

Sustainability-related product disclosure in accordance with Article 10(1) of Regulation (EU) 2019/2088 and Articles 24 to 36 of Delegated Regulation (EU) 2022/1288

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The VP Vida Plus (Essential / Advanced / Custom) mandates ("financial product") are products advertising environmental and social features and thus qualify as products under Article 8(1) of Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector.

A. Summary

- B) This financial product promotes environmental and social characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 6% of sustainable investments.
- C) The VP Bank Sustainability Score (VPSS) forms the baseline to promote environmental and social characteristics.
- D) The investment strategy of this financial product reflects a portfolio that is broadly diversified across several asset classes and promotes environmental and social characteristics.
- E) This financial product is a multi-asset class portfolio that makes use of the entire range of financial instruments. At least 80% of the investments in this financial product are made in instruments aligned with defined E/S characteristics. A minimum quota of 6% is defined with respect to sustainable investments. A minimum quota of 2% is defined with respect to EU taxonomy-aligned investments.
- F) Investments as part of this financial product are monitored on an ongoing basis and benefit from our systematic monitoring activities, which ensure stringent risk control.
- G) We integrate responsible investment criteria in our investment decisions underlying this investment product.
- H) VP Bank has developed a sustainability score that measures the level of sustainability of an investment based on different dimensions. The aim is to have as broad a basis as possible.
- I) Limitations to our methodologies can result from a lack of data coverage and/or quality.
- J) We continuously evaluate and improve our VP Bank Sustainability Score (VPSS) methodology to stay up to date and maximize our contribution to the environmental and social characteristics. Investments are monitored on an ongoing basis to maximize the contribution to the environmental and social characteristics promoted by this financial product.
- K) As part of this financial product no active engagement with investee companies is conducted.
- L) No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this financial product.

B. No sustainable investment objective

This financial product promotes environmental and social characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 6% of sustainable investments.

To ensure that sustainable investment considered in this financial product do no significant harm, we have implemented norms- and activity-based screens, where the violation of one result in an exclusion. As part of the VP Bank Sustainability Score (VPSS) investments in business with documented practices that are illegal or in breach of specific international standards and norms are excluded. Moreover, the VPSS rewards investments that show a positive track record of improving their ESG performance and show an alignment with the Sustainable Development Goals (SDGs).

The financial product accounts for principle adverse impacts. Specifically, the following two are evaluated and monitored: (i) Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises and (ii) Exposure to controversial weapons.

We exclude investments associated with severe violations of: UN Global Compact, UN Guiding Principles for Business and Human Rights, International Labour Organization (ILO) Labour Standards, OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights. This approach is applied to across investments, including but not limited to sustainable investment.

C. Environmental or social characteristics of the financial product

The VP Bank Sustainability Score (VPSS) forms the baseline to promote environmental and social characteristics. A detailed description of the VPSS methodology can be viewed online: <https://www.vpbank.com/en/vp-bank-sustainability-score>

Thereon, the following environmental and/or social characteristics are promoted: minimum standards on the ESG profile of investments, adherence to international standards and norms, and responsible business activities.

Additionally, special investments are added to promote E/S characteristics. Special investments as part of this financial product include all the following three building blocks: green bonds, social bonds, and microfinance investments. Green Bonds can contribute to a variety of environmental objectives and social bonds to a broad set of social

objectives. Microfinance investments have a focus on social objectives and aim to positively contribute to financial inclusion and resilience.

D. Investment strategy

The objective of this financial product is to generate a financial return that is in line with the product's risk profile. The product is implemented as a multi-asset class portfolio using cash holdings, bonds, equities, collective investments, and currency hedging transactions. The investment strategy of this financial product reflects a portfolio that is broadly diversified across several asset classes and promotes environmental and social characteristics.

An investment receives a pass on the "Good Governance Test" if it has an ESG Rating of BB or higher. This generally indicates a company's ability to manage resources, mitigate key ESG risks and opportunities and meet baseline corporate governance expectations.

E. Proportion of investments

This financial product is a multi-asset class portfolio that makes use of the entire range of financial instruments. Emphasis is placed on compliance with strict sustainability criteria. The investments of the financial product used to meet its environmental and/or social characteristics are summarised below.

#1 Aligned with E/S characteristics, includes the investments of the financial product that are used to achieve the environmental or social characteristics promoted by the financial product. At least 80% of the financial product's investments must contribute to the E/S characteristics. The value realised at the reporting date is shown in the chart.

#1A Sustainable, comprises sustainable investments according to the SFDR definition with environmental and/or social objectives. At least 6% of the investments of this financial product must be classified as sustainable investments. The realised value at the reporting date is shown in the chart.

Taxonomy-oriented investments account for a minimum share of 2%. The realised value at the reporting date is shown in the chart.

#2 Other, includes the remaining investments of the financial product that are not aligned with the environmental and social characteristics and cannot be classified as sustainable investments. Investments in this category are cash position, futures and swaps as well as investment with limited data availability, which do not allow for a clear contribution to the E/S objectives as defined for this financial product.

F. Monitoring of environmental or social characteristics

Investments as part of this financial product are monitored on an ongoing basis and benefit from our systematic monitoring activities, which ensure stringent risk control. An in-depth performance and risk analysis ensures that the portfolio is not in breach of the defined environmental and social characteristics it promotes. As a baseline for our risk monitoring, we have defined clear thresholds for the VPSS on a single asset level and weighted-average portfolio level.

G. Methodologies

In addition to return and risk characteristics, we fully integrate responsible investment criteria in our investment decisions underlying this investment product. To ensure the environmental and social characteristics promoted by this product are met, a minimum of 80% of the investments must demonstrate a VP Bank Sustainability Score (VPSS) of 3 or larger. Also, the weighted-average portfolio level VPSS must be larger than 5. Moreover, we have implemented a minimum quota of 5% for special investments, which explicitly target sustainability criteria. These include green bonds, social bonds and microfinance investment.

H. Data sources and processing

VP Bank has developed a sustainability score that measures the level of sustainability of an investment based on different dimensions. The aim is to have as broad a basis as possible. Investors might also use the score as an indicator of opportunities and risks from a sustainability perspective. And it allows a comparison between different financial products, such as stocks, bonds or funds. The VP Bank Sustainability Score (VPSS) is broad based and consists of five sub-components: ESG rating, ESG momentum, business practices, business activity, and Sustainable Development Goals (SDGs). Each of these sub-categories is assessed according to a specially developed methodology. The VP Bank Sustainability Score was designed in such a way that, in addition to its contribution to sustainability criteria, investments with a high value also have a better long-term risk-opportunity-ratio. The starting point of the VPSS is the ESG rating by MSCI, a data third-party data vendor. A detailed description of the VPSS methodology can be viewed online: <https://www.vpbank.com/en/vp-bank-sustainability-score>

I. Limitations to methodologies and data

Limitations to our methodologies can result from a lack of data coverage and/or quality. Despite the very high global coverage of the data provided by our third-party data vendor, the limitation is that not all globally investable companies and funds are covered. By way of construction, the VPSS ensures that this does not result in an adverse effect on the environmental and social characteristics promoted by this financial product. Where data is not available, which means that the VPSS cannot be calculated for that instrument, no investment is made. Although we cannot guarantee the accuracy of the data delivered, we have implemented plausibility checks and continuously review our methodology and the underlying data.

J. Due diligence

We systematically integrate ESG criteria in our investment decisions underlying this investment product. We continuously evaluate and improve our VP Bank Sustainability Score (VPSS) methodology to stay up to date and maximize our contribution to the environmental and social characteristics. Investments are monitored on an ongoing basis to ensure that they comply as best as possible with the environmental and social characteristics promoted by this financial product. In line with the Group's general approach to risk management based on the three Lines of Defence framework, we have applied the same principles to ESG risks. We have implemented effective ESG risk and control procedures in our day-to-day operations. By systematically monitoring ESG-related controversies, we are able identify breaches against international norms and principles at an early stage and act accordingly. Investments in violation of UN Global Compact, the United Nations Guiding Principles for Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and International Labour Organization (ILO) Standards are excluded.

K. Engagement policies

As part of this financial product no active engagement with investee companies is conducted. For investment in VP Bank own funds, the engagement policy of VP Fund Solutions applies.

L. Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this financial product.