

# Green bonded loan

Allocation and impact report  
as of **31 December 2024**



## Contents

<b>1</b>	Introduction	3
<b>2</b>	Sustainability as a business model	3
<b>3</b>	Wiener Stadtwerke 2023 bonded loan issue	4
<b>4</b>	Use of the issue proceeds	5
<b>5</b>	Project evaluation and selection process	6
<b>6</b>	Allocation and impact reporting	7
<b>6a</b>	Allocation reporting	7
<b>6b</b>	Impact reporting	8
<b>7</b>	Externe Reviews	10
<b>7a</b>	Second Party Opinion (ISS ESG)	10
<b>7b</b>	Review by the auditor	10
<b>8</b>	Disclaimer	

# 1. Introduction

## **Dear investors and interested parties,**

Sustainability is not just a guiding principle for us, but an integral part of our financial strategy. At the Wiener Stadtwerke Group, we aim for a balanced approach between economic success and ecological and social responsibility. Our stated goal is to make Vienna climate-neutral by 2040 – an ambitious project that we are pursuing through targeted investments and sustainable corporate governance.

Our financial decisions are based on a long-term perspective. We are prioritizing investments in renewable energy, sustainable mobility, and digital infrastructure to ensure long-term growth and resilience. With the appointment of a Chief Climate Officer and a clear alignment with the United Nations Sustainable Development Goals (SDGs), we are committed to ensuring that our transformation is not only efficient but also measurable and transparent.

The Wiener Stadtwerke Group is not only the largest infrastructure services provider in Vienna but also a stable employer and a key economic player in Austria. Through the most extensive investment program in our history, we are positioning ourselves for a sustainable and secure future. Starting with the financial year 2025, we will report our sustainability initiatives in accordance with the EU Corporate Sustainability Reporting Directive (CSRD), ensuring transparency and accountability in our financial and environmental practices.

Wiener Stadtwerke is not only a reliable partner in public services but also a catalyst for change. In collaboration with our employees, customers, and investors, we are shaping a sustainable future for Vienna—ensuring prosperity for future generations.



Mag. Roman Fuchs

Stellvertretender Generaldirektor der Wiener Stadtwerke GmbH

# 2. Sustainability as a business model

**Wiener Stadtwerke** has embedded sustainability as a core component of its business model, with a strong focus on climate-friendly innovations and investments. Aiming to achieve climate neutrality for Vienna by 2040, the group is transitioning its entire infrastructure to a sustainable foundation. This transformation includes the energy transition, the expansion of public transportation, and the promotion of a resource-efficient circular economy. A key component of this strategy is the significant expansion of renewable energy. For instance, Wien Energie is consistently investing in solar, wind, and hydropower to gradually replace fossil fuels. District heating is being increasingly decarbonized through enhanced use of geothermal energy and waste heat recovery. In 2023, a state-of-the-art green hybrid power plant was launched, combining wind and solar energy to generate over 37 megawatts of power. Additionally, the expansion of the district heating infrastructure is being accelerated. The largest industrial-scale heat pump in Europe was commissioned in Vienna-Simmering. This facility can provide climate-neutral heat to up to 56,000 households and uses waste heat from the sewage treatment plant and renewable electricity. At the same time, the group is embracing digital transformation to enhance operational efficiency and optimize energy consumption. In the mobility sector, Wiener Stadtwerke is also taking innovative steps. Wiener Linien and Wiener Lokalbahnen are actively driving the shift to sustainable transportation by investing in a modern, low-emission fleet. Public transportation is further supported by smart mobility solutions, including shared electric vehicles and bicycle programs. Additionally, Wiener Netze is strengthening

the city's sustainable energy supply through the expansion of smart energy grids. From 2024 to 2028, the group plans to invest €1.4 billion in the expansion of electricity grids to meet the requirements of the Renewable Energy Expansion Act (EAG). Sustainability for Wiener Stadtwerke extends beyond environmental concerns to include social and economic dimensions. As one of Austria's largest employers, the group places great emphasis on social responsibility. Fair working conditions, equal opportunities, and targeted professional development programs are central to the company's strategy. Wiener Stadtwerke views sustainability as a balanced commitment to ecological, social, and economic responsibility. Through focused initiatives, innovative projects, and long-term investments, the group is not only making a substantial contribution to climate protection but also enhancing the quality of life in Vienna in a sustainable manner. The business model is built on forward-thinking infrastructure, stable finances, and a clear mission: to make Vienna a climate-neutral city.

### 3. Wiener Stadtwerke 2023 bonded loan issue

In November 2023, Wiener Stadtwerke Group successfully placed its first green bonded loan ("Schuldscheindarlehen") in the amount of EUR 260 million. Wiener Stadtwerke committed to using the proceeds from the bonded loan in accordance with the Green Finance Framework (March 2023) and identified network infrastructure projects as the primary focus for the allocation of funds. The bonded loans were offered at a term of five and seven years respectively and were in high demand. The transaction was arranged by a banking group consisting of Erste Group, Helaba and Unicredit.

<b>Borrower</b>	Wiener Stadtwerke GmbH, Vienna
<b>Issuer rating</b>	Fitch: AA- (stable)
<b>Intended use</b>	(Re-)financing of suitable green projects as defined in the Green Finance Framework
<b>Status</b>	Not subordinated, unsecured
<b>Initial volume</b>	EUR 150 million (demand-induced step-up possible)
<b>Term</b>	5 years / 7 years
<b>Law / Place of jurisdiction</b>	German law / Frankfurt am Main
<b>Arrangers</b>	Helaba, Erste Group, UniCredit



## 4. Use of the issue proceeds

To implement its climate strategy, Wiener Stadtwerke is making targeted investments in sustainable projects. To support this, the company has developed a Green Finance Framework, which has been in effect since March 2023. Under this framework, green financing can only be allocated to projects or investments that provide clear and measurable environmental benefits. These projects fall within specific categories and contribute to achieving the sustainability goals SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action):

- Photovoltaics / 4.1. Electricity generation using photovoltaic technology
- Wind power / 4.3. Electricity generation from wind power
- Network infrastructure / 4.9. Transmission and distribution of electricity
- Clean Transportation / 6.3. Urban and suburban transport, road passenger transport

Overview of the eligibility criteria for the network infrastructure project category, which is the focus of the use of funds in the bonded loan placed in November 2023:

Eligibility criteria:

**Network-  
infrastructure**  
(Line network,  
switchgear  
and smart  
metering)

- The system is the interconnected European system, i.e. the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems
- Infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant that is more greenhouse gas intensive than 100 g CO<sub>2</sub> e/kWh measured on a life cycle basis is not compliant
- Installation of metering infrastructure that does not meet the requirements of smart metering systems of Article 20 of Directive (EU) 2019/944 is not compliant.

"System" means the power control area of the transmission or distribution network where the infrastructure or equipment is installed.

4.9. Transmission  
and distribution of  
electricity



## 5. Project evaluation and selection process

In designing the framework, Wiener Stadtwerke Group was guided by the Green Bond Principles of the International Capital Market Association (ICMA), the Green Loan Principles of the Loan Market Association (LMA) and the provisions of the EU taxonomy at the time the framework was created. Wiener Stadtwerke have defined the following sustainability criteria for the evaluation of specific projects:

- Expenditure and investments comply with the technical screening criteria of the EU taxonomy relevant to this activity for a significant contribution to climate change mitigation.
- In order to prevent negative environmental impacts, expenditure and investments will, on a best effort basis, comply with the relevant technical screening criteria for "Do-No-Significant-Harm", but strict taxonomy alignment cannot be guaranteed.
- The ten fundamental environmental, social and governance principles of the United Nations Global Compact are taken into account and adhered to when selecting and evaluating expenditure and investments.
- Expenditure and investments are in line with the strategic orientation of Wiener Stadtwerke and are made for projects within Austria.
- The projects financed contribute to at least one of the United Nations Sustainable Development Goals (SDGs).

Suitable green projects are proposed to a Green Finance Committee (Green-Finance-Gremium), which evaluates these projects on the basis of the aforementioned criteria and decides on the allocation of funds from green financing to eligible green projects.

## 6. Allocation and impact reporting

### a. Allocation report

By the end of 2024, 219 million Euro or 84,4% of the 260 million Euro in total funds from the green bonded loan had already been used. Of this, 94% was used for smart metering and the remaining 6% for smart grids.



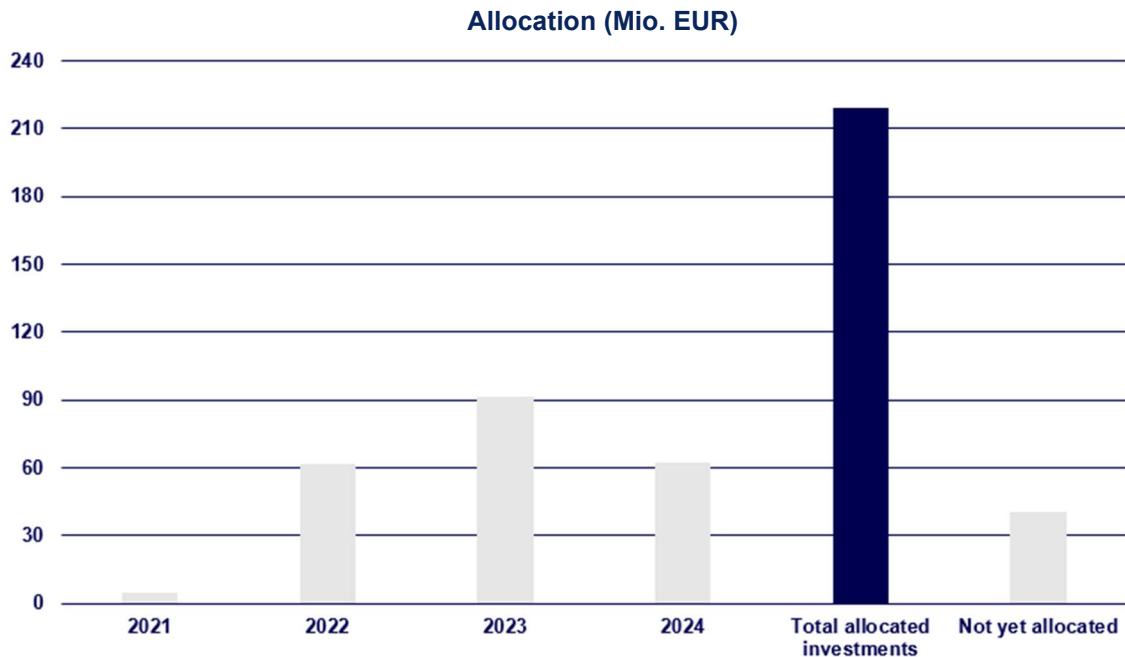
**Tabel 1: Investments**

Project category	Total allocated investments (EURO)	Allocated investments by year (EURO)	Financing of new projects <sup>(1)</sup> (EURO)	Refinancing of existing projects <sup>(2)</sup> (EUR)	Volume already allocated (EURO)	Volume still to be allocated (EURO)
<b>Network infrastructure Smart Metering and smart grid</b>	<b>219,388,452</b>	2021: <b>4,442,525</b> 2022: <b>61,578,898</b> 2023: <b>91,208,682</b> 2024: <b>62,258,346</b>	<b>0</b>	<b>219,488,452</b>	<b>219,488,452</b>	<b>40,511,548</b>

<sup>(1)</sup> New projects correspond to expenditures made after November 2023

<sup>(2)</sup> Refinanced projects refer to projects that were initiated before or in November 2023

Funds that have not yet been allocated are held in Wiener Stadtwerke's cash pool, where they are managed in accordance with the provisions of the Green Finance Framework.



## b. Impact reporting

### Overview

Smart grids enable more precise monitoring and control of electricity flow, which is expected to become more dynamic and less predictable in the future. This technology optimizes energy generation, distribution, and consumption by efficiently connecting electricity providers and consumers.

A key advantage of smart grids is their ability to manage peak loads effectively. Through targeted management, consumption spikes can be mitigated, and energy can be redirected during periods of low demand. At the same time, the expansion of smart meters is being accelerated, as they provide the foundation for a more efficient and flexible energy market.

Smart meters enable more precise consumption measurement and open up new opportunities for flexible electricity tariffs that are better tailored to individual usage patterns. They are specifically designed for secure end-to-end data transmission, ensuring the highest IT security and data protection standards.

Another advantage of digitalization is the improved transparency of grid utilization. This enables network operators to respond more quickly to unexpected events such as power outages or overloads. At the same time, customers also benefit, they gain better insight into their energy consumption and can optimize it more effectively through targeted adjustments.



## Metrics

In the years 2021 bis 2024 Wiener Netze installed around 1,381 million smart meters, and by the end of 2024 around 1,536 million people in Vienna have their own smart meter installed.

The goal of equipping 95% of all households – approximately 1.526 million – with a smart meter by the end of 2024 has been slightly exceeded. Additionally, in the following years, 2025/26, there are plans to increase the number of installed smart meters to over 1.6 million. At the same time, this will further reduce the remaining 5% connection gap.

**Tabel 2: Metrics**

Project category	Brief description	Number of newly installed smart meters Household meters (full year, number)	Newly connected electricity generation capacity from renewable energy sources up to 250kW (full year, in MW)	Amount of electricity from renewable energy sources fed into the grid via smart meters up to 250kW (full year, in MWh)
<b>Network infrastructure</b>	Rollout of smart meters	2021: <b>250,196</b> 2022: <b>337,112</b> 2023: <b>450,473</b> 2024: <b>344,022</b>	2021: <b>22</b> 2022: <b>34</b> 2023: <b>117</b> 2024: <b>125</b>	2021: <b>4,998</b> 2022: <b>11,484</b> 2023: <b>48,011</b> 2024: <b>90.308</b>

## 7. External reviews

### a. Second Party Opinion (ISS ESG):

ISS ESG issued the Second Party Opinion (SPO) on the Green Finance Framework of Wiener Stadtwerke, confirming that it is in line with the ICMA Green Bond Principles. The Second Party Opinion can be accessed via the following link:

[https://www.wienerstadtwerke.at/o/document/esg\\_iss\\_secondpartyopinion-spo-20230306\\_de](https://www.wienerstadtwerke.at/o/document/esg_iss_secondpartyopinion-spo-20230306_de)

### b. Review by the auditor:

The auditor's review can be found on our website in the German version of this report: "Allokations-und Wirkungsbericht zum 31.12.2024" / 7.b "Review des Wirtschaftsprüfers"

## **8. Disclaimer**

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