry, and infrastructure availability.

For this reason, the engagement of the oil and gas industry will be key in the upcoming decades. A key strategic challenge for oil & gas companies is aligning existing skills and capital to the new requirements of energy transition.

In this scenario, HVB Group believes that oil & gas players have several opportunities to play a meaningful role in the energy transition.

HVB Group therefore has the ambition to support the transition in this sector through the following actions:

- engaging with clients to educate them about transition and make them aware of the importance of clear transition plans as a pre-requisite for transition project financing;
- rebalancing the loan portfolio;
- supporting clients investing in alternative, more sustainable fuels and gradually reducing the financing of the most carbon-intensive activities.

HVB Group considers this fundamental to scale up crucial technologies such as hydrogen, hydrogen derivatives, biofuels, and carbon capture, utilisation and storage (CCUS). UniCredit group is promoting sector-based initiatives that facilitate their growth and spread.

Since 2021, UniCredit group has been a member of the European Clean Hydrogen Alliance, established by the European Commission to support the development of green hydrogen projects and drive the energy transition. Through this alliance, UniCredit group would like to contribute to the deployment of low carbon solutions across Europe, working closely with key industry players and regulators. Membership of this alliance also enables UniCredit group to stay abreast of the latest developments in the rapidly growing hydrogen sector.

HVB Group believes financing biofuels also plays a crucial role in transitioning the oil & gas sector. The sector can use the available infrastructure and technical know-how to produce and distribute clean fuels at the same time as contributing to significantly reducing greenhouse gas emissions and promoting a circular economy.

Biofuels are a cornerstone in achieving the European Green Deal objectives and support the renewable energy targets by fostering energy independence of fossil fuels. This technology also plays an active role in the decarbonisation targets of other European directives such as the Renewable Energy Directive, which highlights the importance and sets quotas for biofuels when replacing fossil fuels in transport and other sectors. Biofuels have a wide range of applications as they usually act as “drop-in” fuels, easily substituting their fossil counterparts. For example, biomethane has the lowest carbon abatement cost compared to other renewable fuels, making it a highly efficient technology.

In order to further support the energy transition, HVB Group has supported a number of infrastructure funds, such as DWS, MEAG, and Ineo, in the acquisition and development of their biogas and biomethane portfolios. These funds aim to expand biogas and biomethane production and further the development of the green fuel industry.

## **Power generation**

In the power generation sector HVB Group’s strategy is primarily focused on supporting clients to shift from fossil fuel energy production to more sustainable sources of energy (e.g. pure renewables). To this extent, HVB Group actively works with clients that want to refocus their business model and also with clients that want to invest in renewable energy projects. Renewable players are served through project financing initiatives, especially in wind, photovoltaic and advisory activities.

## **Automotive**

The automotive sector is a pillar of the global economy and at the same time one of the major contributors to climate change. Road transport in Europe accounts for around one fifth of GHG emissions.

HVB Group's holistic industry approach ("In Motion"), combines the expertise of all specialists along the total automotive value chain, from natural resources to recycling, with the financing of the investments into new technology to support the sector in its transformation towards low-emission mobility.

HVB Group is observing the regulatory developments and expects electromobility to make progress, driven by the Fit-for-55 targets. However, some European manufacturers have already scrapped their vehicle electrification targets, citing challenges such as regulatory uncertainty, rising production costs and increasing competition.

HVB Group's strategy for the automotive sector aims to help clients seize new market opportunities across their value chain (including EV battery manufacturing, infrastructure management, etc.) as they shift towards low-emission vehicles. Against this backdrop, HVB Group has started to actively work with a range of clients to finance specific projects entirely dedicated to electric vehicle production, such as finance for a new dedicated factory.

## **Steel**

HVB Group believes the decarbonisation of the steel industry requires joint efforts from all stakeholders including regulators, producers, and final customers – also for the adoption of a unified standard.

UniCredit group is therefore engaging in strategic industry discussions around the development of real investment projects. In recognition of the importance of collaboration between the financial world and the steel industry, UniCredit group participates in the "Steel Climate-Aligned Finance Working Group", which is supported by the "Center for Climate-Aligned Finance" of the Rocky Mountain Institute. This working group aims to support decarbonisation in this sector, which accounts for over 7% of global CO<sub>2</sub> emissions.

UniCredit group is a signatory of the "Sustainable Steel Principles" which were the result of the "Steel Climate-Aligned Finance Working Group". The principles helped establish a sector-specific methodology, access to robust data and a common measurement and disclosure platform that is essential to impactful client engagement and action in the real economy.

## Shipping

Industry stakeholders agree that decarbonising the shipping sector is a significant challenge. Since shipping is a fundamentally international industry, it is important to subject it to uniform regulations.

Against this backdrop, HVB Group appreciates the steps taken by the International Maritime Organisation (IMO) in its efforts to counter the effects of climate change stemming from the sector. Through the adoption of the IMO Strategy on Reduction of GHG emissions from ships in 2023, the IMO has increased the ambition to reduce global GHG emissions and provided a framework for Member States that sets out the path to a greener industry. As stated by UNCTAD (United Nations Conference on Trade and Development), minimising uncertainty about future regulations and improving clarity around carbon prices and fuels is needed to spur action and investment by shipowners and other stakeholders across the maritime transport and energy production value chain (UNCTAD, Review of Maritime Transport 2023).

At the global level, the availability and usability of alternative fuels should therefore be facilitated through dedicated and adequate production, bunkering facilities and storage.

HVB Group believes that scaling up investments in new ships, including design, engine and onboard technologies, is crucial. By engaging with its clients, HVB Group would like to do its part by identifying suitable financing strategies for building its clients' next generation vessels and/or for retrofitting their existing ships.

## Commercial real estate

To promote decarbonisation in this sector, HVB Group would like to continue to support its clients on their journey to a sustainable transition. HVB Group aims to focus financing towards new energy-efficient buildings, while also supporting its clients in upgrading less efficient premises.

It will engage with its customers and stimulate conversations, proposing dedicated products or other financial opportunities.

HVB Group is encouraging the collection of Energy Performance Certificates by actively approaching its clients and has also implemented certificates as a precondition for disbursement in the lending process. This is also relevant to improve data quality and step up the calculation methodologies. Progress with decarbonising the electricity grid, in other words the share of renewables within the electricity supply in Germany, is a key enabler for decarbonisation in this sector.

## Residential real estate

In this segment, decarbonisation also requires dedicated financial instruments as well as government initiatives. Government intervention and adequate incentive schemes will be decisive preconditions for decarbonising this sector. On the one hand, the decarbonisation of the electricity grid – in other words increasing the share of renewables within the electricity supply in Germany – is a crucial enabler. On the other hand, the right incentives to increase renovation rates should be provided. HVB Group is prepared to support clients who want to reduce the carbon footprint of their homes.

## UniCredit group's transition plan

Throughout the 2024 reporting year, the net-zero transition plan was cascaded to the whole UniCredit group, involving all the relevant functions to deploy the actions identified. HVB Group contributes to the implementation of UniCredit group's transition plan.

The actions defined in UniCredit group's transition plan are being adapted on the basis of the ESG strategy, regulatory evolution and stakeholder expectations. For example, clients in the net-zero sectors – shipping, steel, commercial and residential real estate – are to be integrated. UniCredit group wants to accompany them on their transition.

In this context, UniCredit group believes it is crucial to keep pace in a dynamic environment and appropriately address all upcoming challenges in order to achieve the net-zero targets set by UniCredit group comprehensively on group level.

In the 2024 reporting year, UniCredit group made progress as explained below in its journey to net zero in terms of the implementation of the transition plan, the creation and expansion of governance structures and the dialogue with stakeholders.

## Implementation plan for the transition plan

In order to operationalise its net-zero targets, UniCredit group has set a cross-functional implementation plan, which defines how it integrates net-zero considerations into all of its core business activities and decision-making processes – based on the following key components and actions:

- **Target setting**, UniCredit group ensures it structurally embeds net zero into the planning process;
- **Monitoring**, to effectively track progress against its targets and to identify corrective measures in case of violations;
- **Risk management**, to ensure the different risks (reputational risk, climate and environmental risk and credit risk) linked to its clients' transition to more sustainable business models are adequately managed;
- **Products and services**, to effectively assist its clients' journey to net zero;
- **Supporting IT tools**, to ensure the organisation has all the relevant information to operate in this space.

## Target setting

The target setting process involved a cross-functional working group within UniCredit group with active support from the ESG, Risk Management, Finance and Business functions.

At UniCredit group level, a set of intermediate 2030 targets on oil & gas, power generation and automotive was initially established. New intermediate targets were then added for steel in January 2024, and shipping and commercial real estate in July 2024, together with the 2022 baseline for residential real estate. HVB Group contributes to the achievement of the UniCredit group targets.

## Monitoring

UniCredit group has set up a net-zero monitoring process to track its net-zero KPIs' evolution vis-à-vis the baseline. This is meant to ensure, among other things, the effective and timely steering of the loan portfolio and is therefore also required by the NZBA.

The net-zero monitoring process demands from UniCredit group's perspective strong collaboration between all net zero-involved functions (Risk Management, Finance, ESG, Digital and Business) given high interdependencies for target breakdown, target cascading and data strategy. This requires that UniCredit group tracks the evolution of its exposure on existing clients and refreshes climate data for the calculation of climate impact.

Thanks to the new monitoring process put in place, starting from 2024 UniCredit group is able to provide its business functions with regular, dedicated periodic reports on net-zero impact evolution, including all underlying drivers needed to steer HVB Group's net-zero portfolio.

As for target setting, UniCredit group is progressively extending monitoring activities to new sectors: in 2023, UniCredit group started with oil & gas, automotive, and power generation; in 2024, it included steel and, in parallel, UniCredit group worked on the inclusion of data for shipping and commercial and residential real estate for the beginning of 2025.

## Risk management

The approach and the actions described below were developed by UniCredit group and integrated in 2024 within HVB Group in the credit process for the first three sectors (oil & gas, power generation and automotive). Implementation in HVB Group for further sectors is to take place over the course of 2025.

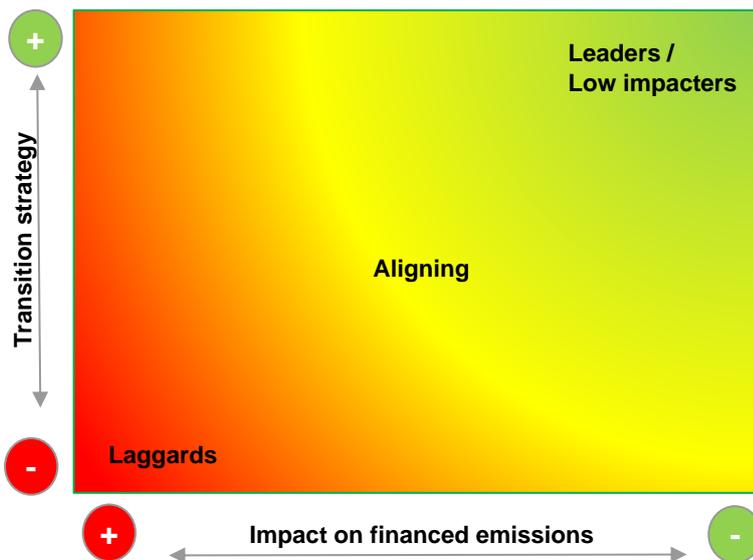
As a result of its commitment towards sustainability, UniCredit group has begun integrating net-zero considerations into the Risk Management Framework for three priority sectors oil & gas, automotive and power generation.

During the 2024 reporting year, UniCredit group took the following actions and rolled them out to HVB Group:

- updated its oil and gas policy by integrating net-zero provisions as a driver for the reputational risk classification of clients
- introduced specific KPIs related to the net-zero targets into the Risk Appetite Framework (RAF)
- released more comprehensive qualitative guidelines to incorporate net-zero commitments into its credit risk strategies
- defined and embedded net-zero client strategies into HVB Group's credit process

In order to tailor this approach further to the needs of different clients, specific net-zero strategies were defined. First, UniCredit group clustered all net-zero clients based on i) their actual impact on the financed emissions and on ii) their planned transition strategy. In the second step, differentiated engagement strategies by cluster and sector were set. In all cases, green and transition finance is regarded as a key lever to support clients in their transition, especially those who have not yet progressed far along their transition journey.

## Net-zero clients clusters



To ensure this approach is based on solid ground and to support clients' progressing in their transition, UniCredit group adopted a bespoke approach for assessing clients' transition plans, when available, and engaging with them on their decarbonisation strategy.

Based on internationally recognised frameworks and initiatives on transition planning (e.g. GFANZ, CDP<sup>10</sup>, Climate Action A100+), UniCredit group developed a cross-industry questionnaire, measuring qualitative and quantitative elements for evaluating the completeness of the clients' transition plans based on available data. This includes current and forward-looking key indicators such as historical emissions, targets, risk management, the governance and strategy in place. Depending on the coverage of these indicators, questions and answers are converted into a qualitative score on a scale from 0% to 100% determining three possible assessments: developed transition strategy, early-stage transition strategy and absent transition strategy.

In the 2024 reporting year, UniCredit group started testing this approach with pilot cases and plans to extend it to all net-zero sectors' clients. Furthermore, UniCredit group also plans to rely on external experts to further strengthen the understanding of its clients' transition plans.

<sup>10</sup> Carbon Disclosure Project

This approach represents a fundamental part of UniCredit group's net-zero engagement strategy to facilitate insightful and data-driven discussions with existing and prospective clients regarding new opportunities to finance their transition and mitigate potential risks.

This methodology was implemented within UniCredit group in the credit process for the first three sectors (oil & gas, power generation and automotive) in 2024. Implementation for further sectors is to take place over the course of 2025.

## Products and services

HVB Group offers its clients dedicated products such as green loans, which are aligned to market standards such as ICMA or EU Taxonomy, or green financing in partnership with public entities at local and European level (e.g. Kreditanstalt für Wiederaufbau, European Investment Fund) as well as sustainability-linked loans.

Moreover, HVB Group supports clients with dedicated transition finance, which is a further key to reaching the whole of UniCredit group's net-zero target. Therefore, UniCredit group has established its own internal definition of transition finance based on EU Commission recommendations and included it in its groupwide ESG Product Guidelines at the end of 2023, which also apply to HVB Group.

They aim to define a comprehensive methodology for the homogeneous classification and reporting of HVB Group's ESG products and services, defining criteria for eligibility, and at the same time, to protect HVB Group and its clients against greenwashing and social-washing risks. The guidelines also require clients to have transition plans certified by a third party to access transition finance, so that it is ensured that the required financing is dedicated to eligible transition initiatives.

HVB Group uses dedicated ESG functions, such as the ESG advisory team, which are meant to help analyse clients' ESG needs and identify the most appropriate products to support them.

## Supporting tools

To provide all involved functions with relevant net-zero information and methodologies needed to effectively implement the transition strategy, UniCredit group is upgrading the supporting tools outlined below and introducing new functionalities. These tools are fully implemented and being applied in HVB Group.

They include, for example:

- integrating clients' transition plan assessment functionalities;
- displaying net-zero-relevant data by client (including their impact, cluster and recommended strategy) in existing dashboards;
- simulating net-zero impact at single deal and portfolio level;
- identifying deals supporting clients' transition on the basis of the internal definition of transition finance (founded on EU Commission recommendations and included in the ESG Product Guidelines at the end of 2023).

In addition, since March 2023 UniCredit group has been a member of the Open-es platform, a partnership that brings together entrepreneurial, financial and associated networks. Through Open-es UniCredit group has strengthened support for its clients in their sustainable development with a digital and innovative platform that allows them to pursue their decarbonisation path. It is envisaged that the platform will be implemented for HVB Group in 2025.

All the additional functionalities described above were designed and finetuned during the last two years with the involvement of UniCredit group cross-functional working groups from the ESG, Risk Management, Digital and Business functions.

## **Governance**

In order to support its commitment to net zero, UniCredit group initiated a cross-functional net-zero project in 2022. This project serves to establish clear structures and processes that support the definition, monitoring and implementation of UniCredit group's transition strategy in the long term.

Within these structures, HVB Group uses existing ESG functions, such as ESG experts, to support relationship managers in the origination and structuring of ESG transactions. In Germany, HVB Group has also set up dedicated ESG training programmes such as the Sustainable Finance Experts Programme together with the EBS University of Business and Law. This programme is primarily aimed at client relationship managers but is also accessible for other specific roles in HVB Group.

To support the ESG governance processes, during the 2024 reporting year UniCredit group delivered parallel group-wide dedicated net-zero training sessions. The training focused on the key skills and knowledge needed for net-zero decision making, including basic training on net-zero fundamentals, transition plan assessment, clients' net-zero strategies and their implications for the credit process, and transition finance and its applicability for net-zero clients. UniCredit group is planning to deliver new courses in order to cover emerged learning needs derived by extending its targets and sectors.

Furthermore, HVB Group trained 500 colleagues in advance training sessions on the integration of net zero into the credit process. The target group for the training includes client relationship managers for the net-zero-relevant clients, product specialists and risk officers. The local net-zero support team offers additional support as required for individual deals and on portfolio level.

## **Dialogue with stakeholders**

In Germany HVB Group engages in the Bundesverband deutscher Banken e.V., the Bundesinitiative Impact Investing e.V., and the Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. (VfU).

The UniCredit group ESG Day, in which HVB Group employees and their clients actively participate, is a relevant moment of dialogue with UniCredit group's stakeholders. UniCredit group held its second ESG Day in 2024 – "A challenged future: choosing the path ahead", with more than 13,000 participants. The event also provided a moment to formally launch the "Skills for Transition" programme, which delivers strategic training to clients expected to be impacted by a green transition. UniCredit group also wants to help these clients to develop the skills they need to meet the needs of a changing environment while generating a measurable social impact. The programme is fully funded by UniCredit group and is offered actively by HVB Group to its clients in Germany. In addition, it delivers specific learning paths via a digital platform in workers' local languages.

The availability of ICT and HR resources are crucial for the action plan for both UniCredit group and HVB Group. A lack or the misallocation of the identified resources could compromise the success or feasibility of the action plan.

It should be noted that the investments related to financial resources in connection with the CapEx plan are booked in the line item "Property, plant and equipment".

The changes in property, plant and equipment are reported in the 2024 consolidated financial statements of HVB Group, Note 59 "9.6 Property, plant and equipment".

## Metrics and targets

### ***E1-4 – Targets related to climate change mitigation and adaptation***

Information on HVB Group's relationship with policy objectives is disclosed in the section MDR-P of ESRS 2.

HVB Group is fully integrated into UniCredit group's transition plan and contributes substantially to achieving its objectives.

### **Own emissions**

UniCredit group has committed to reaching net-zero emissions on its own operations (Scope 1 and 2, market-based) by 2023, without interim targets. This target is compatible with limiting global warming to 1.5°C in alignment with the Paris Agreement objectives and applies for the whole of UniCredit group.

As of 2024 reporting, UniCredit group has revised the base year of its net-zero target on own emissions from 2021 to 2024.

HVB Group's strategy envisages managing the climate impact arising from its own building operations as effectively as possible. HVB Group therefore concentrates on buildings in its real estate portfolio that are under its full operational control, thus segmenting greenhouse gas emissions. Consequently, emissions from space outside HVB Group's operational control, for example from rental, are not reported under Scope 1 or 2 but under Scope 3.

Renewable energy sourcing is a crucial step on HVB Group's path towards net zero on its own emissions, along with energy efficiency, space optimisation, sustainable mobility systems and the conversion to low-emission heating systems. It is planned to replace fossil fuel heating systems gradually with heat pumps or distance heating in the years ahead. These actions will make it possible to manage climate-related risks and opportunities and are in line with the ambitions of the Smart Office Workplace Policy (described in more detail in section MDR-P of ESRS 2).

## Financed emissions

In line with the NZBA commitment, UniCredit group is pursuing the goal of achieving net zero on financed emissions by 2050. To reach this goal, UniCredit group disclosed and published intermediate targets for 2030 on six sectors – oil & gas, power generation, automotive, steel, shipping and commercial real estate – and disclosed an emissions baseline for residential real estate. On coal, a phase-out strategy by 2028 and the related policy are already in place at HVB Group level<sup>11</sup>.

Following a detailed review of UniCredit group's financing portfolios (including HVB Group), among the most carbon-intensive sectors identified by NZBA, UniCredit group has identified three sectors where it does not have a material exposure: aluminium, cement and aviation. In particular, each of them represents less than 1% of UniCredit group's exposure to carbon intensive sectors, with lending on-balance sheet of less than €1 billion<sup>12</sup>. Given their low materiality, these sectors will not be considered for the net-zero target setting. However, UniCredit group will continue to monitor them to ensure its approach remains adaptable any for future adjustments.

On Agriculture, UniCredit group will continue to monitor future developments of European and local policy frameworks for the sector as well as the evolution of recognised methodologies and data availability, being the prerequisites for working to define a decarbonisation target and strategy, as outlined in the NZBA guidelines.

## Key design choices for setting net-zero targets on financed emissions

HVB Group is integrated into UniCredit group's intermediate targets for 2030. In setting net-zero targets, UniCredit group has considered the impacts it has on climate while financing specific sectors. Also, potential risks and opportunities have been taken into account to ensure that these targets are consistent with reality. For this purpose, a cross-functional working group developed an internal methodology to calculate and to project the potential future trajectory of UniCredit group's financed emissions, based on net-zero reference market practices (SBTi, PCAF, IEA) and on sector guidelines (e.g. by NZBA). Both the baseline and the intermediate targets based on the emissions profile of UniCredit group's credit profile were determined for the relevant sectors. The baselines defined and disclosed so far for sectors in scope are confirmed by UniCredit group and do not require any adjustment or restatement.

To define the net-zero intermediate targets for 2030, science-based decarbonisation scenarios were used, in line with NZBA guidelines. In selecting the reference scenario, UniCredit group mainly considered the level of scenario ambition, in other words whether it aligns to the Paris Agreement temperature goals, the credibility of the scenario provider, the possibility for geographical breakdown computation and level of detail provided for customisation.

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<sup>11</sup> Green financing is allowed beyond 2028 only for no coal developer (no increase in coal business since September 2020) and if they have a phase-out plan in line with their National Energy & Climate Plan.

<sup>12</sup> In parallel UniCredit constantly checks that the sum of all excluded sectors for materiality reasons (e.g., Aluminium, Cement, Aviation) is not higher than the 3% of the total lending on-balance sheet of the carbon-intensive portfolio.

# Sustainability Report

UniCredit group referred to the IEA net-zero 1.5° scenarios (IEA NZ 2050 for oil & gas, power generation, automotive, steel, shipping), deriving, when needed, sector-specific benchmarks, and for commercial real estate the Carbon Risk Real Estate Monitor (CRREM) v.2.01 scenario (also aligned to the 1.5° pathway), tailored to the UniCredit group portfolio.

Details of UniCredit group's net-zero targets and progress made are included and disclosed in UniCredit group's transition plan.

No changes were made to the targets, ratios, methodologies and other key assumptions for any of the defined net-zero intermediate targets for the financed emissions after disclosure.

## **E1-5 – Energy consumption and mix**

Energy consumption at the end of reporting year has been collected for HVB Group buildings under operational and non-operational control. Moreover, the data includes the fuel consumption of company-owned or company-leased cars used by Group employees.

The reported data relates to the energy consumption in megawatt hours (MWh) of own building operation. The metrics were not validated by external parties.

### **Energy consumption and mix**

<b>ENERGY CONSUMPTION AND MIX</b>	<b>31.12.2024</b>
1) Fuel consumption from coal and coal products (MWh)	-
2) Fuel consumption from crude oil and petroleum products (MWh)	10,997
3) Fuel consumption from natural gas (MWh)	12,870
4) Fuel consumption from other fossil sources (MWh)	-
5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	20,212
<b>a) Total fossil energy consumption (MWh)</b>	<b>44,079</b>
<b>Share of fossil sources in total energy consumption (%)</b>	<b>48.9%</b>
<b>b) Consumption from nuclear sources (MWh)</b>	-
<b>Share of consumption from nuclear sources in total energy consumption (%)</b>	-
i) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	-
ii) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	46,362
iii) The consumption of self-generated non-fuel renewable energy (MWh)	-
<b>c) Total renewable energy consumption (MWh)</b>	<b>46,362</b>
<b>Share of renewable sources in total energy consumption (%)</b>	<b>51.3%</b>
<b>Total energy consumption (MWh)</b>	<b>90,440</b>

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Within HVB Group, there are entities operating in Section L – Real estate activities. There is no allocation to further sectors outside Section L. According to Regulation (EC) 1893/2006 of the European Parliament and of the Council (as defined in Commission Delegated Regulation (EU) 2022/1288)<sup>13</sup>, listed in Section L of Annex I, these are high climate impact sectors.

## of which: high climate impact sector

ENERGY CONSUMPTION AND MIX	31/12/2024
1) Fuel consumption from coal and coal products (MWh)	-
2) Fuel consumption from crude oil and petroleum products (MWh)	-
3) Fuel consumption from natural gas (MWh)	-
4) Fuel consumption from other fossil sources (MWh)	-
5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	1,170
<b>6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)</b>	<b>1,170</b>
<b>Share of fossil sources in total energy consumption (%)</b>	<b>100.0%</b>
<b>7) Consumption from nuclear sources (MWh)</b>	-
<b>Share of consumption from nuclear sources in total energy consumption (%)</b>	-
8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	-
9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	-
10) The consumption of self-generated non-fuel renewable energy (MWh)	-
<b>11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)</b>	-
<b>Share of renewable sources in total energy consumption (%)</b>	-
<b>Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)</b>	<b>1,170</b>

## Energy intensity per net revenue for high climate impact sectors

ENERGY INTENSITY PER NET REVENUE FOR HIGH CLIMATE IMPACT SECTORS	31/12/2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/EUR million)	(216)

<sup>13</sup> The sectors relate in particular to the following NACE codes:  
 Section A – Agriculture, forestry and fishing;  
 Section B – Mining and quarrying;  
 Section C – Manufacturing;  
 Section D – Electricity, gas, steam and air conditioning supply;  
 Section E – Water supply, sewerage, waste management and remediation activities;  
 Section F – Construction;  
 Section G – Wholesale and retail trade and repair of motor vehicles;  
 Section H – Transportation and storage;  
 Section L – Real estate activities.

# Sustainability Report

## Connectivity of energy intensity based on net revenue with financial reporting information

	(€ million)
	<b>31/12/2024</b>
Net revenue from activities in high climate impact sectors used to calculate energy intensity	(5)
Net revenue (other)	5,473
Total net revenue (Financial statements)	5,468

Consolidated operating income for the 2024 financial year was used to calculate the metrics in the tables above. This consists of the total of net interest, dividends and other income from equity investments, net fees and commissions, net trading income, net gains/losses on financial assets and liabilities at fair value, net gains/losses on derecognition of financial instruments measure at cost as well as net other expenses/income and can be viewed in the 2024 Annual Report of HVB Group (under Operating Performance of HVB Group).

### **E1-6 – Gross Scope 1,2,3 and Total GHG emissions**

With regards to own and financed emissions, 2024 is the first reporting year, thus comparisons with the previous year are not available and will be provided starting from the next reporting cycle. The metrics were not validated by external parties.

## GHG intensity based on net revenue

<b>GHG INTENSITY BASED ON NET REVENUE</b>	<b>31/12/2024</b>
Total GHG emissions (location-based) per net revenue (tCO <sub>2</sub> eq/EUR million)	5,285
Total GHG emissions (market-based) per net revenue (tCO <sub>2</sub> eq/EUR million)	5,282

Consolidated operating income for the 2024 financial year was used to calculate the metrics in the tables above. This consists of the total of net interest, dividends and other income from equity investments, net fees and commissions, net trading income, net gains/losses on financial assets and liabilities at fair value, net gains/losses on derecognition of financial instruments measured at cost as well as net other expenses/income and can be viewed in the 2024 Annual Report of HVB Group (under Operating Performance of HVB Group).

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## Total GHG emissions disaggregated by Scopes 1 and 2 and significant Scope 3 emissions

	RETROSPECTIVE
	31/12/2024
<b>Scope 1 GHG emissions</b>	
Gross Scope 1 GHG emissions (tCO <sub>2</sub> eq)	5,617
<b>Scope 2 GHG emissions</b>	
Gross location-based Scope 2 GHG emissions (tCO <sub>2</sub> eq)	19,411
Gross market-based Scope 2 GHG emissions (tCO <sub>2</sub> eq)	3,811
<b>Significant scope 3 GHG emissions</b>	
Total Gross indirect (Scope 3) GHG emissions (tCO <sub>2</sub> eq)	28,872,328
1. Purchased goods and services	82,249
1.1. Cloud computing and data centre services	82,224
2. Capital goods	1,316
5. Waste generated in operations	10
6. Business travel	920
7. Employee commuting	2,312
8. Upstream leased assets	3,067
13. Downstream leased assets	9,801
15. Investments	28,772,653
<b>Total GHG emissions</b>	
<b>Total GHG emissions (location-based) (tCO<sub>2</sub>eq)</b>	<b>28,897,356</b>
<b>Total GHG emissions (market-based) (tCO<sub>2</sub>eq)</b>	<b>28,881,756</b>

The biogenic emissions of CO<sub>2</sub> from the combustion or biodegradation of Scope 1 biomass, biofuel, biogas or other bioenergy sources consumed are equal to 0 tCO<sub>2</sub>e for HVB Group. With regards to biogenic emissions of CO<sub>2</sub> from the combustion or biodegradation of Scope 2 and Scope 3 biomass, biofuel, biogas or other bioenergy sources, such sources, and thus emissions, are not relevant for the sector in which HVB Group operates.

HVB, as a company belonging to HVB Group, has procured electricity from renewable energy resources for a number of years. Green energy sourcing is being continued. For buildings in Germany under the operational control of HVB, the procurement of green electricity certificates for 100% of the electricity consumed in these buildings was agreed by contract in the 2024 reporting year.

Furthermore, zero percent of procured electricity consumed at locations over which HVB Group has operational control came directly from nuclear sources in the 2024 reporting year. Contractual instruments are used in the purchase of electricity, steam and heating/cooling from renewable energy, such as Guarantees of Origin (EU) or similar certificates for renewable energies.

The method used to calculate GHG emissions follows the operational control principle. Scope 1 includes emissions arising from sources owned or controlled by HVB Group, which include direct energy consumption, road business travel and refrigerant gas leakages. Scope 2 includes indirect GHG emissions arising from purchased electricity, steam and heating/cooling consumed by equipment or systems owned or controlled by HVB Group. Scope 3 includes indirect emissions occurring in the value chain, for example from purchased information and communication (ICT) services; purchased IT equipment and furniture; air and rail business travel; glass, paper, cardboard, cans and plastic waste disposal; energy consumption at upstream and downstream assets over which HVB Group has no operational control, calculated according to the market-based method.

Figures and information relating to the Scope 1, Scope 2 and Scope 3 classes of greenhouse gas emissions have been prepared in accordance with “The Greenhouse Gas Protocol: A Corporate, Accounting and Reporting Standard (Revised Edition, 2004)”.

The sources of emissions factors applied to the GHG inventory are reported below, broken down by Scope 1 to Scope 3.

#### **Scope 1:**

- Department for Environment Food and Rural Affairs (DEFRA), UK Government Conversion Factors for company reporting of GHG emissions (2024), for stationary combustion, business travel and refrigerant gas leakages.

#### **Scope 2:**

- DEFRA, UK Government Conversion Factors for company reporting of GHG emissions (2024), for district heating;
- IEA Emission Factors (2024), [www.iea.org/statistics](http://www.iea.org/statistics). All rights reserved; as modified by UniCredit S.p.A., for electricity consumption, location-based method and market-based method where applicable;
- Association of Issuing Bodies (AIB), 2023 European Residual Mixes, V.1.0 (2024), for electricity consumption, market-based method (for European countries). AIB does not report emission factors for gases other than CO<sub>2</sub>, thus related Scope 2 market-based emissions are expressed in tons of CO<sub>2</sub>; however, the percentage of methane and nitrous oxide has a negligible effect on total GHG emissions (CO<sub>2</sub> equivalent) as inferred from the relevant technical literature;
- The International Tracking Standard Foundation (I-REC(E) Residual Mixx (2023 data), for electricity consumption, market-based method (for non-European countries, excluding USA). Emission factors for gases other than CO<sub>2</sub> are not reported, thus related Scope 2 market-based emissions are expressed in tons of CO<sub>2</sub>; however, the percentage of methane and nitrous oxide has a negligible effect on total GHG emissions (CO<sub>2</sub> equivalent) as inferred from the relevant technical literature;
- 2024 Green-e® Residual Mix Emissions Rates (2022 data), for electricity consumption, market-based method (for USA). Emission factors for gases other than CO<sub>2</sub> are not reported, thus related Scope 2 market-based emissions are expressed in tons of CO<sub>2</sub>; however, the percentage of methane and nitrous oxide has a negligible effect on total GHG emissions (CO<sub>2</sub> equivalent) as inferred from the relevant technical literature.

## **Scope 3 (for category 15, please refer to reporting boundaries considered and calculation methods for estimating Scope 3 GHG emissions):**

- Confederation of European Paper Industries (CEPI) statistics (2023), for copy paper use;
- Eurostat – Environmental statistics and accounts; sustainable development for (consumption-based accounting tool; 2023), for purchased ICT services, IT equipment and furniture;
- DEFRA, UK Government Conversion Factors for company reporting of GHG emissions (2024), for business travel, waste disposal and homeworking;
- Sources of emission factors for energy consumption at upstream and downstream assets:
  - DEFRA, UK Government Conversion Factors for company reporting of GHG emissions (2024), for stationary combustion and district heating consumption;
  - Association of Issuing Bodies (AIB), 2023 European Residual Mixes, V.1.0 (2024), for electricity consumption market-based method (for European countries). AIB does not report emission factors for gases other than CO<sub>2</sub>, thus related market-based emissions are expressed in tons of CO<sub>2</sub>; however, the percentage of methane and nitrous oxide has a negligible effect on total GHG emissions (CO<sub>2</sub> equivalent) as inferred from the relevant technical literature;
  - IEA Emission Factor (2024), [www.iea.org/statistics](http://www.iea.org/statistics). All rights reserved; as modified by UniCredit S.p.A., for electricity consumption where applicable;
  - The International Tracking Standard Foundation (I-REC(E) Residual Mix, (2023 data), for electricity consumption, market-based method (for non-European countries, excluding USA). Emission factors for gases other than CO<sub>2</sub> are not reported, thus related market-based emissions are expressed in tons of CO<sub>2</sub>; however, the percentage of methane and nitrous oxide has a negligible effect on total GHG emissions (CO<sub>2</sub> equivalent) as inferred from the relevant technical literature;
  - 2024 Green-e® Residual Mix Emissions Rates (2022 data), for electricity consumption, market-based method (for USA). Emission factors for gases other than CO<sub>2</sub> are not reported, thus related market-based emissions are expressed in tons of CO<sub>2</sub>; however, the percentage of methane and nitrous oxide has a negligible effect on total GHG emissions (CO<sub>2</sub> equivalent) as inferred from the relevant technical literature.

With regards to the calculation of own emissions, currently no significant events or changes occur between the reporting dates of entities within HVB Group in the value chain and the date of the financial statements, as the reporting periods are identical.

## **Scope 3 GHG emissions categories that have been excluded:**

**Category 3:** Fuel and energy-related activities not included in Scope 1 or Scope 2: as a financial institution, this category is deemed not sufficiently relevant considering the use of energy.

**Category 4:** Upstream transportation and distribution: as a financial institution, this category is not considered sufficiently relevant to be calculated.

**Category 9:** Downstream transportation and distribution: as a financial institution, this category is not considered sufficiently relevant to be calculated.

**Category 10:** Processing of sold products: as a financial institution, this category is not considered sufficiently relevant to be calculated.

**Category 11:** Use of sold products: as a financial institution, this category is not considered sufficiently relevant to be calculated.

**Category 12:** End-of-life treatment of sold products: as a financial institution, this category is not considered sufficiently relevant to be calculated.

**Category 14:** Franchises: HVB Group does not have any franchises.

## **Reporting boundaries considered and calculation methods for estimating Scope 3 GHG emissions**

The perimeter for the calculation of categories 1, 2, 5, 8 and 13 is aligned with the perimeter of the financial statements. For categories 6 and 7, the perimeter corresponds to the legal entities that have at least one Full Time Equivalent (FTE). The methodological reference for Scope 3 accounting (for categories other than category 15) is the GHG Protocol, Technical Guidance for Calculating Scope Emissions.

**Category 1:** Purchased goods and services: includes emissions arising from copy paper consumption for which the average-data method has been applied; purchased ITC services, for which the spend-based method has been applied and the relative emissions estimated based on the expenditure for purchased ITC services, as reported in the financial statements. While emissions from copy paper consumption are typically not particularly significant for HVB Group, this source has nonetheless been included in previous years.

**Category 2:** Capital goods: includes emissions arising from IT equipment, electronics and furniture purchases, for which the spend-based method has been applied and the relative emissions estimated based on the respective expenditure for the purchased goods, as reported in the annual financial statements.

**Category 5:** Waste generated in operations: includes emissions arising from the disposal of paper, cardboard, plastic, cans, and glass, for which the waste-type-specific method has been applied. While emissions from waste disposal are typically not particularly significant for HVB Group, this source has nonetheless been included in previous years.

**Category 6:** Business travel: includes emissions arising from air and rail business travel, for which the distance-based method has been applied in both cases. Air travel data has been categorised in long (more than 3,700km), medium (more than 1,000km - less than 3,700km) and short (less than 1,000 km) distance.

**Category 7:** Employee commuting: includes only emissions arising from homeworking for which the average-data method has been applied. Emissions are calculated based on homeworking agreements and the homeworking/office days agreed in them.

**Category 8:** Upstream leased assets: includes emissions arising from energy consumption at upstream assets used by HVB Group. The asset-specific method and, where relevant, the average-data method have been applied.

**Category 13:** Upstream leased assets: includes emissions arising from energy consumption at upstream assets used by HVB Group. The asset-specific method and, where relevant, the average-data method have been applied.

**Category 15:** According to Implementation Regulation (EU) 2022/2453, institutions shall disclose their total financed emissions (Scope 1, 2, 3) and provide the related estimation associated with institutions' lending and investment activities.

Financed emissions have been estimated for Non-Financial Corporations and Households counterparties for UniCredit group, with the following approach.

### **Scope 3 emissions (category 15 - financed emissions related to Non-financial corporations)**

UniCredit group based the calculation of its Scope 1, 2 and 3 financed emissions by gathering information on the counterparties (also with the support of an external provider) in line with the PCAF, which is limited to the use of estimated data and real data, in line with the following methodologies:

- reported emissions: data directly disclosed by the company in publicly available documents (Non-Financial Statements, Sustainability Reports);
- estimated emissions: data estimated using methodologies aligned with market best practices.

The estimation procedure relies on official data from public sources (Eurostat) on emission intensity, expressed in metric tons of CO<sub>2</sub> per euro of added value, broken down by NACE code and European country. This coefficient is further refined by incorporating, where available, more detailed emissions data for specific NACE/Ateco codes (source: ISPRA / Single Registry for the Emissions Trading System). As part of this refinement process, sectoral averages derived from reported data are also used when homogeneous and statistically significant samples are available.

The emission intensity per euro of added value is recalibrated to obtain an intensity measure per euro of revenue. Finally, the sectoral coefficient obtained is applied to the individual company's revenue to determine the estimated emissions volume.

As per the regulatory indications, the financed emissions are calculated based on exposures of those sectors that highly contribute to climate change. These amounted to €30 billion, corresponding to 57% of the gross carrying amount of these sectors. The effective coverage of actual data is 17% while the remaining 83% relies on estimated data. Exposure data covers the following asset classes: loans, debt securities and equity.

### **Scope 3 emissions (category 15 - financed emissions related to private households)**

These are estimated leveraging on the net-zero initiative on residential mortgages and only collateralised residential asset loans are included. The PCAF methodology, which is limited to estimated data and real data, has been applied for this category as well.

HVB Group's total exposure to residential mortgages to private households on which Scope 3 category 15 emissions have been calculated is €22 billion. The coverage of real data on physical intensity is 11% while the remaining 89% relies on estimated data.

HVB Group has not calculated financed emissions for lending activities to customers in the following segments:

- financial institutions (including credit institutions and other financial corporations), as they are considered having very low Scope 1 and Scope 2 emissions and data on Scope 3 emissions is still too volatile to be considered reliable at present. The total gross carrying amount of financial institutions is €69 billion (or 24% of total assets);
- sovereign institutions, due to lack of emission data sources and estimation approaches. The total GCA of financial institutions is €32 billion (or 16 % of total assets).

HVB Group will continue to work to enhance its coverage of different exposures while data and estimation approaches will become more widespread in the industry.

***E1-7 – Removals and GHG mitigation projects financed through carbon credits***

No data to be disclosed.

***E1-8 – Internal carbon pricing***

No data to be disclosed.

## E3 – Water and marine resources

### Impact, risk and opportunity management

#### ***E3-1 – Policies related to water and marine resources***

In its continuous monitoring of the market and stakeholders' expectations, HVB Group has identified via UniCredit group six "sensitive sectors" for which it has adopted dedicated provisions and rules via internal regulations. Within these sectoral policies, water management is particularly taken into consideration through the assessment of potential environmental impacts based on internationally recognised standards. On top of the dedicated Water Infrastructure (for example Large Dams) Policy, for example, specific evaluations are performed to limit the risks to the Bank's reputation associated with the financing of these projects.

- The Mining Industry Policy aims to assess the potential environmental and social impacts of the Mining Finance transactions and, through active management and mitigation measures, to limit associated risks to the Group's reputation. Possible environmental damage or degradation, including habitat and biodiversity loss and contamination of groundwater, surface water, sediments, soil and air, are considered in the evaluation of the finance transactions.
- The Oil & Gas Sector Policy does not allow upstream activities in ultra-deep water (more than 1,500 metres / 5,000 feet) in order to avoid negative impacts on water and marine resources.
- The Civil Nuclear Policy provides guidelines and standards to address the particular challenges posed by the nuclear sector and to minimise environmental and social risks associated with the financing of nuclear energy activities, with particular attention, among others, to groundwater and water.

Also, UniCredit group has published the "ESG Product Guidelines Policy" aimed at establishing a consistent and comprehensive methodology for the classification and reporting of the Group's ESG offering. This policy, which was approved locally in March 2023 by the HVB Group Executive Board, is aimed at preventing green and social washing risk.

There is not yet a dedicated policy to cover the material impact resulting from the DMA relating to "Fostering awareness and commitments related to water consumption by HVB Group clients". The possible introduction of a corresponding policy is being analysed together with the colleagues of UniCredit group.

The ESG Product Guidelines provide a classification of green loans in keeping with the six environmental objectives of the EU Taxonomy:

- 1. Climate change mitigation;
- 2. Climate change adaption;
- 3. The sustainable use and protection of water and marine resources;
- 4. The transition to a circular economy;
- 5. Pollution prevention and control;
- 6. The protection and restoration of biodiversity and ecosystems.

More details on HVB Group policies can be found in the section MDR-P of ESRS 2.

The policies implemented offer the opportunity to enter into a targeted exchange with HVB Group customers on water-related topics and therefore strengthen their general awareness of such topics.

## **E3-2 – Actions and resources related to water and marine sources**

As already pointed out in the section on policies, HVB Group recognises that its financing and investing activities can have both positive and negative impacts on natural resources and the environment. HVB Group therefore attempts to avoid negative impacts that can harm the planet and communities while also supporting the market in making the necessary transition to more sustainable practices.

HVB Group has therefore strengthened its sustainability governance in recent years and integrated ESG criteria into the business strategy. Together with UniCredit group, HVB Group has started to analyse and focus on other environmental factors, such as water usage, biodiversity and waste management, and in particular the associated impacts, risks and opportunities, alongside the climate factors already implemented.

The assessment of nature-related risks is at an early stage for the whole banking industry, with limitations in terms of data availability across drivers and sectors, lack of commonly agreed metrics and methodologies (e.g. scenarios). For the current reporting year, HVB Group has therefore pursued the approach via UniCredit group of identifying which industries on portfolio level have both the greatest impacts on natural capital and the greatest dependency on natural factors and are therefore exposed to an increased risk from nature-related influences.

UniCredit group conducted this analysis in 2023, despite the limitations mentioned, on the basis of recognised global data sources such as Exiobase, Globio, Natura 2000 and ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure). The ENCORE tool supports companies and financial institutions in analysing how certain economic activities are dependent on and influence natural capital. In addition, UniCredit group has geared itself towards banking industry initiative guidance, such as the Taskforce on Nature-related Financial Disclosures (TNFD) and the Nature Target Setting Guidance.

UniCredit group developed this analysis further in the 2024 reporting year to also identify the dependency level of the different industries on natural factors. By applying the ENCORE tool and considering ecosystem services, it was determined how nature and economic activities are linked and the contribution that nature makes to supporting and facilitating business production processes.

The results of the impact and dependency analysis are aggregated on sector level in the form of a portfolio heatmap in order to obtain a comprehensive overview of the nature-related factors.

Moreover, as already described in E1 – Climate change, HVB Group analyses using C&E questionnaires its clients' transition risk. HVB Group asks its clients, among other things, about their annual water consumption. In addition to assessing risks, this information can also be referred to for a targeted client dialogue with regard to responsible water consumption and increases awareness of it. HVB Group is currently evaluating the integration of further environment-related questions into the C&E questionnaire in order to consider topics such as biodiversity, water and waste more comprehensively.

As signatories of the Equator Principles (EP), UniCredit group and HVB Group have also undertaken to apply the globally accepted World Bank Standards to applicable project financing. Aside from the rules set by the International Finance Corporation (IFC) Industry Sector Guidelines, the World Bank Group's EHS Guidelines define strict requirements in terms of wastewater, ambient water quality and water conservation. The topics of water and marine resources are dealt with across several standards, such as resource efficiency and pollution prevention and management as well as conserving biodiversity and sustainably managing living natural resources.

## Metrics and targets

### ***E3-3 – Targets related to water and marine resources***

HVB Group has currently defined no targets on water and marine sources in accordance with the ESRS, but as part of its commitment to the Equator Principles (EP) applies the globally accepted World Bank Standards to applicable projects. Furthermore, no other indicators or processes are used at present to assess the effectiveness and progress of the policies, concepts and actions. The possible introduction of corresponding targets is being discussed with UniCredit group.

## E4 – Biodiversity and ecosystems

### Strategy

#### ***E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model***

Alongside already existing climate factors, UniCredit group's strategy also addresses other environmental factors (Climate and Environmental - C&E). These are related to the quality and functioning of the natural environment and its systems (natural capital) and include factors such as climate change, biodiversity, energy consumption, water, pollution and waste management. The focus is on the topic of biodiversity in respect of which UniCredit group and HVB Group have started the first initiatives to assess the potential impacts, risks and opportunities connected to natural capital.

HVB Group has not carried out any resilience analysis of its strategy and its business model in respect of biodiversity and ecosystems, as required in ESRs E4 §13 (a) – (f). However, as described in section E3 – Water and marine resources, UniCredit group has defined an assessment to identify which industries are most exposed to nature-related risks in terms of impact on natural capital and dependency on natural factors.

The results are still at an early stage, also considering lack of data availability. With the aim of evaluating an enhancement to the assessment methodology, UniCredit group and HVB Group constantly monitor the evolution of industry practice/standards as well as the availability of reliable data at client level. For further details, reference is made to section E3.

In the 2024 reporting year, UniCredit group carried out an additional assessment to understand the status of natural capital and biodiversity in the countries in which UniCredit group operates. The aim is to identify and implement potential business opportunities for local business based on key dimensions such as water, soil, air and biodiversity by setting up specific working groups and therefore be able to contribute to the clients' transition.

### Impact, risk and opportunity management

#### ***E4-2 – Policies related to biodiversity and ecosystems***

As already explained in the context of the preceding chapter, UniCredit group and HVB Group are increasingly focusing on biodiversity-related topics. The ESG Product Guidelines address the material opportunities resulting from the DMA: creation and promotion of innovative financial products/services focused on sustainable investments, thereby contributing to the protection of natural capital, biodiversity and conservation of land use.

According to the ESG Product Guidelines, HVB Group considers as sustainable such loans that finance economic activities contributing substantially to one or more of the environmental objectives of the EU Taxonomy criteria (including the objective from 2025 of the **protection and restoration of biodiversity and ecosystems**).

# Sustainability Report

HVB Group is committed via UniCredit group to protecting natural capital by delivering sustainable financing solutions to clients and reducing the environmental impacts of direct operations. Avoiding operations in areas protected for biodiversity conservation purposes as well as combating deforestation and forest degradation are fundamental principles for HVB Group. These principles are formalised in the Statement on Natural Capital and Biodiversity published on the UniCredit group website in 2024.

Additionally, within the sectorial policies for the mining Industry, the oil & gas sector, the civil nuclear sector as well as water infrastructure, particular attention on habitat and biodiversity loss is taken into consideration for potential environmental impacts.

As regulated in the Global Policy “Group Reputational Risk Management”, HVB Group applies minimum requirements in the area of ecological and social criteria for supporting individual transactions:

Any deals for which HVB Group is going to provide any financial product or service must not involve or adversely affect any of the following:

- in or in the direct vicinity of UNESCO World Heritage Sites, unless the activities originate from the time before the UNESCO designation
- in or with a direct influence on protected areas I-IV of the International Union for Conservation of Nature and Natural Resources) or such for which such a designation has been proposed
- in or with a direct impact on wetlands on the Ramsar List (Ramsar Convention on Wetlands)
- in critical natural habitats according to the World Bank definition
- in primary tropical moist forests according to the World Wide Fund For Nature (WWF)
- in conservation value forests according to the WWF.

In addition, HVB Group does not provide any financial support or service for activities not compliant with the following:

- UniCredit Group Human Rights Commitment
- UN Declaration on the Rights of Indigenous Peoples

UniCredit group’s and therefore also HVB Group’s willingness to protect ecosystems is further evidenced in its Commitment on Rainforests, even though this does not fully satisfy the definition according to the ESRS. The objective of this commitment is to ensure that the Bank’s activities do not favour deforestation or forest degradation, unless appropriately mitigated.

In addition, UniCredit group has signed via the Tobacco Sector Commitment a commitment regarding the exit from the tobacco industry to prevent deforestation or forest degradation.

Currently, HVB Group does not have policies in place for agriculture practices or oceans and seas practices. The possible setting up of internal guidelines on these practices is being evaluated together with UniCredit group.

For more details on the policies in HVB Group, reference is made to the section MDR-P of ESRS 2.

## ***E4-3 -Actions and resources related to biodiversity and ecosystems***

In addition to implementing the policies dealing with biodiversity topics described, the first actions have already been taken to push ahead with the development and promotion of innovative financial products in the area of biodiversity and natural capital protection.

The commitment of HVB Group as part of UniCredit group to preserving natural capital is evident from it signing several declarations of commitment, as well as from its membership of numerous initiatives, as UniCredit group has recognised that protecting biodiversity requires strong collaboration between financial and non-financial institutions to achieve tangible results.

For example, UniCredit group has signed up to the Finance for Biodiversity Pledge (FfBP). The FfBP members jointly call for and commit to taking ambitious action on biodiversity to reverse nature loss. This will be achieved through collaboration, engagement with relevant counterparts and the assessment of our own biodiversity impact.

Furthermore, UniCredit group is a member of the Working Group on Nature within the United Nations Environment Programme Finance Initiative (UNEP FI) and contributed to the publication of the “Principles for Responsible Banking (PRB) Nature Target Setting Guidance”. This guidance was developed specifically for banks, particularly for PRB signatories, in order to support the banking sector in adjusting to the Kunming-Montreal Global Biodiversity Framework (GBF) and counteract nature and biodiversity loss.

UniCredit group was also involved in the publication of the “Unlocking the biodiversity-climate nexus” guide. This publication links the issues of climate change with those of the impacts on nature. In September 2024, UniCredit group also contributed to the discussion paper “Finance for Nature Positive”, led by the Finance for Biodiversity (FfB) Foundation and UNEP FI.

UniCredit group is also a member of the Institute of International Finance (IIF) Sustainable Finance Nature Expert, a platform to address evolving nature-related issues and to support advocacy efforts related to nature initiatives. In this context, UniCredit group contributed to the IIF Report on Nature-related Finance: “Responding to Nature-related Risks and Opportunities”. In 2024, UniCredit group also joined the Taskforce on Nature related Financial Disclosures (TNFD) Forum.

Locally, HVB Group participates in exchange formats of the Association for Environmental Management in Banks (VfU), such as the “Business and Biological Diversity” project.

By participating in the initiatives outlined, UniCredit group is gaining inspiration to develop innovative financial products and services and can share the experience it has already gained.

The analysis explained in the section on water and marine resources, as part of which the credit portfolio is analysed with regard to the impacts and dependencies on natural factors, enables UniCredit group and HVB Group to enter actively into an exchange with the clients whose business activities have a strong negative impact on natural capital.

UniCredit group replicated its ESG Day in the reporting year. The one-day event saw more than 13,000 international participants who joined either online or in-person in Milan. The event was an opportunity to stimulate stakeholder dialogue while continuing to raise awareness of climate change, social inequalities and biodiversity.

Attendees included colleagues, clients as well as renowned experts who dived into a series of engaging discussions and presentations covering the full spectrum of ESG topics, including the topic of biodiversity.

The session entitled “The way forward: from responsibility to response-ability”, which concentrated on the importance of alternative models and approaches in order to foster more sustainable ways of doing business, focused on practical steps forward in the face of natural challenges.

Project-related transactions are also subject to the Equator Principles (EP). In this context HVB Group is working on bringing all associated environmental and social risks into line with the World Bank environmental standards and the International Finance Corporation (IFC) social standards as well as in particular with the Biodiversity Conservation and Sustainable Natural Resource Management Standard.

In order to increase awareness for biodiversity, UniCredit group is working on an internal training path for all employees as well as on special manager training to be offered from 2025 on. In addition, biodiversity topics have already been offered covered since November 2024 as part of the “Skills for Transition” training programme for HVB Group’s corporate customers. Further information on the “Skills for Transition” programme can be found in the section on S3 – Affected communities. HVB Group is also planning to evaluate business opportunities together with UniCredit group within the scope of a special working group to support the Bank’s clients in the green transition.

At present HVB Group has not taken any actions to integrate domestic and indigenous knowledge into its strategies and activities in connection with biodiversity and ecosystems.

Biodiversity certificates are currently not used by UniCredit group or HVB Group.

#### ***E4-4 – Targets related to biodiversity and ecosystems***

As large-scale quantitative information on biodiversity for the financed portfolio is not yet available, HVB Group, by adopting the transitional provision, has not yet defined any targets in accordance with the ESRS and is currently also not using any other indicators or processes to assess the effectiveness and the progress of policies, concepts and actions. The possible introduction of corresponding targets is being evaluated with UniCredit group.

## E5 – Resource use and circular economy

### Impact, risk and opportunity management

#### *E5-1 – Policies related to resource use and circular economy*

HVB Group considers circular economy an important aspect to be impressed upon its clients. HVB Group's commitment on circular economy derives from the awareness that sustainability is a core corporate responsibility and contributes to long-term business success. Notwithstanding HVB Group's commitment on circular economy, it has not yet materialised into a dedicated policy to cover the following material impacts from the DMA process:

- contribution to high inflow and use of resources, and to high waste by sectors such as construction, power generation, manufacturing, and waste-intensive sectors in which UniCredit group clients operate;
- fostering awareness and commitments related to waste production and waste management from HVB Group clients.

UniCredit group has undertaken some analyses on the sectors based on the discussions underway in the various international working groups which are considered more sensitive (see section Actions and resources related to resource use and circular economy). The aim is to assess the drawing up of a cross-sectoral policy which addresses the waiver of the use of virgin resources among the financed sectors. In accordance with the internal Governance structure, such a policy would be drawn up on the level of the Group parent and therefore also implemented in HVB Group.

Within its sectoral policies, HVB Group addresses waste management with the objective of regulating waste production and disposal in order to mitigate negative environmental impacts. For instance:

- the Civil Nuclear Policy applies to any specific transaction financing, irrespective of the subject, related to nuclear waste processing activities.
- the Mining Industry Policy applies to activities related to the development, construction, and operation of facilities to mine, process, and transport ore, as well as supporting infrastructures, such as tailings and other waste management facilities.

As already explained in chapters E3 and E4, in addition to climate aspects, the ESG Product Guidelines also address further environmental topics, including the commitment to the transition to a circular economy. They stipulate that HVB Group considers as “green” the loans financing activities that make a positive contribution to the transition to a circular economy by taking into account the further environmental objectives from 2025.

For more details on the policies in HVB Group, reference is made to the section MDR-P of ESRS 2.

## **E5-2 – Actions and resources related to resource use and circular economy**

HVB Group has carried out and promoted awareness and commitment actions and activities aimed at creating awareness among its clients with regard to circularity, and waste production and management.

The commitment on circular economy is also mentioned in the Statement on Natural Capital and Biodiversity published in May 2024 by UniCredit group, to which HVB Group belongs. Also, the Natural Capital Framework developed by the Bank mentions circularity as an enabler to reach net-zero targets. HVB Group can contribute to a just and fair transition for its clients in different ways in the area of circular economy, by providing loans, advisory, creating synergies and establishing partnerships.

In December 2022, HVB Group became a member via UniCredit group of the Ellen MacArthur Foundation, a leading charity in circular economy topics at international level. The participation in working groups organised by the charity has a double significance: firstly, the Bank has access to specific know-how focused on circular economy; secondly, the Bank established new contacts and networked with companies belonging to other sectors, identifying specific needs and assessing how it can support them in their green transition.

In 2023, HVB Group started to take part via UniCredit group in a working group designed by UNEP FI, in which other banks also take part, with the aim of drawing up a position paper on the nexus between climate and circular economy, supplemented by operational guidance and supplements dedicated to priority sectors (building/construction, textile, etc.) This guidance also includes some tangible actions that banks can implement to support their clients and promote circularity. The full set prepared by UNEP FI with the contribution of other banks was published in July 2024. In September 2024, UNEP FI launched Phase 2 of the working group, which aims at making a deep dive into other sectors.

In February 2024, HVB Group organised a webinar entitled “Straight ahead with circularity”, exploring the shift from linear to circular business models in various sectors, discussing the challenges ahead and the opportunities offered by the transition. The event was also aimed at clients and experts from the oil & gas, steel and fashion industry who took part in the webinar to discuss the implementation feasibility of the circular business models.

Circular economy was also the focus of UniCredit group’s second ESG Day. For more information on the ESG Day reference is made to section ESRS “S3 – Affected Communities”.

The events outlined promote debate on sustainability and encourage the adoption of resilient and sustainable business models in various sectors, highlighting the correlation between circular economy actions, fight against climate change, natural capital preservation and promotion of healthy and inclusive economies.

Since it is fundamental to disseminate awareness on circular economy, HVB Group is working on various **initiatives**, such as:

- **establishing an internal training path** on circularity, which will be available for all employees starting at the beginning of 2025, as well as a special training offer for managers;
- **onboarding of further clients** to complete the “**Skills for Transition**” training programme, which addresses circular business models and processes;
- **development of new product ideas** for HVB Group clients to support them in the green transition.

HVB Group’s strategy incorporates identifying and understanding climate and environmental risks (C&E) and opportunities that the Bank may encounter. C&E factors are related to the quality and functioning of the natural environment and its systems (natural capital) and include factors such as climate change, biodiversity, energy consumption, water, pollution and waste management.

As described in E3 – Water and marine resources, in the 2024 reporting year HVB Group worked on an assessment to identify which industries are most exposed to nature-related risks in terms of impact on natural capital and dependency on ecosystem services. The results are still at an early stage, also considering data availability. For further details reference is made to section E3 – Water and marine resources.

#### ***E5-3 - Targets related to resource use and circular economy***

As large-scale quantitative information on resource use and circular economy for the financed portfolio is not yet available, HVB Group, within the scope of the transitional provision, has not yet defined any targets in accordance with the ESRS and also does not currently use any other indicators or processes to assess the effectiveness and the progress of the policies, concepts and actions. The possible introduction of corresponding targets is being discussed with UniCredit group.

## Social information

### S1 - Own workforce

#### Impact, risk and opportunity management

HVB Group has implemented comprehensive policies to manage material impacts and opportunities related to own workforce identified through the Double Materiality Assessment (DMA) process. The material impacts and opportunities identified comprise:

#### Impacts:

- Promotion of employee well-being through the implementation of dedicated well-being activities and benefits within a healthy and stimulating working environment.
- Positive contribution to the objectives of ensuring equal opportunities, secure employment, creation of quality employment, the payment of adequate wages also through the promotion of social dialogue, collective bargaining agreements and workers' associations.
- Improved employees' skills through training and professional development activities, general and technical programmes, also linked to personalised growth and evaluation objectives (e.g. career development plans).
- Contribution to the development of young talents through partnerships with national and international universities, collaborations with communities in the IT and tech sector, often with a special focus on women and creation of employee networks on several diversity traits.
- Respect for diversity and promotion of an inclusive work environment through anti-discrimination activities and further corresponding initiatives.
- Increase in employees' digital skills, knowledge, and opportunities.

#### Opportunities:

- Become an employer of choice with widespread diversity, a culture of inclusion and concrete work-life balance solutions (which also encompass a flexible approach).
- Improve employees' productivity through the implementation of effective training programmes, anticipating future trends.
- Ensure and guarantee transparent performance review systems and professional growth plans for the Group's entire population, empowering employees to thrive and unlock their potential.

## **S1-1 – Policies related to own workforce**

HVB Group has implemented comprehensive policies to manage and monitor the material impacts, risks and opportunities in respect of its own workforce. These include a Global Policy that creates a framework for all People & Culture Policies, a Diversity, Equity & Inclusion Global Policy, a Global Policy against Harassment, Sexual Misconduct, Bullying and Relation as well as a Global Remuneration Policy.

These policies lay down how HVB Group treats its employees and are geared towards nationally and internationally recognised standards and commitments, including:

- the Universal Declaration on Human Rights;
- the International Covenant on Economic, Social and Cultural Rights;
- the fundamental human rights conventions of the International Labour Organisation (ILO) (Conventions 29, 87, 98, 100, 105, 111, 138 and 182);
- the UN Guiding Principles on Business and Human Rights;
- the OECD Guidelines for Multinational Enterprises;
- the UN Global Compact Principles;
- the UN Principles for Responsible Investment (UN PRI);
- the International Finance Corporation (IFC) Performance Standards;
- the World Bank Group Environmental, Health and Safety (EHS) Guidelines;
- the Principles for Responsible Banking of the United Nations Environment Programme Finance Initiative (UNEP FI);
- the Equator Principles (EP);
- the Women's Empowerment Principles
- the UN Declaration on the Rights of Indigenous Peoples;
- the UN Declaration on Human Rights Defenders.

The policies specified are an integral part of HVB Group's Corporate Governance, which are aimed at preventing negative impacts and fostering positive developments by stipulating clear responsibilities. HVB Group is subject to internationally recognised human rights and labour law, in particular in the area of safety at work, freedom of collective bargaining and assembly, equality and in respect of the promotion of physical and mental health.

Further information on HVB Group's policies can be found in the section MDR-P of ESRS 2.

## **Fostering an inclusive corporate culture**

HVB Group is committed to a working environment that actively promotes diversity, equal opportunities and inclusion. The Diversity, Equity & Inclusion (DE&I) Policy underlines the significance of a respectful and safe working environment, in which differences regarding sexual identity, age, ethnic origin and affinity, sexual orientation, disability and other protected categories are recognised and appreciated. HVB Group would therefore like to ensure that diversity aspects are considered in every phase of the employee life cycle:

- the recruitment process is gender-balanced and bias free, removing discriminatory and non-inclusive language in job descriptions and using inclusive language;
- equal learning and development opportunities are provided for all employees – through access to training, for example on inclusive leadership, psychological safety, recognising unconscious bias and on preventing harassment, sexual misconduct and bullying;
- the performance management of all employees is organised with diversity aspects in mind and to ensure gender-balanced succession;
- compensation guarantees pay equality for HVB Group employee, is performance-based and linked to diversity and inclusion efforts.

## **Mechanisms for monitoring and processing grievances**

HVB Group has a mechanism in place to ensure that adverse impacts such as risks to human rights are identified and addressed. For this purpose, channels have been implemented that enable stakeholders to express concerns and grievances with reference to HVB Group's business practices and their potential negative impact on the workforce as regards human rights (for example whistleblowing procedure or complaints management for client feedback). HVB Group is committed to analyse reports received via these channels and transparently communicate actions to mitigate risks if required.

## **Commitment to equal opportunity and fair working conditions**

HVB Group's own workforce policies do not deal explicitly with human trafficking, forced labour or child labour as HVB Group is subject to applicable law, which in this case means that laws apply in all countries prohibiting human trafficking, forced labour or child labour. In addition, through the "Global Framework Agreement on Human Rights and Fundamental Employee Rights", HVB Group has made a commitment to human rights and fundamental labour rights.

Since 2019 there has been a Global Policy against Harassment, Sexual Misconduct, Bullying and Retaliation. In addition, HVB Group has underlined its commitment to equal opportunity by signing international agreements such as the Joint Declaration on "Equal Opportunities and Non-Discrimination" and the Global Framework Agreement with the UNI Global Union.

Within the scope of the Group Remuneration Policy, HVB Group supports the principle of pay equality, which guarantees the fair treatment of all employees based on the role, the area of responsibility, the performance and overall quality of their contribution to the business results irrespective of sexual identity, age, ethnic origin and affiliation, sexual orientation, disability and cultural background. Moreover, HVB Group's DE&I Policy also includes achieving sexual equality on all organisational levels, thus contributing to the equal treatment of all employees.

## **Transparency and responsibility**

The "SpeakUp!" whistleblowing tool serves as a central channel for reporting misconduct such as harassment, sexual misconduct, bullying and retaliation. HVB Group undertakes to consistently pursue infringements of its global policies and to implement actions to improve the corporate culture. With these actions, HVB Group ensures that social responsibility, diversity and equal opportunities are firmly anchored and actively fostered in its corporate culture.

## **S1-2 – Process for engaging with own workers and workers' representatives about impacts**

HVB Group ensures that the views of its own workforce are included in its decision-making processes. In doing so, HVB is guided by the "Global Framework Agreement for Human Rights and Fundamental Employee Rights," among other things which was agreed with the Group Works Council in the wake of the implementation of the "Integrity Charter to promote equal treatment and equal opportunities for the employees in the HVB subgroup". The aim is to manage both actual and potential impacts on the own workforce. Employees are included via various channels, through which they can participate directly – for example through idea management and by taking part in surveys – or indirectly – for example via elections of employee representative bodies such as the works council, disabled employees' representatives, company spokesperson committee or youth and trainee representatives.

If own workforce views are incorporated into HVB Group activities, the employees concerned are informed as part of the existing processes, for example by providing feedback on suggestions for improvement proposed within the scope of idea management. If employees express their views in the context of co-determined issues, works agreements may be concluded with the employee representative bodies.

Well-established dialogue formats are also available to ensure the inclusion of employee perspectives in the decisions and actions of the Group in relation to employee concerns:

- regular dialogues between employees and their managers (for example annual target rewarding and target achievement meetings as well as interim meetings “Mid-Year Review”);
- exchange formats between management and employees (for example “The Townhall”, “Espresso with...”);
- works meetings at which the management participates as a guest of the works council and answers questions from employees;
- regular and event-related exchanges, consultations and negotiations between the management, the People & Culture department, the works council and works council committees, the youth and trainee representatives and the disabled employees’ representatives.

The responsibility for implementing these dialogue formats lies with the management and with the head of the People & Culture and Internal Communications departments. To measure the effectiveness of these dialogues and exchange formats, anonymous written feedback is collected as needed and used for planning further initiatives.

In order to obtain diverse information on the views of specific employee groups, HVB Group also works closely with employee networks, for example the women’s network “F:AST”, the network for international employees “ENRICH” or the LGBTQIA+ network “UniCorns!”. These networks are voluntary groups supported by HVB Group, which are dedicated to promoting a diverse and inclusive working environment in the context of HVB Group’s mission, values, business activities and objectives.

The rehabilitation and participation of people with disabilities is also a central concern of HVB Group. For this reason, the representatives for severely disabled employees have been released from other duties in order to be able to perform their work optimally. Access to the representatives for severely disabled employees is open to all employees. There is a regular needs-oriented exchange between the People & Culture department, managers and the representatives for severely disabled employees.

### ***S1-3 - Processes to remediate negative impacts and channels for own workforce to raise concerns***

HVB Group ensures that employees can express their concerns and grievances via established and transparent channels. The main channels are:

- Managers as the first point of contact for concerns in the work context.
- The People & Culture department for cross-divisional HR policy issues.
- The whistleblowing channel “SpeakUp!”, set up by the Compliance department to receive reports of potential misconduct anonymously and securely.

Information on the procedures and channels for raising concerns and the contact details of the relevant contact persons are available to all employees on the Business Desktop (Intranet) and the regulations of the Operating guidelines (ZAD).

These channels, through which employees can express their concerns and needs, are considered to be effective as they are well-established, known and used. For example, reports are regularly received by the “SpeakUp!” whistleblowing system, which are reviewed under the responsibility of the Compliance department and processed by the Whistleblowing Committee. Enquiries are also regularly received by the People & Culture contact persons provided for employees and managers, which are answered within the framework of the Human Resources (HR) competence model and, if necessary, actions are derived from them.

HVB Group was not aware of any negative impacts on its own workforce in the 2024 reporting year. In addition, the established dialogue formats are suitable for avoiding or identifying significant negative impacts on its own workforce and initiating remedial measures where necessary. These include, for example, the applicable company agreements on working hours, which offer effective protection against overworking employees through flexitime arrangements, among other things, or the statutory regulations prohibiting child labour, protecting expectant mothers or prohibiting forced labour. Should significant negative effects nevertheless exist or arise, HVB Group provides employees with the opportunity to address these within the framework of the established dialogue formats or via the whistleblowing channel.

### **Actions to promote an inclusive corporate culture**

HVB Group is actively committed to promoting an inclusive corporate culture and implements targeted actions to promote diversity, equal opportunities and well-being. These include, for example, the implementation of the DE&I Policy for inclusive recruiting and the use of inclusive language to avoid bias, comprehensive DE&I and well-being training for all employees, mentoring programmes to promote professional development of underrepresented groups and supporting employee networks that promote community and networking. Annual analyses of fair pay, the existence of flexible working time arrangements and DE&I governance and accountability for the implementation of DE&I targets should further strengthen these initiatives.

### **Feedback mechanisms and continuous improvement**

To ensure the effectiveness of actions, anonymous feedback is collected regularly. For example, in the context of learning initiatives, in order to obtain ideas, suggestions and tips for continuous improvement from employees.

Employees are also encouraged to actively express their opinions and concerns as part of the “Accountability & Speak Up” and “Courageous Voices” campaign. The company-wide campaign was launched to increase accountability and promote a “Speak Up” culture at all levels of the Company. This is accompanied by the prohibition of retaliation against employees who express opinions and concerns. Violations of this ban on retaliation can also be reported via whistleblowing channels. In addition, the topics of non-discrimination, diversity and inclusion are part of regular management training and initiatives.

In addition, Group-wide policies such as the “Global Policy on Combatting Harassment, Sexual Misconduct, Bullying and Retaliation in the Workplace” apply, which was agreed with the Group Works Council as an annex to the “Policy on the Implementation of the Integrity Charter for the Promotion of Equal Treatment and Equal Opportunities for Employees in the HVB Subgroup”. It contains explanations on the process for reporting violations and protecting employees from retaliation.

Through these comprehensive actions, HVB Group ensures that employee concerns are taken seriously and sustainable solutions are created to promote a fair and inclusive corporate culture.

#### ***S1-4 - Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions***

HVB Group is pursuing further initiatives to maximise and promote opportunities and possibilities in relation to its workforce to position it as a Bank for Europe’s future. The effectiveness and impact of the actions and initiatives described below is tracked and evaluated within its day-to-day operations using quantitative (for example key figures, reports) and qualitative indicators (for example feedback, surveys). The actions and initiatives described are regarded by HVB Group as effective and are revised and developed as needs are identified.

#### **Transformation of the corporate culture**

The corporate culture harmonises the corporate strategy with the purpose of “Empowering Communities to Progress”. Initiatives to realise the three corporate values of Integrity, Ownership & Caring include:

- the “Culture Jour fixe”: a format that enables every team to reflect on the corporate culture and develop it further in a joint dialogue.
- the “Culture Network”: an employee network through which the topic of corporate culture is promoted by employees as multipliers.
- the “Culture Day”: an annual event for all employees at which the progress of cultural change is communicated transparently through exchange meetings, presentations by experts and input from top management.
- “The Townhall”: open exchange meetings with the Executive Board of HVB Group which take place quarterly in a hybrid format (currently only for employees of HVB and UniCredit S.p.A. Munich Branch).

#### **Employer branding to increase employer attractiveness**

In order to be recognised as a relevant employer in a competitive labour market, HVB Group needs to position itself as a strong employer brand. HVB Group is therefore focussing on a strong online presence (for example job exchanges, HVB career website) and supplementing this with targeted offline activities, particularly in the area of university marketing.

The annual “Kununu Top Company” and “Top Employer” certifications underpin HVB Group’s positioning as an attractive employer.

The activities relating to employer branding are continuously evaluated and, if a need is identified, adapted.

## Junior staff programmes

HVB Group focuses on promoting young staff with comprehensive programmes. In addition to traditional vocational training, the Bank focuses on training dual students and a trainee programme. These programmes will be continued in the future and adapted as required, for example on the basis of employee feedback.

## Learning & development

HVB Group ensures that all employees have transparent knowledge of the learning and development opportunities available within the Company. The UniCredit University acts as a global learning and development platform. In addition, there are local initiatives and programmes that primarily serve the qualification needs in regulatory and division-specific respects. There are two central ambitions: firstly, targeted qualification in existing roles (including necessary regulatory qualifications), and secondly, cross-training for all employees in future-relevant competencies, the so-called “future skills”. Other training offers include transformation support for strategic projects. Training is available via online courses on the Group-wide online platform and via the Business Desktop (Intranet).

There are also additional offers on the topic of “ESG” where employees are provided with basic and expert knowledge on all ESG-relevant topics. Knowledge is imparted via a multi-stage concept: there is obligatory Web-Based Training (WBT) for all employees that must be completed once upon joining HVB Group. There is also a certificate course for the expert functions in which selected employees are trained by economic and scientific experts in eight seminar days to become a “Sustainable Finance Expert”. An offer available for all interested employees is the EBS eCampus, which provides a summary of the certificate course via online content. Presentations on the topic of “Sustainable Finance” are also held via the social learning format “EachOneTeachOne” and are offered free of charge and voluntarily for all employees on an ongoing basis.

The effectiveness of all learning and development programmes is continuously evaluated, for example via structured and unstructured feedback from training participants. The learning and development offer is being developed continuously by the People & Culture department based on these findings and in line with HVB Group’s strategic targets.

## Talent management

The central ambition of talent management is the future-oriented further development and support of career planning for employees with high development potential and above-average performance. In 2024, more than 70 employees were included in the internal talent programme and were able to access offers developed specifically for the target group, including, for example, training on communication and face-to-face meetings, exchange meetings with top management or involvement in current projects.

In addition, the selection and promotion process for managers was revised for sustainable talent management.

## **Health management & social counselling**

Following the principle of helping people to help themselves, HVB Group offers its employees preventive services for physical, mental and social health through the company medical service and the HVB social counselling service.

The health forum (including representatives from management, occupational safety, the works council, representatives for severely disabled employees, the People & Culture department, health insurance scheme, social counselling and the company doctor) is the strategic instrument of health management in the Company. Policies and actions are regularly developed, evaluated and adapted here where necessary. The ambition here is to maintain or restore the health and performance of employees in the long term through suitable preventive measures, such as making employees aware of how to deal with their own health and offering help in the event of problems and crises.

Throughout Germany, HVB Group offers all employees year-round lectures, workshops and activities on the topics of stress and resilience, exercise, nutrition and addiction prevention as well as other individual health tips. In order to enable all employees to take part in the company health promotion measures, a large proportion of the programmes take place online. HVB Group offers its employees nationwide occupational health advice and support through the occupational health service and company doctors. The company doctors carry out occupational medical check-ups at workstations and offer health-promoting information and actions such as flu vaccinations. In the event of an acute medical emergency, employees can receive medical care at the Company medical centre at the HVB Tower in Munich.

HVB's social counselling service provides psychological and psychosocial advice and offers coaching for employees and managers. It provides guidance for teams by conducting counselling sessions with those affected by professional and private problems.

Furthermore, in cooperation with the "pme Familienservice", employees receive professional help on topics such as childcare, caring for relatives, arranging a childcare place, preventive care and dementia care.

The Bank's health management, which is firmly established in the organisation, has been continuously benchmarked externally via the Corporate Health Award in recent years and has always achieved top rankings.

## **Compatibility of family & career**

### **Flexible working model**

At HVB Group, the principles of flexible working hours are the legal framework for harmonising the operational requirements of the Bank and the personal needs of employees. The principles of flexible working hours are anchored in an agreement with the works council committees. Accumulated overtime and negative time are tracked via a warning system. If an employee's aggregate hours reach a certain threshold value, this triggers actions to reduce them, for example the mandatory use of flex days. Such flex days can also be taken independently of the specific aggregate hours in consultation with the team and manager. In addition, there is the possibility of working part time on the basis of legal regulations. Furthermore, HVB Group offers sabbaticals, which is regulated in a company agreement.

## Hybrid working

The regulations agreed with the employee representative bodies stipulate that employees who have no customer contact can work up to 60% of their working hours and employees who have customer contact can work up to 20% of their working hours on a mobile basis, i.e. outside the company workplace. There is also the possibility of working up to ten days per year from the EU outside Germany. Employees can access training materials and further information on topics such as self-organisation in the home office, tips for hybrid teamwork or efficient hybrid meetings, for example on the Business Desktop (Intranet).

## Childcare

Since 2014, HVB Group has been working with the operator "Dussmann Kultur Kindergarten gemeinnützige GmbH". The childcare centre set up at the Munich site has a total of 36 places and is aimed at children of employees of HVB and selected Group companies aged between three months and three years. The daycare centre at the HVB Tower was opened at the beginning of 2024 and will continue to operate.

## Care leave

HVB Group offers employees different options for leave from work when caring for family members under legal regulations (care leave or family care leave). Comprehensive care advice can also be provided through "pme Familienservice".

## Mitigation of material risks

People & Culture topics and processes – for example pre-employment screening of applicants – are integrated into HVB Group's risk management, governance and management, for example via KPI management, the inclusion of People & Culture in the overall bank strategy or the participation of People & Culture in various committees. Where required by law, employees must also complete mandatory training courses within defined periods and are sensitised to existing risks and how to deal with them. The conveyance of the content of these training courses is ensured by means of final tests and is recorded and tracked by the system. In addition, HVB sensitises its employees to the risks and opportunities of current topics, such as dealing with artificial intelligence, money laundering or financial sanctions, with regular or ad hoc communications by email on the Business Desktop (Intranet).

HVB Group's ambition is to ensure that its business practices do not have a significant negative impact on its employees. This is ensured through responsible and transparent corporate governance, which includes a systematic assessment of risks, responding to trends and addressing the needs of employees, and by anchoring social standards in policies. HVB Group promotes open dialogues and exchange between the workforce, employee representatives and management through regular events (e.g. Townhalls, Question & Answer format). Furthermore, training is offered on risks and potential negative impacts in various subject areas. Through confidential and secure channels or complaints mechanisms, employees are able to report grievances at any time.

The described actions, initiatives and programmes are continuously reviewed and adjusted if necessary as part of annual evaluations, defined KPIs, external developments and trends, feedback from stakeholders as well as the overarching strategic ambitions of HVB Group and UniCredit group. HVB Group provides financial and human resources to manage potential or actual impacts. For example, human resources are used to manage ESG opportunities and risks (for example central ESG team). Financial resources are also made available for the implementation of the initiatives and actions mentioned. The required resources are planned and adjusted on an ongoing basis as part of the regular budget and personnel planning processes.

## Metrics and targets

### ***S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities***

HVB Group is committed to fostering a culture that respects diversity, empowers individuals, promotes engagement and belonging, and enhances the Company's reputation.

In connection with the DE&I initiative "Ensuring equal pay for equal work", a target corridor of +/-1% for comparable roles is pursued for the internal Gender Pay Gap (GPG), the so-called non-demographic GPG. Depending on the company and sector, this target corridor is currently already being achieved.

Further DE&I initiatives are pursued through ambitions and actions:

- Awareness and education on DE&I: initiatives such as the DE&I Policy are meant to support employee understanding of biases, encouraging an inclusive mindset.
- Behavioural and cultural change: HVB Group encourages its employees to embrace inclusive behaviours, fostering a diverse and equitable environment. HVB Group strives for a culture of inclusion as well as a strong DE&I culture. Employee networks and initiatives offer safe spaces, amplify diversity and support HVB Group employees.

HVB Group's DE&I ambitions include gender parity, ensure equal pay for equal work, ethnic and cultural diversity as well as promoting DE&I across all organisational levels.

The progress towards DE&I targets is tracked and disclosed through transparent reporting. Regular reports are provided to the Group Executive Committee and other management bodies of HVB Group. The analysis of the gender pay gap and internal surveys provide real-time insights, ensuring the DE&I goals remain on track with corrective actions as needed. Progress is also acknowledged externally through certifications and awards. For example, HVB was recognised as a "Top Employer" in Germany for the 15th year in a row as a testament to its commitment to creating a better workplace for its employees. In addition, HVB has received the EDGE Move certification for its intensive efforts to promote gender equality and integration in the workplace.

By fostering a diverse, inclusive and supportive environment, HVB Group enhances organisational success and individual well-being of its employees, aligning with sustainable growth and stakeholder expectations.

## S1-6 - Characteristics of the undertaking's employees

The figures are reported in headcount (number of persons) as at the end of the period 31 December 2024. Headcount means that the employee is in an employment relationship with an HVB Group company, not taking the working time factor into account. This count includes both active and inactive employees. Inactivity is due, for example, to parental leave, sabbatical or long-term illness.

In contrast, the employee figures reported in HVB Group's annual report are reported both in FTE (full-time equivalents) and in employee numbers (this also includes employees seconded to HVB Group from other Group units).

As at 31 December 2024, HVB had employees outside of Germany in Italy, Austria, Switzerland, Great Britain, France, Singapore, Hong Kong and the USA. The number of employees in each country does not exceed the threshold of 10% of the total workforce and 50 employees, so they are not shown separately in the tables below.

The metrics have not undergone independent assurance by an external body.

### Information on employee headcount by gender

GENDER	NUMBER OF EMPLOYEES (HEADCOUNT)	NUMBER OF EMPLOYEES (HEADCOUNT - ANNUAL AVERAGE)
Male	4,537	4,812
Female	5,554	5,749
Other	1	1
Not reported	-	-
<b>Total number of employees</b>	<b>10,092</b>	<b>10,562</b>

### Employee headcount in countries where the undertaking has at least 50 employees representing at least 10% of its total number of employees

COUNTRY	NUMBER OF EMPLOYEES (HEADCOUNT)	NUMBER OF EMPLOYEES (HEADCOUNT - ANNUAL AVERAGE)
Germany	9,550	9,951

The following tables show the total number of employees for the following categories, broken down by gender and country, as permanent and temporary employees.

For data protection reasons, no information is provided on persons with the gender identity "diverse".

# Sustainability Report

## Definitions:

- Permanent employees: no time limit on the employment contract;
- Temporary employees: temporary employment contract;
- Full-time employee: working time is 100%;
- Part-time employee: working time is less than 100%.

## Information on employees by contract type, broken down by gender (headcount)

HEADCOUNT	FEMALE	MALE	TOTAL
Number of employees (headcount)	5,554	4,537	10,092
Number of employees (headcount - annual average)	5,749	4,812	10,562
Number of permanent employees (headcount)	5,457	4,372	9,829
Number of permanent employees (headcount - annual average)	5,652	4,647	10,299
Number of temporary employees (headcount)	97	165	263
Number of temporary employees (headcount - annual average)	97	166	263
Number of non-guaranteed hours employees (headcount)	-	-	-
Number of non-guaranteed hours employees (headcount - annual average)	-	-	-
Number of full-time employees (headcount)	2,771	4,274	7,046
Number of full-time employees (headcount - annual average)	2,889	4,509	7,398
Number of part-time employees (headcount)	2,783	263	3,046
Number of part-time employees (headcount - annual average)	2,861	304	3,164

During the reporting period a total of 398 employees left the Company. The attrition rate for the period under review was 3.6%. This includes employees who left active employment as a result of their own resignation or due to termination by the employer, retirement or death.

## Employee turnover

NUMBER AND RATE OF EMPLOYEE TURNOVER	TOTAL
Employees who have left the undertaking	(398)
Turnover rate	(3.6) %
Number of employees previous year	11,031

### **S1-7 - Characteristics of non-employee workers in the undertaking's own workforce**

For HVB Group non-employees (leased workers), the data is reported in terms of the number of employees (headcount) as at the end of the period (31 December of the reporting year).

Leased workers are individuals whose workforce is leased to HVB Group for a limited period of time in connection with a specific project or a specific task, typically via external personnel agencies (for example Bankpower, Hays, Robert Half, Soorce). This is based on a contract between the agency and HVB Group in accordance with the provisions of the German Act on Temporary Agency Workt (AÜG).

Actual data and not estimates are used. As at 31 December 2024 the number of non-employee workers (leased workers) was 148.

The metrics have not undergone independent assurance by an external body.

# Sustainability Report

## S1-8 - Collective bargaining coverage and social dialogue

The following table shows the percentage of HVB Group employees who receive remuneration in accordance with the applicable collective bargaining agreements. All other employees receive remuneration that is higher than the remuneration regulated by collective agreements:

$$\frac{\text{Number of employees covered by collective bargaining agreements}}{\text{Number of employees}} \times 100$$

The total percentage of employees working in establishments with workers' representatives at country level for each EEA country in which HVB Group has a significant number of employees.

$$\frac{\text{Number of employees working in establishments with workers' representatives}}{\text{Number of employees}} \times 100$$

The metrics have not undergone independent assurance by an external body.

### Collective bargaining coverage and social dialogue

COVERAGE RATE	COLLECTIVE BARGAINING COVERAGE		SOCIAL DIALOGUE
	EMPLOYEES – EEA (FOR COUNTRIES WITH >50 EMPLOYEES REPRESENTING > 10% OF TOTAL NUMBER OF EMPLOYEES)	EMPLOYEES – NON-EEA (ESTIMATE FOR REGIONS WITH >50 EMPLOYEES REPRESENTING > 10% OF TOTAL NUMBER OF EMPLOYEES)	WORKPLACE REPRESENTATION (EEA ONLY) (FOR COUNTRIES WITH >50 EMPLOYEES REPRESENTING > 10% OF TOTAL NUMBER OF EMPLOYEES)
0-19%	-	-	-
20-39%	Germany	-	-
40-59%	-	-	-
60-79%	-	-	-
80-100%	-	-	Germany

UniCredit group's European Works Council only concludes agreements directly with UniCredit group and not with HVB Group. There are joint declarations with UniCredit group on the topics of "Training, learning and professional development" (2008), "Equal opportunities & non-discrimination" (2009), "Responsible sales" (2015), "Work-Life Balance" (2017) and "Remote Work" (2020). The "Global Framework Agreement on human rights and fundamental labour rights" agreed with UNI Global also applies. In HVB Group, the latter agreement applies as the "Global Framework Agreement on Human Rights and Fundamental Employee Rights" which was agreed with the Group Works Council as an annex to the "Policy for implementing the Integrity Charter to promote equal opportunities for female employees in the HVB Subgroup".

# Sustainability Report

## S1 – 9 Diversity metrics

The following metrics have not undergone independent assurance by an external body.

### Gender distribution at top management level

	NUMBER OF EMPLOYEES AT TOP MANAGEMENT LEVEL (HEADCOUNT)	PERCENTAGE OF EMPLOYEES AT TOP MANAGEMENT LEVEL BY GENDER
Male	9	64.3%
Female	5	35.7%
<b>Total</b>	<b>14</b>	<b>100.0%</b>

Definition of Top Management: Group Executive Committee member and the level below (Group Executive Committee –1).

### Employee distribution by Age Group

NUMBER OF EMPLOYEES (HEADCOUNT) BY AGE GROUP	NUMBER OF EMPLOYEES	%
Under 30 years old	990	9.8%
30-50 years old	4,820	47.8%
Over 50 years old	4,282	42.4%

## S1-10 – Adequate wages

All HVB Group employees receive adequate wages and in no case fall below the statutory minimum wage.

The remuneration of employees of HVB Group in Germany who are paid according to collective agreements is based on the collective agreement for the private banking industry, which is concluded between the trade unions and the employers' association. The collective agreement is the basis for fair pay, as in addition to categorisation into pay scale groups, it also regulates working hours, social payments, sick pay, overtime and shift allowance, child allowances and holiday leave. Employees are categorised into pay scale groups on the basis of their work and their salary increases in line with their years of service.

The remuneration of trainees is also regulated in the collective agreement. Collective bargaining ensures that salaries are regularly increased for each pay scale group and career year.

Employees paid outside the collective agreement are paid at least 10% above the highest pay scale. Working hours, sick pay and holiday leave are also based on the collective agreement. Works agreements stipulate, among other things, that salaries are increased regularly and that tasks, responsibilities and market trends are taken into account when determining remuneration, so that fair and appropriate remuneration is also guaranteed for employees not covered by collective agreements.

Risk takers are subject to an annual review of the appropriateness of their remuneration in accordance with the provisions of the Remuneration Ordinance for Institutions (Institutsvergütungsverordnung) and the German Banking Act (KWG).

# Sustainability Report

Although not all HVB Group subsidiaries are bound by collective bargaining agreements, they are all guided by such agreements and the remuneration regulations applicable at HVB.

Furthermore, HVB Group complies with the legal provisions of the German Act on Temporary Agency Work (Arbenehmerüberlassungsgesetz) with regard to the remuneration of leased workers (for example principle of equal pay). Within HVB Group, leased employees are paid above the minimum wage.

## **S1-11 – Social protection**

All HVB Group employees are insured against loss of income through national programmes in compliance with local laws (e.g. the German Social Code (Sozialgesetzbuch) in Germany) for major life events such as illness, work accidents, incapacity, maternity protection, parental leave and retirement. With regard to social security insurance in the event of unemployment, all employees are insured as soon as they are employed within HVB Group, with the exception of employees at the Singapore branch, where there is no national unemployment programme.

The information has not undergone independent assurance by an external body.

## **S1-12 – Persons with disabilities**

The following quantitative information has not undergone independent assurance by an external body, unless states otherwise.

Taking into account the legal restrictions on data collection in Germany, the percentage of employees with disabilities is currently 4.8%. As at the reporting 31 December 2024 HVB Group had 486 employees with disabilities, of which 335 (69%) women and 151 (31%) men.

HVB Group in Germany reports employees with disabilities with a degree of disability of 30% or more (see §2 German Social Security Code (SGB) IX). The foreign locations include these employees according to the legal requirements of the corresponding country.

### **Employees with disabilities**

NUMBER OF EMPLOYEES	TOTAL
Employees with disabilities	486
Total number of employees	10,092
Percentage of employees with disabilities	4.8%

## **S1-13 - Training and skills development metrics**

### **Performance and career development reviews**

At HVB Group, annual performance and career development reviews (target allocation and achievement reviews) are held between employees and their managers. The individual annual performance assessment documented in the target achievement dialogue forms the basis for the bonus payment. Target allocation and achievement meetings are therefore mandatory for all employees.

The following table shows the percentage of HVB Group employees who have participated in the regular annual performance and career development review. This information is broken down by gender. For data protection reasons, no information is provided on persons with the gender identity "diverse".

# Sustainability Report

The metrics have not undergone independent assurance by an external body.

## Training and skills development indicators by gender

	TOTAL NUMBER OF EMPLOYEES (HEADCOUNT)	TOTAL NUMBER OF EMPLOYEES THAT PARTICIPATED IN REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS (HEADCOUNT)	PERCENTAGE OF EMPLOYEES THAT PARTICIPATED IN REGULAR PERFORMANCE AND CAREER DEVELOPMENTS REVIEWS
Male	4,537		
Female	5,554		
<b>Total</b>	<b>10,092</b>	<b>9,780</b>	<b>96.9%</b>

To calculate the percentages, the number of employees for whom there is documentation of the target allocation or target achievement dialogue in the IT systems, broken down by gender, was divided by the total number of employees. Due to special circumstances, for example dormant and inactive employment relationships, the percentage is slightly below 100%.

## Number of training hours

The following table shows the average number of training hours per employee for HVB Group, broken down by gender.

For the calculation, the total number of training hours for the year was divided by the arithmetic average of the total number of employees over the whole year. With the exception of UniCredit Direct Services GmbH, the breakdown of training hours by gender can be shown for all legal entities of HVB Group. As this information is not available in a system for UniCredit Direct Services GmbH, the gender breakdown of training hours is shown as a proportion of the genders in the total workforce.

## Average number of training hours per employee by gender

	TOTAL NUMBER OF EMPLOYEES (HEADCOUNT)	TOTAL NUMBER OF TRAINING HOURS	AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE
Male	4,537		21
Female	5,554		17
<b>Total</b>	<b>10,092</b>	<b>191,026</b>	<b>19</b>

## S1-15 – Work-life balance metrics

All HVB Group are entitled to take family-related leave.

The metrics have not undergone independent assurance by an external body.

### Percentage of entitled employees that took family-related leave by gender

	NUMBER OF TOTAL EMPLOYEES ENTITLED TO TAKE FAMILY-RELATED LEAVE (HEADCOUNT)	NUMBER OF ENTITLED EMPLOYEES THAT TOOK FAMILY-RELATED LEAVE (HEADCOUNT)	PERCENTAGE OF ENTITLED EMPLOYEES THAT TOOK FAMILY-RELATED LEAVE
Male	-	237	2.3%
Female	-	717	7.1%
<b>Total</b>	<b>10,092</b>	<b>954</b>	<b>9.5%</b>

## S1-16 - Compensation metrics (pay gap and total compensation)

### Pay differences between women and men

The unadjusted pay gap between men and women at HVB Group comes to an average of 29% on a consolidated basis. This means, without taking comparable activities into consideration, that male employees receive on average 29% higher remuneration than female employees.

The figures were determined based on the following data:

- Population: all active employees including members of the management and excluding trainees as at 31 December 2024.
- Remuneration: target remuneration (fixed salary + bonus reference value) as at 31 December 2024.
- All remuneration elements shown are calculated on a full-time basis and for an entire year to ensure comparability.

### Ratio of the total annual compensation of the highest-earning employee to the median total annual remuneration of all employees

The ratio of the total annual remuneration of the highest-earning employee to the median total annual remuneration of all employees comes to a factor of 21.6 for HVB Group. The highest-earning employee therefore earns 21.6 times the median target remuneration of all HVB Group employees.

The values were determined on the basis of the following values:

- Population: all active employees including members of the management and excluding trainees as at 31 December 2024.
- Remuneration: target remuneration (fixed salary + bonus reference value) as at 31 December 2024.
- All remuneration elements shown are calculated on a full-time basis to ensure comparability.

The metrics have not undergone independent assurance by an external body.

# Sustainability Report

## S1-17 - Incidents, complaints and severe human rights impacts

### Number of incidents of discrimination and number of complaints

	31.12.2024
Total number of incidents of discrimination	1
Total number of complaints filed through channels for people in own workforce to raise concerns	3
Total number of complaints filed to National Contact Points for OECD Multinational Enterprises	-

One case of discrimination was reported in the reporting year. In addition, three complaints of discrimination, including harassment, were submitted. All cases were investigated, in one case disciplinary measures were imposed, There were no known cases in which complaints were reported via external channels (e.g. courts, supervisory authorities, OECD National Contact Point). Corresponding fines, penalties or compensation payments in the context of such incidents were not incurred in the reporting year.

No serious incidents relating to human rights were reported in the reporting year.

HVB Group is not aware of any labour court proceedings or fines imposed by labour courts in relation to the issues relevant here. The total amount of significant fines, sanctions and compensation payments in connection with discrimination cases is EUR 0 and is therefore not recognised in the balance sheet.

Discrimination on the basis of gender, ethnic origin, nationality, religion or belief, disability, age, sexual orientation of other relevant forms of discrimination, including (sexual) harassment, were taken into account.

If incidents become known, regardless of whether they are reported via internal or external complaint channels, they are recorded and followed up by People & Culture, Compliance or Internal Audit and appropriate remedial measures taken, such as disciplinary action.

The figures and information above are obtained and recorded through annual queries from Compliance, Internal Audit, HVB Group companies and foreign subsidiaries.

The metrics have not undergone independent assurance by an external body.

## S2 - Workers in the value chain

### Impact, risk and opportunity management

#### **S2-1 - Policies related to value chain workers**

With its Human Rights Commitment, HVB Group commits itself to a responsible human rights policy. Although there is no specific policy that addresses value chain workers' human rights, this matter is covered comprehensively by the Human Rights Commitment. The findings gained from the materiality assessment are incorporated into HVB Group's Commitment, including the material impact identified in the area of value chain workers: **"Awareness and dissemination of the culture of ethics and human rights (including the prevention of child and forced labour) by business partners and other stakeholders increases responsibility and fair practices across value chains"**.

The aforementioned Commitment applies to HVB Group's clients and their workers as indirect social stakeholders. The Commitment fosters the awareness and dissemination of the culture of ethics and human rights among HVB Group stakeholders, while increasing responsibility and fair practices cross value chains.

In addition, HVB Group's Human Rights Commitment provides for monitoring and disclosure measures at various levels of the value chain. Potential cases of non-respect of human rights are identified and adverse human rights impacts are correctly managed and, if any exist, are addressed. Various channels of the whistleblowing system, such as "SpeakUp!", are available to HVB Group employees and stakeholders for this purpose.

The effectiveness of the Human Rights Commitment is ensured by existing processes, which are linked to the policies and commitments mentioned in the document and are to be implemented by the responsible functions within the organisation.

For instance, HVB Group's ESG reporting system enables the monitoring of selected KPIs that also measure human rights-related impacts in the area of social impact finance. These include, for example, KPIs relating to the creation of affordable housing or educational facilities. As part of the Principles for Responsible Banking "Commitment on Financial Health and Inclusion", a group-wide reporting system has also been introduced to collect and monitor the aforementioned ESG contributions from different countries in UniCredit group and consolidate them at group level.

The consideration of potential risks to human rights arising from HVB Group's activities in sensitive sectors involves a monitoring cycle based on additional rules and processes, which are described in the relevant internal regulations. In concrete terms, HVB has developed specific instruments for assessing reputational risk. These processes enable the evaluation of social, environmental and human rights risks and performance at customers, and implement mechanisms to minimise these risks.

Internal regulations include reputational and credit risk policies, such as the "Reputational Risk Sensitive Sector Policies" for the oil & gas, mining, coal und defence sectors, which in turn refer to the corresponding frameworks and also make use of instruments such as the Equator Principles. The latter, for example, include social, and environmental due diligence requirements which ensure that projects are carried out in compliance with human rights. A detailed description of these policies can be found in the section MDR-P of ESRS 2.

HVB Group also adopts an “outside-in” approach in order to monitor stakeholders’ views on reputational risks in the banking sector. Stakeholders’ views are assessed and monitored through the double materiality assessment that is updated yearly. This approach aims at improving HVB Group’s capability to prevent, minimise and manage the reputational risks that may occur, leveraging also on the results of its periodic stakeholder engagement activities.

At the UniCredit group level, the Statement on the Modern Slavery Act 2023 sets out the steps taken to minimise the risks of modern slavery and human trafficking in its own business areas and supply chain. The measures include the implementation of international standards, the performance of ESG assessments at suppliers and training programmes to raise awareness of a culture of ethics and human rights and ensure compliance with guidelines.

Further information on the Human Rights Commitment as well as on the Statement on Modern Slavery Act can be found in the section MDR-P of ESRS 2.

For the reporting year 2024, HVB is not aware of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises concerning Workers in the Upstream and Downstream Value Chain.

#### ***S2-2 - Processes for engaging with value chain workers about impacts***

Currently, HVB Group does not have any specific engagement process targeting workers of its clients.

#### ***S2-3 - Processes to remediate negative impacts and channels for value chain workers to raise concerns***

Currently, HVB Group does not have any specific channel for raising concerns dedicated to the workers of its clients.

#### ***S2-4 - Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions***

Currently, HVB Group does not have any specific actions targeting workers of its clients, as they do not represent a direct stakeholder target of the group’s activities. Therefore, HVB Group is not in the position of taking direct actions against them.

#### **Metrics and targets**

#### ***S2-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities***

Currently, HVB Group does not have any specific targets on the workers of its clients.

## S3 – Affected communities

### Impacts, risks and opportunity management

#### S3-1 – Policies related to affected communities

UniCredit group's relationship with affected communities is highlighted by existing policies which address material impacts and opportunities resulting from the double materiality assessment. These are described as follows:

#### Impacts

- Contributions to various social causes with positive socioeconomic impacts such as education, health, and community development programmes.
- Improving access to credit and disseminating financial culture in the communities, with a focus on supporting younger and more vulnerable and/or low-income groups through dedicated products and services in order to enhance economic development and investor confidence.

#### Opportunities

- Strategic community partnerships, collaborations with local organisations, industry and professionals' associations and community groups to create sustainable and impactful programmes.
- Improvement of relationships / consolidation of positioning within territories and communities of reference through the promotion of financial inclusion initiatives targeting vulnerable groups.
- Establish and promote employee volunteering programmes that contribute to the well-being and development of local communities and support associations and projects in the area.
- Increase in market share through the expansion of product offerings with positive social impact.
- Opportunities for the Bank to gain an improved image among competitors and attract socially conscious investors, if it is able to anticipate and react to political and societal changes.

The following policies and commitments are relevant for the affected communities: ESG Product Guidelines and the Human Rights Commitment. UniCredit group's Human Rights Commitment applies group-wide and is also applied at HVB. UniCredit group's policies and principles of action – also applied at HVB – are based on recognised international declarations, principles, guidelines and directives. Further information on the policies in the HVB Group can be found in the section MDR-P of ESRS 2.

Beyond this there are no further specific guidelines. Possible negative impacts on indigenous peoples are not relevant in this context. There were no known cases of non-compliance with international declarations, principles, guidelines and directives at HVB Group in the reporting year.

UniCredit group's Human Rights Policy summarises the approach to human rights and focuses on stakeholder categories such as employees, customers, suppliers and communities. Based on a risk assessment, HVB has set out its human rights and environmental expectations, in accordance with Section 6(2) of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), in a Declaration of Principles.

## Engaging with communities

The engagement with communities is based on a combination of cultural and economic investments, sustainability and social inclusion. HVB's key initiatives are Social Impact Financing (part of "Social Finance") and Social Engagement through Strategic Partnerships.

"Social Finance" is part of UniCredit group's product range. It has a positive impact on communities by giving potentially vulnerable groups access to financial services and helping companies to focus more on social matters. As described in the ESG Product Guidelines, Social Finance can be subdivided into four categories:

- "Inclusive Finance", loans for people at risk of economic and social exclusion.
- "Social Impact Financing", loans for companies and organisations to invest in projects with a positive social impact.
- "Social Housing", loans to companies and organisations for the creation of affordable housing for people on low incomes.
- "Loans on High impact on Society", loans with a high impact on society, such as loans to non-profit organisations, religious bodies and financing for health and social infrastructures.

Further information on the policies at HVB Group can be found in the section MDR-P of ESRS 2.

With Social Impact Financing, HVB supports and finances companies and organisations in Germany in the realisation of social projects at favourable conditions. The positive impact is measured based on predefined impact indicators (output, outcome and qualitative). Investments are financed in the areas of education, health, social services, affordable housing and inclusion. In addition to the loans, the Bank offers support through its networks and communication measures to further increase the social impact of the project

In the area of Social Engagement (ESRS S3-4 "Taking action on material impacts of affected communities and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions", the focus is on strategic partnerships and HVB projects, especially for the young generation and education programmes. The communities are supported, for example, through cooperation with cultural institutions such as the Bayerische Staatsoper in Munich or social organisations such as Joblinge. The associated financial education activities are organised by HVB employees acting in a voluntary capacity.

### ***S3-2 – Processes for engaging with affected communities about impacts***

The Bank invests in long-term relationships with the communities and supports them in their sustainable development. The basis for this is the stakeholder dialogue conducted at Group level with regard to ESG positioning and sustainability matters. The results of this collaboration lead to strategic initiatives that are adopted throughout the Group and applied in the individual UniCredit countries. The respective target groups are reached on the one hand through HVB's initiatives in Germany, such as social impact finance and social commitment, and on the other hand through UniCredit group's initiatives, which are also implemented locally in the individual countries.

UniCredit group initiatives include:

- **ESG Day** - On 14 November 2024, UniCredit group held the second group-wide ESG Day with the title “A challenged future: choosing the path ahead”. The one-day event put the focus on the Bank’s clients and provided a forum to discuss challenging issues and sustainability trade-offs, with a view to defining concrete solutions. The insights gained from this are intended to guide future action in overcoming challenges. More than 13,000 participants joined in, either online or in person across ten different group locations.
- **Skills for Transition** is an ESG training programme financed by UniCredit group on the topic “Green Transition”, especially for students who are taking an MA course and bootcamps as well as for companies’ employees in the form of in-service training courses. The objective is to acquire future skills that will serve both the economy in Europe and personal professional progress. The “Skills for Transition” programme started at the end of 2024 and is running in six UniCredit group countries: Italy, Germany, Bulgaria, Czech Republic, Slovakia and Romania.
- **UniCredit Foundation** also promotes education at schools in Germany and is cooperating with the internationally active organisations “Teach for All” and “Junior Achievement” over a period of three years. The central goals of this support are successful school-leaving qualifications and career guidance for pupils. In the “Teach First Germany” programme, high school graduates work as so-called fellows at hotspot schools and support the young people in their everyday school life. Through the cooperation with the organisation “IW-Junior”, the German branch of “Junior Achievement Europe”, new perspectives are opened up to pupils in various programmes, supporting them in their personal development and career orientation and motivating them to take responsibility.

## HVB initiatives

The stakeholder engagement process is managed at UniCredit group level. However, the regional and strategic orientation of the engagement with the communities in Germany is the responsibility of HVB’s Executive Board. Operational responsibility and management lie with different areas of the Bank. HVB is therefore in direct contact with affected communities or obtains information about their concerns and needs through studies, statistics and other sources. The insights gained from this are incorporated into the activities initiated by the Bank.

HVB cooperates with various interest groups and organisations that focus on the target group of the affected communities, such as the Bank’s membership of BII (Bundesinitiative Impact Investment), BdB (Bundesverband der Deutschen Banken) or VfU (Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V.). The commitment also includes cooperation with universities, sponsorship of cultural events and close cooperation with social partners.

In operational implementation, HVB evaluates the impact of its activities by means of measurement and feedback sessions with representatives of the affected communities. This approach makes it possible to better assess the actual and potential impact of the Bank and its actions and to make adjustments where necessary.

### **S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns**

In general, the double materiality assessment prepared by UniCredit group did not identify any negative impacts on the communities. Nevertheless, there are different ways to get into contact with the Bank. There is no specific communication channel for communities, but HVB points out that anyone can inform the Bank about grievances, also by using UniCredit Bank GmbH's whistleblowing system, which is available on the homepage. The report is submitted via an Internet-based "SpeakUp" tool or by post to the Chief Compliance Officer of UniCredit Bank GmbH. There are no specific policies on the use of these channels by non-clients.

### **S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions**

UniCredit group's double materiality assessment did not identify any material potential or actual negative impacts on communities. There were also no known incidents of human rights violations. In order to minimise risks in general, selected HVB actions are assessed in terms of their effectiveness and their positive impact on the affected communities. Examples of impact measurement are:

#### **Measuring the impact of financial education**

Impact measures were carried out in 2024 on the basis of HVB financial workshops. Participation in the knowledge tests is voluntary. However, all knowledge tests carried out (comparison of initial and final questions) showed that there was an increase in knowledge among participants after a financial workshop.

#### **Confirmation of positive impact**

The diversity and positive impact of HVB initiatives show that the different needs of communities are being addressed. This is confirmed firstly by the mention of HVB as sponsor and, where applicable, as project participant in publications, annual reports and the social media communications of the social partner organisations.

Confirmation also comes in the form of the success stories of individual people or an award, such as the second place in the Inclusion Award 2024 of the District of Upper Bavaria for the HVB initiative "Entrepreneurship Inclusive". HVB is always in contact with the respective representative of the interest groups in order to keep itself updated on the positive benefits of the supported actions. This dialogue is also used to identify needs, such as the specific educational needs of unemployed young people.

#### **Operational management of activities**

All of HVB's social impact financing and financial education activities are managed by a dedicated team (Social Impact Banking Team), part of HVB's ESG Germany unit.

In the area of social impact financing there is close cooperation with representatives from various business units, where the social impact banking team supports the lending process as product experts. In the programmes relating to financial education, training and mentoring, Bank employees who are interested in volunteering are actively involved. Events on the topic of Female Finance are organised by the marketing team, the "Business Events and Sponsoring" department. The topics of cultural sponsorship and donations are organised by HVB's "Communications" department and "Digital & Operations Germany" area.

## Overview of activities and actions

HVB strives to maintain good relationships with communities, particularly in regions where the Bank operates. The focus here is on economic promotion and sustainable development. This is achieved on the one hand through the Bank's business activities and on the other through corporate citizenship activities and philanthropic initiatives, in particular measures for social and financial inclusion. HVB's main initiatives can be subdivided into the following categories: Social Impact Financing, Financial Education, Social Community Engagement and Cultural Promotion.

### – Social Impact Financing

Social Impact Financing is HVB's financing of companies and organisations that invest in projects with a positive social impact and address the social needs of affected communities. This was already described under "Policies related to affected communities" (cf. ESRS S3-1).

### – Financial education

Education and in particular the target group of young people is the focal point of the group-wide ESG strategy. Deficits, particularly in formal education, caused by an underfunded education sector, a lack of teachers or socio-cultural challenges are statistically proven (e.g. Eurostat). It is important for UniCredit group – and therefore also for HVB – to make a contribution here through financial support to education partners and through HVB's own commitment. In 2024, HVB therefore continued its initiatives to contribute to general financial education and raising awareness for the topic of money and finance in Germany and reached more than 6,300 people, focusing on young people, women and vulnerable persons. Information and training formats take the reality of life of the addressed target groups into account as much as possible and are tailored to their specific needs.

HVB's central initiatives and programmes include:

### – Female Finance

The Female Finance programme is geared to women and aims to introduce them to the topic of finance and to motivate them to provide for their retirement and develop their own wealth strategy. The campaign includes a wide variety of formats: events, knowledge websites, checklists and a study on the topic. In March 2024, there was a hybrid evening event on the topic of sustainable investing. At this event experts from HVB and Amundi spoke and answered questions from the audience. There was also an in-person event in cooperation with Allianz and the business magazine "Finanzielle" in Berlin on the topic of "Health & Wealth" with external guests and female clients of the Bank. It is also planned to continue Female Finance in the coming year.

### – Entrepreneurship inclusive – innovative start-up programme for students

The HVB Entrepreneurship Inclusive programme develops creative business ideas which offer a special opportunity and motivation for young people with disabilities. The students work together in inclusive teams and are accompanied by mentors from the Bank. Entrepreneurship Inclusive was awarded second place at the Inclusion Awards of the Upper Bavaria district in 2024. Your Capabilities gUG, a start-up company supported by the Bank, was the cooperation partner and responsible for the implementation of the programme.

## – **Girls in Finance & StartUps**

HVB's "Girls in Finance & Startups" programme is aimed at female students from regular and special schools in Germany. The programme started in 2023 on the nationwide Girls Day in Düsseldorf in cooperation with Fe:male Innovation Hub and the Chamber of Commerce and Industry and is being continued and expanded. In 2024, there was a total of four events in three cities, where ideas for start-ups were developed as part of a one-day workshop.

## – **Financial workshops**

The Bank creates a framework and cooperates with social partners. Most of the financial workshops are run by volunteers who work for the Bank, either on site or online. Target groups are pupils, unemployed young people (participants in the Joblinge programme), migrants or people with cognitive impairments. The workshop content is geared toward the realities of the participants' lives and is adapted as necessary. The effectiveness of the training is checked on the basis of personal feedback discussions with the partner organisations and, in some cases, anonymous knowledge tests of the participants.

## – **Job and career mentoring**

Since 2011, HVB has been a premium partner of Joblinge, an organisation that operates throughout Germany – with financial support and committed mentors. In this way, the Bank contributes to successfully placing more than 77% of the unemployed young people participating in the Joblinge programme in an apprenticeship or job every year. So far, 140 mentors from the Bank have acted as volunteers to support 312 young people individually for four to six months at a time.

## – **Social engagement**

In addition to offering subsidised loans and financial education initiatives, HVB's commitment to the community includes other aspects such as donations and private employee engagement.

## – **Donations**

With donations and partnerships the Bank supports social organisations that are committed to social participation and integration. The focus is on the education and training of young people in order to give them a successful start to an independent and barrier-free life.

## – **RestCent Initiative & Gift Matching**

With the RestCent Initiative, employees donate the cent amount of their net salary to a good cause every month. The amount collected over the year is doubled by the UniCredit Foundation and is then donated to social organisations in Germany. Here too, the focus is on education and training for children and young people. Gift Matching is the second donation programme involving the Bank's employees. The UniCredit Foundation doubles the donations made by groups of colleagues to charitable organisations throughout the Group once a year. HVB employees can register via an online platform and enter their private donations there.

## – **“Wir für die Region”**

“Wir für die Region” is a Germany-wide HVB initiative, a partner programme in towns and cities where the Bank has branches. Volunteer employees work in teams and join forces to help people in need, people with disabilities, migrants and the environment. In 2024, charitable organisations took part in the programme and received donations from the Bank to run their programmes.

## – “Ehrensache” and “Social Day” reward programmes

HVB employees who demonstrably engage in voluntary work receive up to three days of special leave per year, depending on the duration of the work performed in their free time. With the “Ehrensache” programme, the Bank retroactively rewards annual commitment with up to two days of special leave. Employees can apply for a further special day of leave, known as “social or environment day”, once a year for their volunteering.

## – HVB cultural promotion

As part of UniCredit group, a pan-European banking group, the Bank benefits from cultural diversity and promotes it as part of its commitment, seeing the promotion of art and culture as a means of fostering social and economic growth and creating a dialogue on innovation, promoting social cohesion and a sense of belonging. Through its commitment to culture, the Bank aims not only to provide its customers and employees with extraordinary experiences, but also to make art and culture accessible to a wide range of people.

## – Kunsthalle München

With around 350 visitors a year, the HVB-sponsored “Kunsthalle München” of the Hypo-Kulturstiftung (Hypo cultural foundation) is one of the most renowned exhibition centres in Germany. The Hypo-Kulturstiftung organises three major exhibitions a year on a wide range of topics ranging from painting, sculpture and graphics to photography, arts and crafts, design and fashion. Monographic exhibitions and thematic projects alternate, but interdisciplinary approaches also find their place in Kunsthalle München’s diverse programme.

## – HVB art collection

The HVB art collection is constantly providing new impetus and food for thought and is an integral part of HVB’s social and cultural commitment. Diversity and size, but also uniqueness and individuality, characterise the collection to a special degree. The HVB art collection is part of the UniCredit art collections, which are presented online on a joint website. The website includes over 200 select works of art by more than 100 artists from the collections in Austria, Germany and Italy, reflecting the common European identity and cultural heritage of UniCredit group. A central component of the cultural commitment is also the promotion of young artists.

## – UniCredit September festival and “Oper für Alle”

HVB and the Bavarian State Opera are continuing their long-standing partnership and made it possible to attend musical highlights at a favourable price or with free admission at the start of the new 2024/25 season. The open-air concert for the UniCredit September festival under the motto “Oper für Alle” took place in Oberammergau on 20 September 2024. On the weekend of 21/22 September 2024, the UniCredit September festival in and around the National Theatre, in the Cuvilliés Theatre and in the “Fünf Höfe” shopping mall in Munich, offered a varied programme with a look behind the scenes. Citizens were invited to watch, listen and participate in the ballet and opera performances, children’s programmes and exhibitions or to talk to artists.

The metrics, budgets or investments behind all the actions and initiatives mentioned above are not published.

## Metrics and targets

### **S3-5 – Targets related to engaging communities**

The Bank does not currently have any targets according to the ESRS, neither in relation to the promotion of positive impacts nor to the management of material risks and opportunities. There are no negative impacts.

## S4 - Consumers and end-users

The following section sets out the impacts, risks and opportunities for consumers and end-users.

As part of the double materiality assessment, the following impacts, risks and opportunities were identified as material for the 2024 reporting period.

### Impacts:

- Ensure the transformation of HVB Group's distribution and production model, making it more sustainable through greater digitalisation, the development of new technologies, access to information, the adoption of cloud solutions and the use of AI.
- Data breaches, loss of customer data and poor cybersecurity management.
- Informed decisions to customers through transparent, neutral and fair advice, also providing them with the possibility to express their feedback.
- Increase and improve customer satisfaction and end-users' experience by meeting their expectations.

### Risks:

- Operational risk: risk of operating losses due to unauthorised access to customer data (data breach) for personal gain and due to cyberattacks.
- Reputational risk: failure to meet the needs of consumers and end-users and/or failure to ensure the integrity of customer data.

### Opportunities:

- Creation of long-term relationships with customers through a robust and secure ICT system.
- Expansion of market shares and improvement of customer loyalty by introducing innovative solutions, products, and digital/innovative services.
- Enhance customer retention and loyalty by optimising data protection, data security and information quality.
- Enhance relationships with customers through clear and transparent communication.

Consumers are advised and serviced within HVB's Retail operating segment. The Retail operating segment is subdivided into the Retail and Private business areas. The Retail business area serves retail customers as well as small business customers requiring standardised products and advice in all areas of demand. The Private business area serves wealth management and private banking customers.

The retail customer business provides universal banking services across all sales channels (branch, remote and digital).

In line with the universal bank model, the range of products and services of the Retail operating segment enables the provision of comprehensive customer support. In the Retail business area this extends from payment services, investment products, mortgage loans, consumer loans, savings-and-loan and insurance products and banking services for retail customers through to short- and long-term business loans for small business customers. In the Private business area, customised portfolio concepts, financing solutions as well as the brokerage of corporate investments are also offered to high-net-worth private customers with an entrepreneurial background.

In the Retail operating segment, a strategy of growth and a further development of the business models of the business areas within the Retail operating segment is pursued. The ambition is to achieve sustainable growth in customer assets, ensuring universal banking services based on integrated offerings across all channels and, in particular, needs-based advice.

As part of this universal bank and comprehensive advisory approach, customers are provided with needs-oriented access to the products and services offered. IT applications and instructions in the advisory and service process provide a framework that secures the rights of customers, such as consumer protection or data protection, in the best possible way.

The strategy described in the above paragraph includes various business models and channels for different customer asset requirements, giving customers the option of making informed decisions according to their product and service needs and thus satisfy their respective requirements.

A customer offer is based on comprehensive needs analysis, the identification of the customer's wishes, the definition of the customer's objectives, the jointly developed solution proposals and the preparation of the complete documentation through to contract initiation, in order to offer customers the greatest possible transparency in the advisory process.

In addition to the Retail operating segment strategy, the Digital & Operations strategy is also geared towards the customer. The Digital & Operations strategy is fully aligned with the local business, the Group Digital, the Group Security and the Group Chief Operating Office priorities and reflects the outsourcing contract for digital IT services to the Group Digital function. The goal of ensuring seamless customer experiences for products and services across physical and digital channels as well as cooperation partners plays a central role in this, as do the use of technology, data and best practices in digital and physical security. HVB is creating value for its customers through the introduction of sophisticated data management processes, innovative AI and data analysis solutions. Creative solutions are being promoted with the help of the established innovation hub and via "Design Thinking" approaches. In addition, HVB is benefiting from the introduction of group-wide, shared cloud-based platforms, such as in the area of the digital workspace for all employees.

## Impact, risk and opportunity management

### ***S4-1 - Policies related to consumers and end-users***

HVB Group's universal bank model is based on a distribution and advisory model focusing on different customer groups and their specific needs.

For example, processes are analysed from the customers' perspective in order to recognise complexities in accessing information or products and services that could be eliminated, as well as identifying ways to enhance the customer experience across all channels. All collected data and feedback are assessed in order to redesign processes and improve procedures to better meet customers' needs. In addition, HVB Group's complaints management system is intended to identify sources of problems across the Group and resolve them promptly to the customers' satisfaction.

HVB Group aims to maximize positive impacts of activities such as the development of specific financial products and services, financial education initiatives, the dissemination of knowledge and awareness of human rights, as well as the promotion of philanthropic activities.

These initiatives are aimed at HVB Group customers and society in general. They also include certain categories of potentially vulnerable persons and customers.

A concrete example of this commitment is the joint declaration on "Responsible Distribution", which was signed with the European Works Council. The declaration defines the common fundamental principles on which employee conduct must be based, and which are intended to underlie the Group's economic approach. These principles are geared towards achieving strategic goals and maintaining high working standards.

In addition, as part of UniCredit group, HVB Group has been committed to the "Principles of Responsible Banking" (PRB) and the "PRB Commitment to Financial Health and Inclusion" since 2019 and has anchored them in HVB Group's business policy orientation.

HVB Group's commitment to human rights also applies to customers and the commitment to respect human rights is regularly renewed to ensure compliance with the most important international standards and norms (such as the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises).

In line with the Human Rights Commitment, HVB Group is committed to the following principles/rights in particular, which apply to all of the Group's stakeholder categories.

The principles of data protection are defined in the Privacy Policy, which sets out a standardised approach to protecting the personal data of individuals, both employees and customers. Customers provide HVB with their data in the confidence that the Bank and its employees will handle it responsibly. In order to justify this trust, the legal provisions of the EU General Data Protection Regulation and the relevant "Privacy Policy", which is listed in section ESRS 2, are applied at HVB.

In accordance with the policy, employees are required to handle the data entrusted to them with care and to observe the following instructions in particular:

- All data and information must be used exclusively to provide the agreed banking services – and should be treated with absolute confidentiality.
- The “need-to-know principle” should be strictly observed. For this reason, access to customer data should only be permitted if it is necessary to provide the services offered by HVB Group and access rights should be used strictly for the intended purpose.
- Data breaches must be avoided at all costs – because they can result in sanctions such as fines and reputational risks for the Bank, as well as labour law consequences for employees.

HVB Group is committed to complying with all applicable sanctions’ regulations. UniCredit group and HVB Group recognise that certain sectors and activities require a tailored approach to ensure that transactional and related risks are comprehensively understood and managed. For this reason, HVB has incorporated into its Reputational Risk Policies the principles of international agreements, guidelines and standards (e.g. World Bank Group’s Environmental, Health and Safety Guidelines and the UN Global Compact Principles). Compliance and alignment with these is a minimum requirement for the client relationship in order to counter potential social and environmental impacts. Sector-specific policies establish standards and guidelines that address sector-specific risks and, in particular, set criteria for the identification of topics and activities.

In addition, the Customer Protection Rules define the principles and standards for managing obligations arising from the regulatory requirements relating to the offering of banking products and services.

The Code of Conduct defines the general principles of behaviour for all employees, which – among other things – can also mitigate the negative material impacts on customers.

Further information on the policies at HVB Group can be found in the section MDR-P of ESRS 2.

No cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises concerning customers came to the attention of HVB Group during the reporting period.

## **S4-2 - Processes for engaging with consumers and end-users about impacts**

HVB Group's end-users (referring in this paragraph to (potential) retail customers and small business clients) should be given the opportunity to make informed decisions through transparent, neutral and fair advice.

Furthermore, end-users are given the opportunity to provide feedback to HVB Group, for example on products and the quality of service and advice experienced.

HVB recognises that end-users' perception of the service offering is essential for the success of the business and is included in HVB Group's Business Policy decisions.

The operational responsibility for the interaction with end-users in terms of surveys and customer feedback is carried by a dedicated unit within HVB's Marketing Strategy & Online Marketing department. This is responsible for:

- ensuring that the surveys and feedback measurements are carried out on time;
- aggregating and documenting the results from the surveys;
- deriving specific action plans based on the results;
- distributing disclosed interviews to the responsible customer advisors;
- regular communication of the results and areas for action to the HVB Management;
- incorporating the results into HVB Group's business policy discussions;

Specifications in the Bank's process portal and descriptions in the internal, centralised instruction system ensure that the information is processed in accordance with the defined processes.

While the Bank develops new business opportunities and facilitates stakeholder commitment, the service provided by the Bank is measured by identifying and prioritising action areas where improvements are needed. The Bank's strategic plan also incorporates the Net Promoter Score (NPS) as a key performance indicator. The NPS is fundamental to understanding the level of customer recommendation and experience with the Bank's services and guides the Bank's action areas. Based on the most important customer experiences and contacts, the NPS is regularly measured, monitored, analysed and discussed, and written feedback from customers on specific areas is reviewed.

End-users' expectations are determined both directly via surveys and before the market launch of new products and services in the form of user experience tests or product acceptance tests. Depending on the specific product service, the characteristics of the target group are determined according to various criteria such as age, gender, digital affinity, or product use. Accordingly, tests are carried out to ensure that the participants are screened based on these criteria.

HVB Group interacts with its end-users via the following surveys or channels:

### – Client surveys

HVB Group actively contacts its customers by telephone or electronically regarding their satisfaction. Moreover, customers always have the opportunity to express their satisfaction and wishes, for example via feedback banners on the HVB websites. In this context relevant topics are the willingness to recommend (Net Promoter Score - NPS), the perceived quality of the service and advice as well as brand-related performance criteria. By regularly surveying customers via various channels, HVB Group aims to gain a detailed insight into customer satisfaction in various operating segments. The telephone surveys are generally conducted on weekdays between mid-January and the beginning of December of a calendar year. E-mail invitations to submit feedback are generally sent to customers every two months.

– Measurements based on specific customer experiences:

Based on numerous contact points, HVB sends feedback invitations to end-users via e-mail in a timely and automated manner. In addition, banners are integrated into individual digital application routes for product sales, which end-users can use to provide feedback. Contact points include the conclusion of contracts for financial products such as opening an account, ordering a credit card, or taking out real estate financing, but also the use of channels such as the mobile banking app or online banking.

– Market surveys:

HVB conducts market surveys and tests at various times, either testing product concepts/ideas (product concept tests) or eliciting the opinion of end-users on specific matters. Examples include surveys on cybercrime and cybersecurity in order to ascertain HVB's level of knowledge and expectations, as well as surveys to ascertain the process of financial decisions in a private context and to identify possible areas of action for HVB, such as information services on finance specifically for women. This area also includes the implementation of user experience tests, which aim to further reduce complexity for end-users and optimise the experience of HVB Group products and services.

– Benchmarking study:

A broad market survey (benchmarking study) is carried out twice a year under the overall management of UniCredit group. The central KPI within this study is the Strategic Net Promoter Score (S-NPS), which is used to evaluate the willingness to recommend in a competitive environment. In addition to the willingness to recommend, fields such as product satisfaction, communication policy, brand image are also covered in the study. The objective is to get a picture, for example, of how HVB's services and offers are perceived in the competitive environment and how high customer satisfaction is in comparison to other banks and savings banks. The respective diagnoses are created and fields of action are determined on the basis of this survey.

– External feedback platforms:

End-users can at any time submit reviews of HVB locations or HVB Group as a company on public feedback platforms. On Google, the ratings for HVB branches are displayed as starred reviews in the Google Maps application and answered by the responsible branch managers using the "uberall" tool – the specified response time is 72 hours. At Trustpilot, the HVB Customer Experience Team is responsible for answering and analysing the feedback – the average response time here is around 48 hours. Both platforms offer HVB the opportunity to report reviews if they contain inappropriate contents or comments.

In 2024, there were a total of about 1,800 Google reviews and around 800 Trustpilot reviews via the external feedback platforms described above.

To assess the effectiveness of HVB Group's interaction with end-users, the following measurement methods are used, in addition to NPS, depending on the various surveys and the object of assessment:

- The Service- & Advise Index is used to measure how end-users perceive the quality of the services offered and the advice provided. The Index comprises several individual criteria (for example, commitment, empathy, competence), which are predominantly surveyed using the five-star satisfaction scale.
- A five-star rating, comparable to the common Google star rating. This variable is used, for example, to rate a customer contact overall.
- The Customer Effort Score is also surveyed using a five-point scale, in order to assess how easy a customer experience, such as the digital conclusion of a contract, was perceived to be.

If necessary, specific actions are derived from the interaction with customers. These include:

- local initiatives to increase the quality of service and advice
- improving digital and analogue customer experiences

In this way, the opinions of end-users are taken into account in the ongoing enhancement of the Bank's advisory, product and service offering.

In the 2024 reporting year, HVB drew up a list of accessibility requirements for its digital channels based on the "Guidelines for accessible web content", an international standard for the accessible design of websites. Among other things, contrasts are to be adjusted and the screen reader optimised. Gradual implementation is planned for the first half of 2025. Blind readers were included in the application tests

### ***S4-3 - Processes to remediate negative impacts and channels for consumers and end-users to raise concerns***

HVB has various channels for consumers and/or end-users to submit their complaints. For example, customers and non-customers can direct their grievances to HVB by e-mail, letter, telephone or in person at one of the branches. These channels are set up by HVB itself, are published on the Company website and cannot be classified as third-party mechanisms. The third-party mechanisms available to customers and non-customers are the extrajudicial conciliation body (Ombudsman of the banks) or lodging a complaint directly with the German Federal Financial Supervisory Authority (BaFin).

The channels available at HVB are designed to strengthen the complainant's trust. The integration of the complaints management system means that the customer can rely on the matter being handled independently and objectively by an internal third party. All channels are known and publicly accessible, including through the provision of corresponding information on the Bank's website. Furthermore, the channels are meant to ensure transparency by providing complainants with all relevant information when they make contact. The focus here is on dialogue with the complainant. If the complaint cannot be resolved immediately via the input channel, for example by telephone in a dialogue between the complainant and HVB, the complainant is informed about the next steps.

The "Protection of Customer Interests" section of the Code of Conduct stipulates that all UniCredit employees are expected to do their best to understand the needs and expectations of customers and to respond fairly and promptly to customer complaints.

HVB tracks and monitors matters identified through complaints and ensures the effectiveness of the channels through close cooperation with the specialist departments. The focus here is on continuously improving the efficiency of responses to operational events such as errors, delays, malfunctions or churn rates.

In addition to complaints management, the “Digital & Operations” area has channels to mitigate potential negative impacts on the customers through (IT) disruptions. HVB Group has an Incident Management Process that ensures both monitoring and escalation in order to mitigate the impact on the Company’s processes and security level in the event of (IT) disruptions. Thanks to efficient countermeasures, communication processes and formalised response systems, these are immediately investigated for cause and effect and reported to the appropriate units responsible for the affected resources for remediation.

Incidents are handled by the Bank’s Situation Center and the Security Operations Center, with 24/7 availability guaranteed.

Incidents that are communicated to the Bank via direct customer channels and classified as critical should also be reported to the Situation Center and the Security Operations Center for tracking and monitoring. Incidents should be addressed and resolved by the relevant specialist departments, with the support of the IT service provider.

The availability of the Bank’s various channels such as electronic online banking or mobile banking, as well as information on IT incidents and/or security incidents, is measured by means of dedicated KPIs such as the “Number of material IT or material Security Incidents”.

In parallel, IT security training measures through web-based training, security events and regular phishing training contribute to a comprehensive understanding of current issues and threats among the entire Bank workforce. Internally, the incident management responsibilities and processes are governed by various policies.

When it comes to threat detection and response, the Security Operations Center, supported by HVB Group detection processes, continuously works to monitor and manage cybersecurity incidents. HVB Group has implemented integrated security controls that enable fast detection and response to threats while at the same time ensuring a seamless operation intended to protect the confidentiality, integrity and availability of information.

#### ***S4-4 - Taking action on material impacts on consumers and end-users, and approaches to managing material risk and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions***

As described in the section “Processes for engaging with consumers and end-users about impacts”, end-users are given the opportunity to provide feedback to HVB Group, for example on products and the experienced quality of service and advice. The results from the interaction with the end-users are incorporated into HVB Group’s business policy decisions. If necessary, specific measures are derived, such as local initiatives to increase the quality of service and advice and improve digital and analogue customer experience.

# Sustainability Report

HVB's complaints management described in the section "Processes to remediate negative impacts and channels for consumers and end-users to raise concerns" also takes into account concerns raised by end-users.

HVB analyses processes from the customer's perspective, for example by identifying complexities that could be eliminated and opportunities that can enhance customers' experience across all channels. All collected data and feedback are analysed to redesign processes and improve workflows to better meet customer needs. The complaints management system makes it possible to identify sources of problems and, where possible, to resolve them to the customers' satisfaction.

In accordance with the German Banking Act (KWG) and the German Securities Trading Act (WpHG), HVB's Executive Board is required to ensure appropriate and effective risk management, including the establishment of internal control procedures consisting of an internal control system (ICS) and an internal audit function, in addition to assessing the risk-taking capacity. HVB's internal control systems are designed to identify and analyse regulatory violations so that countermeasures can be initiated within HVB at an early stage. They consist of independent controls of business processes by the Bank's operating segments (first-level controls), monitoring the compliance function (second-level controls) and audits by Internal Audit (third-level controls).

A cross-area new product process is in place for launching new products, which is described in the Operating Guidelines. These address the products relevant for a new product process. The process involves all the areas concerned as they must give their approval or have veto rights and are authorised to enforce adjustments and restrictions and even discontinue the new product process.

In order to achieve a positive impact on consumers and/or end-users, HVB offers its customers, and sometimes also non-customers, the opportunity to gather information on the topic of finance in numerous formats, as described below. In regular, freely accessible podcasts HVB experts inform customers about current economic developments and their potential impacts on the financial markets as well as the economic impact of global developments when appropriate.

HVB also supports various target groups, such as women, students, trainees and young adults, with information and individual advice on all aspects of finance. HVB's website provides a wealth of information on various financial topics, where the special knowledge pages "Finance for women" and "Offers for students & trainees" can also be found. Since 2021, HVB has also been offering digital or hybrid information events on the topic of financial planning twice a year (for example, on sustainable investing). In terms of communication the offer is aimed especially at women, but access to the events is open to all customers and non-customers alike. In total, these events have already been attended by numerous participants.

HVB's "Mitdenken" marketing campaign aims to empower customers and non-customers to manage their financial matters in turbulent times and secure their wealth. To overcome financial challenges such as health expenses, the growing pension gap and rising energy costs, HVB offers its customers and also non-customers answers and solutions together with its partners, such as Allianz, Amundi and Wüstenrot.

In order to guarantee individual customer advice, HVB has developed its own 360-degree approach, which customers and advisors can experience via an interactive advisory interface with HVB's financial concept. HVB's financial concept take a 360-degree view of the entire financial situation together with the respective customer, placing their finances in an overall context that carefully takes all opportunities and risks into account. This is intended to provide customers with individual advice and structured financial and pension planning, creating transparency for their decision-making and helping them determine their personal risk appetite and appropriate investment strategy. In addition, HVB always carries out an appropriateness test for securities transactions and a suitability test for investment advice.

HVB received various awards in the reporting year. It was ranked first among nine providers as the "Fairest branch bank of 2024" in a comparison carried out by the Deutsches Kundeninstitut (DKI), which looked at the following quality criteria: customer trust, contractual conditions and product range, quality of advice, accessibility and reliability of the company. HVB was also named as the number one branch bank for sustainable commitment by "Deutschland Test" and "Focus Money" for the fourth time in a row. With its sustainable finance experts, HVB helps its customers to invest sustainably.

Other initiatives at HVB, which primarily aim to have a positive impact on consumers and/or end-users, come mainly from the areas of real estate, security, digital channels and digital solutions.

## **Real estate**

The physical inclusion of customers is a key aspect of HVB Group's real estate. The Bank has the ambition to make its branches and main buildings within Germany as accessible as possible. HVB Group has already realised much of this ambition: thanks to investments in buildings and the commitment of HVB Group employees, customers have barrier-free access to buildings, lockers and sanitary facilities.

For HVB Group, the goal of being a company that is as barrier-free as possible also means incorporating accessibility for customers into the planning of new branches and buildings.

## **Security**

The framework for the group's Operational Risk Management provides a comprehensive set of principles and rules on how to achieve the Non-Financial Risk Management goals – Identification, Assessment, Response, Monitoring and Reporting. Notably, it provides general rules to:

- identify and assess Non-Financial Risks related to any material product, activity, process and system
- implement a process to regularly monitor Non-Financial Risks and material exposures to losses
- implement strategies, policies, processes and procedures to control and/or mitigate material Non-Financial Risks.

The cyber risk management framework plays an important role in defence against operational risks. Group security is developed in line with the Group security strategy updated in September 2023 and is based on the following key actions to ensure a positive impact on customers and end-users and to mitigate potential negative impacts:

## – **Fostering a security culture**

In relation to potential negative impacts from “data breaches, loss of customer data and poor cybersecurity management”, the Bank is taking the following actions:

- Comprehensive introduction of multi-factor authentication for maximum security when logging in to Bank systems
- Trainings for Security Team employees from other areas of the Bank: web-based training, Security Week, regular phishing simulations and corresponding training for multiple clicks on simulated phishing e-mails
- Specialised training courses and certifications (e.g. CISM, CISSM, CISA) for security employees

Relevant actions relating to security are measured using KPIs that reflect the maturity of processes, the trend of major incidents or, for example, click rates of phishing tests.

## – **Enabling a secure business transformation**

- Solutions for customers are designed by applying the Lean Six Sigma methodology, always within the framework of regulatory and risk management requirements.
- With every external service provider with whom HVB Group signs a contract, HVB Security evaluates the security risk in relation to ICT.

## – **Securing the digital “foundation”**

- The “foundation” was optimised in 2024 by expanding the information that is tracked and monitored via the Security Operations Center. In addition, further improvements were achieved with the detection and response functions through the publication of additional warnings and playbooks.
- Essential digital channels such as mobile banking and online banking are monitored 24/7. In the event of material (technical) disruptions, a detailed root cause analysis is carried out and follow-up actions are defined as part of problem management. Causes of technical disruptions are remedied immediately after detection and analysis as part of the incident management process in order to mitigate the impact on customers.

## **Digital channels**

The initiative “Action Digital Accessibility including non-Binary” pursues the ambition to review all digital channels (for example mobile banking, online banking, hvb.de and the corresponding product lines) with regard to the offer of products and/or services in terms of their accessibility to consumers and/or end-users. The review also includes internal Bank applications and communication channels for Bank employees who serve customers, so that no disadvantage for customers exists or arises. Completion of the implementation of the initiative is planned by mid-2025.

## **Digital solutions**

HVB is benefiting from the introduction of shared, group-wide digital solutions.

The following initiative is relevant in relation to the identified opportunity “Improving customer relationships through clear and transparent communication”.

### **Key Action Ask**

This application is intended to generate faster search results based on OpenAI Large Language models across different storage locations, regardless of whether technical and/or specialised information are being searched for. This should make it easier for customer advisors and other Bank employees within the value chain for consumers and/or end-users to obtain complete and accurate information about internal products and processes. In turn, this should reduce the time it takes to provide feedback to customers and thus improve the quality of the customer experience. The application is expected to be introduced at HVB in 2025.

With regard to the identified opportunity of “expanding market share and enhancing customer loyalty through the introduction of innovative solutions, products and digital/innovative services”, the following initiatives are relevant:

### **Payments – *International payments***

The global PayFX (GFX) solution is a group-wide, cloud-based application that allows customers to convert payment orders from one currency into another. The application supports 120 currencies and is to be introduced at HVB in 2025.

### **Other Banking Digital Solutions – Accounts & Onboarding solutions**

The group-wide initiative has led to an improvement in digital channels for HVB Group and thus in the customer experience. At the same time, the optimisation of internal processes for employees and a reduction in paper-based processes have been achieved. The initiative is integrated into the “E2E Services” programme.

Examples include:

- The implementation of a comprehensive end-to-end process for all relevant customer contact data, including the HVB benefits programme (valyou).
- The introduction of the digitalised account-closing process.
- The launch of the new Service sections on the HVB website, in online and mobile banking, to enable easy digital access.

Other developments are to be implemented in the course of 2025 as part of the “E2E Services” programme.

### **Listening Engine**

A group-wide solution that pursues the ambition to “listen” to customer needs and requirements with corresponding product and service offerings. The solution is based on generative AI and collects customer information and prepares this, for example, using a Power BI dashboard. The application will be implemented in Germany in 2025.

## **Other Banking Digital Solutions – Bank insurance**

As a group-wide solution, the Global Protection Platform is a cloud-based application that supports a seamless multi-channel experience for consumers and end-users who require an insurance product. The platform has been introduced at HVB and will be expanded in 2025.

The initiatives listed in this section S4-4 have the required financial and human resources at their disposal.

## **Metrics and targets**

### ***S4-5 - Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities***

HVB Group has not currently defined objectives according to ESRS regarding the management of material negative impacts, the promotion of positive impacts and the management of material risks and opportunities. However, HVB Group tracks the effectiveness of its policies and actions and the impacts, risks and opportunities identified for its customers through the channels described in the previous section, such as complaint management and metrics such as NPS and Incident Management Monitoring KPIs.

## Governance information

### G1 - Business Conduct

#### Impact, risk and opportunity management

##### **G1-1 - Business conduct policies and corporate culture**

The Code of Conduct sets out the principles that all employees and external partners of HVB Group must comply with to ensure high standards and absolute integrity related to their activity in, or on behalf of, UniCredit.

The Code of Conduct has been written in line with UniCredit group's values of Integrity, Ownership and Caring that should guide all actions and behaviours. These values are driven by the purpose to deliver exceptional performance and have a positive impact on UniCredit group's customers, shareholders, communities and employees.

It explains how UniCredit group's employees can bring the corporate culture to life in their daily behaviour and how they should interact with their stakeholders. It is designed to ensure the highest level of professional conduct on the part of all UniCredit employees and other external professionals working on behalf of UniCredit group. All employees must complete web training on the Code of Conduct, which lasts at least 30 minutes, at regular intervals according to the compliance plan. This is usually done when a new Code of Conduct is published or when an employee joins HVB and is completed by passing a knowledge test. This means that 100% of the functions-at-risk must complete this training. In addition, there is voluntary training on selected topics and dedicated information sessions for centrally affected employees and/or units. All new Supervisory and Executive Board members receive an induction training which also covers topics addressed in the Code of Conduct. In addition, members of the Executive Board must complete the web training on the Code of Conduct at the same intervals as all employees. This also applies to members of the Supervisory Board if these are employees.

At HVB Group, the way we work together and interact is described in HVB Group's Code of Conduct by the guiding principle: "Win. The Right Way. Together". "The Right Way" is defined by the following values: Integrity, Ownership and Caring. According to the Code of Conduct, these three values apply throughout HVB Group and are set down in writing in a cultural manifesto.

The cultural manifesto, which describes the corporate values and related behaviours, is the guiding principle of HVB Group. There are various types of centrally managed cultural activities to implement the behaviours described in the cultural manifesto:

- **Roles/networks:** There has been a Culture Network at HVB Group since the end of 2022. The Culture Network is divided into a large number of employee networks that as a whole are intended to reflect the diversity of HVB Group and the structure of which is regulated by UniCredit group's Diversity, Equity and Inclusion (DE&I) Policy. In this network, managers and employees work together on cultural initiatives, discuss the implementation of global measures at local level and are meant to act as multipliers for the topic in their respective business area. The network is managed by what is known as the "Culture Champion". The Culture Champion is a role assumed by an employee for one year in addition to his or her actual function. It is designed to bundle and prioritise local cultural initiatives. The Culture Champion is supported by the "Culture Sponsor". This role is assumed by the respective CEO of the countries where UniCredit group operates and serves to give the topic of culture the necessary relevance at top management level. For Germany, the CEO of HVB has assumed this role.

- **Employee commitment initiatives:** There are two key initiatives within HVB Group to give all employees the opportunity to engage with our corporate values: One is the “Culture Jour Fixe”. The Jour fixe is a team gathering dedicated to reflecting on culture based on the three values and further developing it by exchanging ideas. The “Culture Bootcamp” is, in turn, a classroom workshop that is available to all employees. The Culture Bootcamp format was developed to promote cultural awareness among all employees. These are open and voluntary trainings offered around once a quarter at various locations for which employees can register. During the training, participants should gain a deeper understanding of the corporate culture, engage with the three corporate values (Integrity, Ownership and Caring) and develop new ideas and approaches for bank-wide cultural transformation.
- **Communication:** There are various communication activities for sustainably embedding the topic of culture in the company. This includes, among others, regular listening sessions of the Executive Board (“The Townhall”) that employees can attend on a voluntary basis. In addition, a company-wide “Culture Day” has been held every year since 2022. At this event, local activities are presented in detail, external input on the topic of cultural transformation is provided and an open dialogue between management and employees is promoted.
- **Policies and processes:** From HVB Group’s perspective, embedding the corporate culture in processes and policies is a key success factor in cultural transformation which is implemented as a priority in performance management. All employees are evaluated in terms of the three values of Integrity, Ownership and Caring in their annual performance reviews. In addition, all the risk takers of HVB Group have a culture target for performance evaluation. In general, all managers receive guidelines containing suggestions on how to integrate the aspect of corporate culture in the targets given to employees. As regards policies, UniCredit group’s Diversity, Equity and Inclusion (DE&I) Policy, among others, provides orientation as to the behaviours that can be expected in an inclusive work environment. This policy stipulates that individual differences (relating to gender, age, ethnicity, sexual orientation, ability, background and nationality, religion and political beliefs) are recognised and embraced. Each year, members of the Group management at UniCredit group level (Group Executive Committee, GEC) provide information on a set of topics based on the compliance risk areas identified in the annual planning – Tone from the Top. The GEC members should appear as sponsors in the communication messages. Managers at middle management level in HVB’s business areas are responsible for increasing risk awareness in the corporate culture and in business activities by cascading key compliance communications concerning the relevant risk factors, the related impacts on business and the insights gained from real cases – Tone from the Middle. In doing so, they are to be supported by what are known as Compliance business agents who come from HVB’s Sales units and act as an interface between these Sales units and Compliance.

Obligatory compliance trainings should raise the awareness of compliance issues, risk impacts, personal responsibility and informed decision-making among employees in line with their role/activity, the legal framework at international and local level and relevant internal regulations.

## Information on tax management

The key tax principles of HVB Group are described in the Tax Strategy and other policies that are adopted internally and made available to employees. These contain guidelines and principles of HVB Group for the management of tax matters and associated risks (both financial and reputational), with the aim of avoiding and mitigating tax risk as much as possible, contributing to the creation of a fair competition environment.

HVB Group is guided by the following principles in relation to the tax management of its business activities:

- Commitment to a comprehensive tax compliance culture within the company and promotion of an awareness of tax risks among both members of the Executive Board and employees.
- Application of a tax strategy that is consistent with the general rules of the Group in its approach to risk and the values on which it is based.
- Use of professional risk management standards for all risks associated with tax and ensuring that the procedures applied each time to that end are appropriate.
- Compliance with form and substance of all relevant tax laws, regulations and practices applicable in every jurisdiction where HVB Group carries out its business.
- Establishment of relations of mutual trust, co-operation and transparency with tax authorities in the various jurisdictions where the Group operates, including through participation in projects of co-operative compliance to the extent that this is legally required in the respective jurisdiction.
- Prohibition from using aggressive tax planning and from using tax avoidance schemes grounded on base erosion and profits shifting (provided for by the OECD) as well as on all regulations aimed at countering such phenomena (e.g. regulations pertaining to so-called hybrid entities or structures and, more generally, all the regulations aimed at implementing EU Directives).
- Prohibition from carrying out transactions or from offering products that solely or primarily intended to achieve tax advantages, as well as an express prohibition from supporting or facilitating any form of fraud or deception of tax authorities.
- Obligatory involvement of HVB's Tax department in all transactions and measures that have tax implications in order to avoid undesirable tax risks.

## **Mechanisms for identifying, reporting and investigating concerns about unlawful behaviour**

The issue of whistleblowing is governed by a special policy on whistleblowing that is implemented at HVB Group and adapted on a regular basis. In this context, HVB Group takes account of the requirements of the German Whistleblower Protection Act (Hinweisgeberschutzgesetz), which in turn implements Directive (EU) 2019/1937. This policy governs reports of unacceptable conduct within HVB Group to promote a corporate culture based on ethical behaviour and good corporate governance. Inacceptable conduct is defined as any action (including the failure to act) that occurs in connection with work or has a negative impact on it and damages or can damage the integrity of UniCredit group and/or its employees, especially by violating national, EU, official or internal regulations.

The policy defines communication channels for reporting misconduct, at least one of which must also allow anonymous reporting, as well as how these reports are to be handled. It aims to create a corporate environment in which employees feel free to report unacceptable behaviour. The whistleblower process is designed to ensure the confidentiality of the identity of the whistleblower and the accused individual and to prevent any possible retaliatory or discriminatory behaviour in response to the report. The misuse of information obtained about whistleblowing, any breach of confidentiality and any discrimination of a whistleblower are prohibited under the Whistleblowing Policy mentioned above. In such a case, the policy strictly provides for prosecution. The rules are intended to ensure that information obtained through reports of misconduct is processed lawfully, for a defined purpose and is accessed only by authorised personnel.

The policy provides for the appointment of a person in a suitable position at local level as a point of contact in the area of Compliance, who is responsible for the internal whistleblower system and ensuring proper compliance with the procedure.

Information about the reporting channels available (including the possibility of also contacting external reporting offices such as the Contact Point for Whistleblowers of the German Federal Financial Authority (BaFin)) and the whistleblower process are available both internally, in the so-called Business Desktop, and on HVB's website.

All employees must complete web training on whistleblowing at regular intervals or when joining HVB according to the compliance plan. This is completed by passing a knowledge test. Members of the Executive Board must also complete the whistleblower training at the same intervals as all employees. This also applies to members of the Supervisory Board if these are employees of the Bank.

If HVB Group employees use whistleblowing possibilities, they will be protected against retaliatory action in accordance with the "Global Policy on Harassment, Sexual Misconduct, Bullying and Retaliation at the Workplace". This policy is enclosed as an annex to the Group Works Agreement on the implementation of the Integrity Charter. In this policy, HVB Group is committed to promoting an environment where employees are encouraged to communicate openly and honestly and are to raise any concerns about unethical or illegal behaviour.

## **G1-2 - Management of relationships with suppliers**

### **Description of concept to avoid late payments, specifically to SMEs**

Confirmation of incoming goods in the system and verification of the invoice for services and goods is a prerequisite for payment of a supplier's invoice. The recipient is responsible for obtaining all the information necessary to verify the compliance of the supplier's invoice in relation to the goods delivered and/or the service provided. The invoice is settled after the budget owner or a delegate thereof approves the supplier invoice.

Details on this are provided in the global policy "Expenditure Regulation" of UniCredit S.p.A. (see also the mandatory disclosures section (ESRS2)). UniCredit S.p.A. rolled out the policy to HVB for implementation. According to the currently valid requirements of HVB, it was approved by HVB's Executive Board and also rolled out to relevant foreign branches and relevant subsidiaries.

Since no irregularities were identified in the course of internal audits of the supplier invoice process and no internal ad hoc audit was initiated, there was no need to define further action in the reporting period.

### **Description of the approach in regard to relationships with suppliers, taking account of risks related to the supply chain and impacts on sustainability matters**

The supplier qualification process introduced by Group Purchasing of UniCredit S.p.A. aims to screen suppliers based on socio-environmental criteria. In line with this process, suppliers must meet minimum requirements in terms of compliance, sustainability and economic-financial aspects and are only engaged if they comply with the standards of various conventions of the International Labour Organization (ILO) relating to fundamental human rights including child labour, working conditions, health and safety. Supplier qualification by Group Purchasing of UniCredit S.p.A. is based on a questionnaire that is to be answered by the suppliers; suppliers are requested to:

- confirm that they observe the applicable legislation and comply in all their locations with the standards of the International Labour Organization
- confirm that the management of the company is not prosecuted for alleged corruption or tax fraud crimes
- declare that they are not involved in any legal procedures for violation of environmental or labour laws
- commit to respecting the ten fundamental principles of the United Nations Global Compact
- confirm that they have an environmental policy which is coherent with the fundamental principles of UniCredit group's Environmental Policy or they are in any case committed to respecting

Suppliers who have successfully completed the qualification process by Group Purchasing of UniCredit S.p.A. are entered in the Suppliers Group Register and can be selected in the procurement process.

## **Disclosure of how social and environmental criteria are taken into account for the selection of suppliers**

Details of the supplier qualification process by Group Purchasing of UniCredit S.p.A. are described in the global policy "Supplier Qualification Process" of UniCredit S.p.A. (see the mandatory information section ESRS2). UniCredit S.p.A. rolled out the policy to HVB for implementation. According to HVB's currently applicable requirements, it was approved by the responsible heads of business areas, reporting directly to the Executive Board member responsible and to relevant foreign branches and relevant subsidiaries.

Since no irregularities were identified in the course of internal audits of the supplier qualification process by Group Purchasing of UniCredit S.p.A. and no internal ad hoc audit was initiated, there was no need to define further measures in the reporting period.

If a service is procured during the procurement process that is not procured by Group Purchasing of UniCredit S.p.A. and the supplier is therefore not screened by it as part of the procurement process, the requester from HVB Group must ensure that the supplier is screened (due diligence check from an anti-corruption point of view) via a group-wide third-party tool. As a general rule, this screening is to be carried out as of a procurement volume of €5,000 (see also the "Prevention and detection of corruption and bribery" section).

Moreover, reference is made to the Code of Conduct of UniCredit S.p.A. in the general business conditions for domestic companies of HVB Group valid for the procurement process. Foreign branches of HVB and international subsidiaries are bound by local law in this regard.

In addition, HVB Group has been subject to the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz – LkSG) since 1 January 2023. The Act requires and provides for corporate responsibility with regard to respect for human rights and compliance with environmental standards by a company both internally and with respect to direct suppliers. To this end it defines specific due diligence obligations. At the core of the due diligence obligations is effective risk management to identify, eliminate or at least minimise the risks in one's own business area and along the supply chain. The risk analysis is carried out once a year or on an ad hoc basis and the Executive Board is informed of the results each year. On the basis of this risk analysis, HVB Group has set out its expectations in relation to human rights and the environment in a policy statement. This policy statement is adopted by HVB's Executive Board and published on HVB's website.

According to legal requirements, HVB Group is required to make a report on the results of the risk analysis available to the German Federal Office for Economic Affairs and Export Control (Bundesamt für Wirtschaft und Ausfuhrkontrolle (BAFA)) each year. This is also published on HVB's website.

### **G1-3 - Prevention and detection of corruption and bribery**

HVB Group adopts a zero-tolerance policy towards corruption and bribery (hereinafter: "corruption"). The Bank's anti-corruption principles are set out in a separate policy of UniCredit group (Global Policy on Anti-Bribery and Anti-Corruption), extracts of which are published on UniCredit group's website. This policy, where applicable, also takes into account international requirements such as the United Nations Convention against Corruption, which is specified in an operational rule. The policy has been implemented at HVB Group and is binding on all employees. Wherever local rules of a Group company are stricter than those of the Group policy, stricter local rules apply. HVB Group is responsible for the development and implementation of an effective local anti-corruption programme. At HVB Group, this programme includes measures to prevent, identify, report, address and investigate concerns of possible cases of corruption. Thus, internal regulations have been implemented in relation to the risk areas defined below. In these risk areas, stricter rules generally apply in relation to dealings with public officials.

# Sustainability Report

A tool has been implemented at HVB in which gifts and business hospitality above defined thresholds have to be documented and approved by at least the line manager so that these benefits are double-checked. A manual procedure is applied at subsidiaries. In addition, there are material rules that must be observed when giving and accepting gifts and business hospitality. Among other things, a lower threshold and stricter material requirements apply to donations to public officials.

Regarding the engagement of third parties and the provisions of donations, sponsorships and membership fees, HVB has implemented a tool that supports the due diligence of third parties and beneficiaries of donations, sponsorships and membership fees. This tool enables the creation of an anti-corruption register of suppliers, service providers and other beneficiaries within the decentralised processes (not outsourced to UniCredit S.p.A.) and the screening of these people from an anti-corruption perspective. As a general rule, a threshold of €5,000 applies. If the tool's review of a third party reveals a high risk of corruption as a public official is involved, Compliance is automatically called in to evaluate the case. A corresponding manual procedure applies at subsidiaries. In addition, an anti-corruption clause must be included in contracts with third parties and in sponsorship contracts, whereby the contractual partners are not only obliged to comply with applicable anti-corruption laws, but must also oblige their subcontractors accordingly. To the extent that HVB Group has outsourced its purchasing activities to UniCredit S.p.A., UniCredit S.p.A. carries out corresponding anti-corruption measures on behalf of HVB Group.

HVB Group has implemented rules for hiring, promotions and similar personnel measures that are intended to ensure that such measures are based on performance and tasks and are fair, transparent and, where applicable, competitive. Compliance must be consulted in cases involving increased risk, such as when a public official is involved.

Furthermore, rules have been issued for HVB's own merger and acquisition activities and significant investments. These require audit measures to be carried out before such initiatives to ensure that HVB does not take on any corruption risks of other companies or, as far as possible, takes countermeasures.

The control and prevention mechanisms described below are in place at HVB.

Compliance carries out independent second-level controls to verify compliance with policies. As part of its risk-oriented audit planning, the Internal Audit Function checks and assesses the internal control system and the regularity of activities and processes in terms of corruption prevention by means of independent third-level controls, independently of processes.

The Compliance area carries out a compliance risk analysis, the results of which, along with the results of internal audit reviews in the area of corruption prevention, are reported to internal controls committees on a regular basis. The risk analysis is submitted to the Executive Board for approval. In addition, the risk results are submitted to the Audit Committee and the Risk Committee of the Supervisory Board as part of the regular compliance report.

Every audit report is sent to the Executive Board member responsible. As part of the quarterly/annual reporting of the Internal Audit Function, all the audit results are reported to HVB's Executive Board and to the Audit Committee and the Risk Committee of the Supervisory Board.

Mandatory (web) training and voluntary classroom training is made available to all employees.

A local Anti-Corruption Officer has been appointed and a team set up that, among other things, provides advice on anti-corruption matters, implements policies, reviews individual cases and (depending on the scope and size of the case) is involved in investigations regarding possible cases of corruption in addition to the Internal Audit Function. The team is part of the independent Compliance department so that possible cases are investigated and evaluated promptly, objectively and independently.

Regular and ad hoc reporting is carried out.

Potential acts of corruption can also be reported by employees in accordance with the Whistleblowing Global Policy (see “Whistleblowing” above).

HVB Group has defined the following areas as being most at risk in terms of corruption and bribery: dealings with public officials, gifts and business hospitality, engagement of third parties, donations, sponsorships and memberships, People&Culture activities and the Bank’s own merger & acquisition activities and significant investments. On this basis, HVB, in its latest risk analysis, identified the following functions as those most at risk overall in a comprehensive view of these risk areas: Corporates as well as the CEO and Finance areas.

HVB publishes its anti-bribery regulations on the HVB-internal regulation platform. In addition, important topics from HVB’s perspective are communicated to employees through the managers, who are requested to communicate these topics to their employees.

HVB’s Compliance department also provides further information on anti-corruption to employees on the intranet along with appropriate tools and also grants employees the opportunity to send individual questions to Compliance via a portal.

All employees must complete web training on anti-corruption, which covers the risk areas named above and how to deal with them, on a regular basis. It is completed by passing a knowledge test. This training must therefore also be completed by functions-at-risk. In addition, there is voluntary training on selected topics and dedicated information sessions for centrally affected employees and/or units. All new Supervisory and Executive Board members receive an inductions training which also covers anti-corruption topics. In addition, members of the Executive Board must complete the anti-corruption training at the same intervals as all employees. This also applies to members of the Supervisory Board if these are employees of the Bank.

If HVB discloses the amount of fines imposed for corruption, these relate to fines imposed on the Bank and on employees if the fine was based on an action in the work environment.

#### **G1-4 - Confirmed incidents of corruption or bribery**

HVB Group learned of no confirmed cases of corruption or bribery in the reporting period. The threshold above which cases are recorded is zero. No confirmed cases have become known in which the Bank’s own employees were dismissed or disciplined for corruption or bribery. No confirmed cases have become known in relation to contracts with business partners that were terminated or not extended due to violations in connection with corruption or bribery. No public judicial proceedings for corruption or bribery have become known that were initiated against HVB Group or its own employees during the reporting period.

Consequently, no expenses were incurred in the reporting year for violations of anti-corruption or bribery laws.

## **G1-6 - Payment practices**

### **Description of standard payment terms in days**

Regarding payment terms, no distinction is made between supplier categories. Provided there is no reason for complaint, supplier invoices are payable after receipt of the invoice within the period stated in the contract or in the respective purchase order. If no such period is stated, a period of 30 calendar days after receipt of the invoice is deemed agreed.

HVB's foreign branches and international subsidiaries are bound by local law regarding the terms of payment for supplier invoices and use locally applicable general terms and conditions or local business practice. Unless an individual payment agreement has been made, a payment period of 30 calendar days after receipt of the supplier invoice is deemed agreed, provided that this corresponds to locally applicable law or local business practice.

HVB Germany pays supplier invoices at the end of the agreed payment period. In the case of HVB's foreign branches, subsidiaries and SPVs, supplier invoices are generally paid as soon as the invoice has been approved internally and at the latest at the end of the agreed payment period.

At the present time, we are not aware of any pending legal proceedings due to late payment of supplier invoices during the reporting period. There was therefore no need to define further measures during the reporting period.

### **Further information on payment terms**

As no specific guidelines are defined regarding the invoice categories to be taken into account for the analysis of payment practices and in view of the fact that the regulation expressly refers to suppliers, HVB Group has, based on the decision of UniCredit S.p.A., taken supplier invoices into account in the analysis that were entered under items of other operating costs and other expenses.

The supplier invoices of HVB Group were evaluated and analysed in detail, broken down into supplier invoices from third parties and UniCredit group companies. Service relationships between companies of HVB Group are excluded from the analysis.

HVB's foreign branches account for a very small proportion of supplier invoices of 16% of the total invoice volume of HVB Germany and could not be included in the detailed evaluation of supplier invoices by category. A detailed analysis would require all supplier invoices in HVB's foreign branches to be manually checked individually. Therefore, a simplified process was implemented for these. HVB's foreign branch in Vienna was not included in the analysis; this location was already closed in the first half of 2024.

Based on the percentage distribution by category from the detailed analysis of the data for HVB Germany, the number of supplier invoices from HVB's foreign branches was distributed among the categories, broken down by supplier invoices from third parties and group companies (excluding service relationships between HVB Group companies) using the simplified process in the same way as for HVB Germany. In addition, it was also assumed in the simplified approach for HVB's foreign branches that, counted from the date of receipt of the invoice, the same amount of time is needed on average for the settlement of an invoice as for the settlement of a supplier invoice for HVB Germany.

## **Average number of days taken to pay invoices from the date when the contractual or statutory term of payment starts to be calculated**

The following information was determined internally for HVB Group and validated internally but not additionally externally:

The average time until settlement of a supplier invoice, counted from the date of receipt, is 12 days for HVB Group across all categories, as well as for the individual categories:

- 13 days for the category: “Advertising marketing and communication“
- 19 days for the category: “Information and Communication Technology expenses“
- 10 days for the category: “Consulting and professionals services“
- 18 days for the category: “Administrative and logistic services“
- 11 days for the category: “Other“

## **Percentage of payments corresponding to the standard payment terms**

Within HVB Group, around 96% of the payments taken into account correspond to the payment terms agreed with suppliers.

## **Number of legal proceedings currently outstanding for late payments**

At the present time, no legal proceedings are known to be pending for the late payment of supplier invoices during the reporting period.

## List of abbreviations

AG	Aktiengesellschaft (stock corporation)
AIB	Association of Issuing Bodies
AktG	Aktiengesetz (German Stock Corporation Act)
AR	Application Requirement
AÜG	Arbeitnehmerüberlassungsgesetz (German Temporary Employment Act)
AuM	Assets under Management
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority)
BP	Basis for preparation
°C	Grad celsius
C&E	Climate and Environment
CapEx	Capital expenditure
CBC	Counterbalancing Capacity
CCUS	Carbon Capture, Utilization, and Storage
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CEPI	Confederation of European Paper Industries
CFPP	Coal-Fired Power Plants
CISA	Certified Information Security Auditor
CISM	Certified Information Security Manager
CISSM	Certified Information Systems Security Manager
CO <sub>2</sub>	Carbon dioxide
CoC	Code of Conduct
COSO	Committee of Sponsoring Organizations der Treadway Commission
CSRD	Corporate Sustainability Reporting Directive
CRREM	Carbon Risk Real Estate Monitor
CRO	Chief Risk Officer / Risk Management department
DE&I	Diversity, Equity and Inclusion
DEFRA	Department for Environment Food and Rural Affairs
DRI	Direct Reduced Iron
€	Euro
EBA	European Banking Authority
ECA	Export Credit Agency
ECB	European Central Bank
ECL	Expected Credit Loss
EHS	World Bank Group Environmental, Health and Safety Guidelines
ENCORE	Exploring Natural Capital Opportunities, Risks and Exposure
EP	Equator Principles
EPA	Environmental Partnership Association
EPC	Energy Performance Certificate
ESA	European Space Agency
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authority
ESRS	European Sustainability Reporting Standard
etc.	Et cetera
ETP	Potential evapotranspiration
EU	European Union
EUR	Euro
Eurostat	Statistical Office of the European Union
e.V.	Registered association
EWC	European Works Council
FfBP	Finance for Biodiversity Pledge
FTE	Full-time employee
FWI	Fire Weather Index

# Sustainability Report

gCO <sub>2e</sub>	Gram (g) of carbon dioxide (CO <sub>2</sub> ) equivalent (e)
GBF	Global Biodiversity Framework
GBP	Green Bond Principles
GCA	Gross carrying amount
GCC / GTCC	Group Credit Committee
GEC	Group Executive Committee
GFANZ	Glasgow Financial Alliance for Net Zero
GHG	Greenhouse gas
GmbH	Gesellschaft mit beschränkter Haftung (German limited liability company)
GMLs	Granular Market Risk Limits
GNFRC	Group Non-Financial Risks and Controls Committee
GOV	Governance
GPG	Gender Pay Gap
HGB	Handelsgesetzbuch (German Commercial Code)
HR	Human Resources
HVAC	Heating, Ventilation and Air-Conditioning
HVB	HypoVereinsbank
I-REC(E)	International Renewable Energy Certificate
ICAAP	Internal Capital Adequacy Assessment Process
ICMA	International Capital Market Association
ICS	Internal Control System
ICT	Information and Communications Technology
IEA	International Energy Agency
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IIF	Institute of International Finance
ILAAP	Internal Liquidity Adequacy Assessment Process
ILO	International Labour Organization
IMO	International Maritime Organization
IRO	Impacts, Risks and Opportunities
ISAE	International Standard on Assurance Engagements
ISPRA	Istituto Superiore per la Protezione e la Ricerca Ambientale (Italian Institute for Environmental Protection and Research)
IT	Information Technology
ITER	International Thermonuclear Experimental Reactor
KAGB	Kapitalanlagegesetzbuch (German Investment Code)
Kg CO <sub>2e</sub>	Kilogram (k) of carbon dioxide (CO <sub>2</sub> ) equivalent (e)
KPI	Key Performance Indicator
km	Kilometre
KWG	Kreditwesengesetz (German Banking Act)
kWh	kilowatt hour
KYC	Know Your Customer
LCR	Liquidity coverage ratio
LGBTQIA+	Lesbian, Gay, Bisexual, Transsexual/Transgender, Queer, Intersexual and Asexual+
LkSG	Lieferkettensorgfaltspflichtengesetz (German Act on Corporate Due Diligence Obligations in Supply Chains)
m	Metre
mm	Millimetre
m <sup>2</sup>	Square metre
MaRisk	Minimum Requirements for Risk Management
MiFID	Markets in Financial Instruments Directive
MLA	Mandated Lead Arranger
MWh	Megawatt hour
NACE	Statistical Classification of Economic Activities in the European Community
NBO	Non-Binding Opinion
NFRCC	Non-Financial Risk and Control Committee
NFRD	Non-Financial Reporting Directive
NGFS	Network for Greening the Financial System

# Sustainability Report

NGO	Non-Governmental Organisation
NPP	Nuclear Power Plant
NPS	Net Promoter Score
NSFR	Net Stable Funding Ratio
NZBA	Net Zero Banking Alliance
OECD	Organisation for Economic Co-operation and Development
OML	Operational Maturity Level
OpEx	Operational expenditures
P	Mean annual precipitation
PAT	Policies, Actions, Targets
PCAF	Partnership for Carbon Accounting Financials
PED	Primary Energy Demand
PRB	Principles for Responsible Banking
RAF	Risk Appetite Framework
RAS	Risk Appetite Statement
RCP	Representative Concentration Pathways
RMS	Risk Management System
S.p.A.	Stock corporation under Italian commercial law
SACE	Servizi Assicurativi del Commercio Estero (Italian export credit agency)
SBG	Sustainable Bond Guidelines
SBM	Strategy and Business Model
SBTi	Science Based Targets initiative
SDGs	Sustainable Development Goals
SFDR	Sustainable Finance Disclosure Regulation
SMC	Small and Medium Corporates
SMEs	Small and Medium Enterprises
STWL	Stress Test Warning Levels
tCO <sub>2e</sub>	Tonnes (t) of carbon dioxide (CO <sub>2</sub> ) equivalent (e)
TNFD	Taskforce on Nature-related Financial Disclosures
UK	United Kingdom
UmwG	Umwandlungsgesetz (German Transformation Act)
UNCTAD	United Nations Conference on Trade and Development
UN PRI	UN Principles for Responsible Investment
UNEP FI	United Nations Environment Programme Finance Initiative
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNO	United Nations Organization
USA	United States of America
VfU	Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten (German association for environmental management and sustainability in financial institutions)
vkm	Vehicle kilometre
WBT	Web-based Training
WEPs	Women's Empowerment Principles
WWF	World Wide Fund for Nature
ZAD	Zentraler Anweisungsdienst (Operating Guidelines)
ZAG	Zahlungsdienstaufsichtsgesetz (German Payment Services Oversight Act)

## Assurance report of the independent German Public Auditor on a limited assurance engagement in relation to the Group Sustainability Statement<sup>14</sup>

To UniCredit Bank GmbH, Munich

### Assurance Conclusion

We have conducted a limited assurance engagement on the attached Group Sustainability Report of UniCredit Bank GmbH, Munich, and its subsidiaries (the 'Group' or 'HVB Group') for the period from January 1 to December 31, 2024.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Report for the period from January 1 to December 31, 2024, is not prepared, in all material respects, in accordance with the basis of preparation presented in the section "Basis for preparation" subsection "BP-1 – General basis for preparation of Sustainability Report" in the Group Sustainability Report.

### Basis for the Assurance Opinion

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities are further described in the section "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Report".

We are independent in accordance with the requirements of German commercial and professional law, as well as the International Code of Ethics for Professional Accountants (including the International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), and we have fulfilled our other German professional responsibilities in accordance with these requirements.

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<sup>14</sup> The English language text below is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may arise from the translation.

We also apply the IDW Quality Management Standard issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)), as well as the International Standard on Quality Management (ISQM 1) issued by the IAASB. Those standards require audit firms to design, set up and implement a quality assurance system that includes policies and procedures for complying with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our assurance opinion.

## **Responsibilities of Management and the Supervisory Board for the Group Sustainability Report**

Management is responsible for the preparation of the Group Sustainability Report in accordance with the basis of preparation presented in the section “Basis for preparation” subsection “BP-1 – General basis for preparation of Sustainability Report” of the Group Sustainability Report and for designing, implementing and maintaining such internal control that they have considered necessary to enable the preparation of a Group Sustainability Report in accordance with this basis of preparation that is free from material misstatement, whether due to fraud (i.e. fraudulent sustainability reporting in the Group Sustainability Report) or error.

This responsibility of management includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Report, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process for the preparation of the Group Sustainability Report.

## **Inherent Limitations in Preparing the Group Sustainability Report**

The European requirements underlying the basis of preparation contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. Therefore, management has disclosed their interpretations of such wording and terms in section “BP-2 – Disclosures in relation to specific circumstances” of the Group Sustainability Report. Management is responsible for the reasonableness of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Report.

## **German Public Auditor’s Responsibilities for the Assurance Engagement on the Group Sustainability Report**

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Report has not been prepared, in all material respects, in accordance with the basis of preparation presented in the section “Basis for preparation” subsection “BP-1 – General basis for preparation of Sustainability Report” of the Group Sustainability Report and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Report.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process used to prepare the Group Sustainability Report, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group Sustainability Report.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

## Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we:

- evaluated the suitability of the criteria as a whole presented by management in the Group Sustainability Report.
- inquired of management and relevant employees involved in the preparation of the Group Sustainability Report about the preparation process, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group Sustainability Report, and about the internal controls relating to this process.
- evaluated the reporting policies used by management to prepare the Group Sustainability Report.
- evaluated the reasonableness of the estimates and related informed provided by management. If, in accordance with the ESRS, management estimates the value chain information to be reported for a case in which management is unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether management has undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that management was unable to obtain.
- made inquiries in relation to selected information in the Group Sustainability Report.
- considered the presentation of the information in the Group Sustainability Report.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Report.

## Restriction of Use

This assurance report is solely addressed to UniCredit Bank GmbH, Munich.

The engagement, in the performance of which we have provided the services described above on behalf of UniCredit Bank GmbH, Munich, was carried out on the basis of the General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) dated as of January 1, 2024 ([http://www.kpmg.de/AAB\\_2024](http://www.kpmg.de/AAB_2024)). By taking note of and using the information as contained in our report each recipient confirms to have taken note of the terms and conditions stipulated in the aforementioned General Engagement Terms (including the liability limitations to EUR 4 Mio for negligence specified in item No. 9 included therein) and acknowledges their validity in relation to us.

Munich, April 15, 2025

KPMG AG  
Wirtschaftsprüfungsgesellschaft  
[Original German version signed by:]

Pfeiffer  
Wirtschaftsprüfer  
[German Public Auditor]

Protze  
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