

Sustainability in Brief 2023

**Oberbank**  
Not like any other bank



**Different, because:  
we set an example of  
sustainability.**



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This brochure is based on the Oberbank Sustainability Report 2023, which was integrated into the Annual Financial Report for the first time. Differences in content have been marked.

For more information, please refer to our integrated Sustainability Report 2023 on the Oberbank website at <https://www.oberbank.at/nachhaltigkeit>.

## Preface by the Chairman of the Management Board

Ladies and Gentlemen,

**we live in turbulent times.** The past year was characterised by inflation and interest rate hikes. Economic growth weakened, especially in Austria and Germany. Yet even in this challenging environment, Oberbank achieved **another record result and significantly strengthened its equity.**

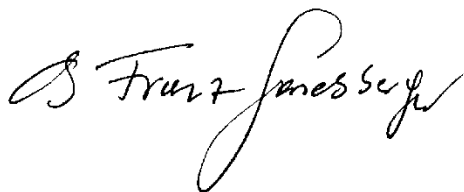
Oberbank's success is no coincidence, but the result of consistent strategic work. Our current strategy period ends at the end of 2024 and I am really proud that we have focused on the right strategic fields of action and have achieved our goals very well. Sustainability is of course a key area of action in our strategy. The **transformation** of the economy towards sustainability is a project of the century that will only succeed if we all – business, politics and banks – pull together.

Our aim is to be a pioneer when it comes to sustainability, and we are succeeding. We are proud of our **prime rating** – which means we are among the **top 10 of 287 rated regional banks worldwide.** This rating was improved again in 2023 to the level C+ – a rating that only very few banks receive. The Oberbank ordinary share was included in the VÖNIX sustainability index of the Vienna Stock Exchange in June 2023.

In 2023, Oberbank conducted a materiality assessment in accordance with the requirements of the European Sustainability Reporting Standards (ESRS) and **reorganised its sustainability reporting on** this basis. This year's Annual Financial Report already contains the integrated Sustainability Report. This means we fulfil the regulatory requirement one year earlier than necessary.

Another milestone in our **sustainability organisation** was the establishment of a Sustainability Committee on the Supervisory Board and the strengthening of our sustainability management team. Ms. Mag.<sup>a</sup> Isabella Lehner has been responsible for the important future topics of sustainability and digitalisation on the Management Board level since May 2023.

In the coming year, we will also be working intensively on revising our sustainability strategy and developing new targets for 2030 as part of the **development of the new overall bank strategy.** The **science-based targets**, which are in line with the Science Based Targets initiative (SBTi), must also be finalised by the end of 2024.



Sincerely, Dr. Franz Gasselsberger

# Oberbank at a glance



Oberbank AG is an independent Austrian regional bank headquartered in Linz. It has branches in Austria, Germany, the Czech Republic, Slovakia and Hungary.

Oberbank AG serves both retail and business customers, offering a full range of financial services.

## Successful

Key indicators as at 31 December 2023

in EUR million	
Net income before taxes	477.7
Balance sheet total	27,834.5
Primary agent	19,125.3
Equity capital	3,863.1
Client assets under	39,214.7
Market capitalisation	4,547.6

in %	
Common equity tier 1 ratio	18.61 %
Core capital ratio	18.88 %
Total capital ratio	20.77 %
Cost-income ratio	39.68 %

## Competent

2,461 employees at 178 branches  
(Headcount as at 31 December 2023)

	Branches	Employees
Ö	94	1,761
EN	45	317
CZ	21	194
HU	14	142
SK	4	47
<b>Total</b>	<b>178</b>	<b>2,461</b>

**Top institutional rating by Standard & Poor's:**  
With a "single A", we are one of the best-rated banks in Austria (as of: audit date 21 March 2023).



# Our values and goals

## Sustainability as a key principle

Thinking and acting sustainably have always been integral elements of Oberbank's strategy. Our values form the central basis of our strategy.

## Living corporate values

- Highly **motivated**, **competent** and **passionate** employees – who work according to our values – create **trust**.
- A strong sense of **community** is also a key value to Oberbank.
- As an employer, Oberbank is committed for fairness and equal opportunities.
- As an employer, Oberbank strives to provide an attractive and meaningful working environment.



Competence



Trust



Community



Passion

## Sustainability as part of the bank's overall strategy

Sustainability is a defined field of action, with specific strategic goals (see chapter Oberbank's sustainability goals for 2025, page 8).



# Sustainability at Oberbank 2023: Highlights & achievements

In 2023, we celebrated a number of successes and project completions. A brief summary is provided below, with further details on the following pages of the condensed report.



## Top ratings and awards

**ISS ESG Prime Rating 2023:** With an improvement of the rating grade from C to C+ compared to the previous year and the renewed confirmation of the "Prime Status", Oberbank ranks among the TOP 10 of the 287 rated banks in the Public and Regional Banks sector worldwide. (for ISS ESG see <https://www.issgovernance.com/esg/ratings>)

**CDP Rating 2023:** Oberbank achieved a pleasing result with a B rating.

**ASRA Austrian Sustainability Reporting Award:** 2nd place for the Sustainability Report 2022



## Innovations in sustainable products and financing

**Sustainable Corporate Lending Framework:** has been prepared, and a second party opinion was obtained from ISS ESG (International Shareholder Services Inc.)

**Expansion of the sustainable product range for private customers:** be green mobility

**Expansion of the sustainable product range for business customers:** ESG-linked loans



## Further improvement of sustainability in our own operations

**EMAS (Eco-Management and Audit Scheme):** successful annual review

**Green Location eco-label:** certification for the event location Oberbank Donau-Forum



## Successful launch of the sustainability award FERONIA

In 2023, the **Upper Austrian Sustainability Award FERONIA** was awarded for the first time by Oberbank, OÖ Nachrichten and the Province of Upper Austria.



## Calculation of the CO<sub>2</sub> footprint and decarbonisation strategy

**Calculation of indirect emissions (Scope 3):** After 2022, the calculation of financed emissions and employee mobility was carried out in 2023 again.

**Decarbonisation:** development of a decarbonisation strategy and commitment to the development of science-based targets



## Successful introduction of the Social Award "Sozialstern"

In 2023, three employees were honored with the "Sozialstern" for their **voluntary work** for the first time. The prize will also be awarded in 2024.



## Sustainability organisation and reporting

Since May 2023, **Ms. Mag.<sup>a</sup> Isabella Lehner** has been Director of the Management Board and responsible for sustainability issues.

The number of employees in the central sustainability management (**ESG Unit**) almost doubled in Q4 2023: a **team of five** (as at April 2024) is proactively driving the (further) development and implementation of the sustainability strategy.

The **Sustainability Report 2023** was **voluntarily** structured according to the **ESRS**. Oberbank is thus well prepared for the mandatory application of the ESRS as of the report on the financial year 2024.



## Awards and ratings

Oberbank's sustainable activities are recognized by national and international rating agencies and awards.

### ISS ESG Corporate Rating

In December 2023, ISS ESG<sup>1</sup> once again confirmed Oberbank's Prime Status. The rating was improved from C to C+ compared to the previous year. According to ISS ESG, Oberbank AG is thus among the **TOP 10** of the 287 rated banks in the Public and Regional Banks sector (as at 28 December 2023). The highest transparency level of ISS ESG "**very high** (80-100%)" was achieved too.



### CDP Rating

The CDP rating is considered the gold standard of environmental transparency for listed companies. A score from A to F is awarded. In 2023, Oberbank AG once again achieved a great result: a **B rating**.



The former Carbon Disclosure Project (CDP) is a non-profit organisation founded in 2000 that operates as the world's largest international platform and database for the disclosure of company-relevant environmental and climate data (e.g. greenhouse gas emissions, climate risks, reduction targets). The data collected enables investors, companies and governments to make informed decisions to minimise environmental risks.

### ASRA

In the category "Capital Market Oriented Companies – Banks and Insurance Companies", Oberbank AG was awarded **second place** for its Sustainability Report 2022.



### EMAS

The Eco-Management and Audit Scheme (EMAS) is a voluntary tool for any company that wants to improve the environmental performance of its operations. Following an audit by an accredited body, Oberbank AG has been certified in December 2022. After certification, an annual review of the implementation of the EMAS regulation needs to be done annually by an external audit. The recertification was **successfully completed in 2023**.



<sup>1</sup> <https://www.issgovernance.com/esg/ratings>

# Oberbank`s sustainability goals for 2025

Our path towards a more sustainable future is clearly mapped out and we are making good progress ...



## ... in governance:

- Commitment to the 1.5°C goal
- Sustainability is part of the overall bank strategy
- Participation in ESG initiatives
- Sharing views with stakeholders



## ... in asset management:

- Goal: increasing the volume of sustainable 3BG mutual funds (according to the new ESG analysis process) to more than EUR 1 billion by 2025
- As at 2023: EUR 745 million



## ... for our customers:

- Goal: retain high customer satisfaction (Net Promoter Score (NPS) > 60)
- As at 2023: NPS of 65.7
- Goal: increase utilisation of the Oberbank electronic mailbox to 90% by 2025
- As at 2023: 84% of customers receive their messages in their electronic mailbox



## ... for society:

- Commitment to the regionality principle, goal: 95% of our sponsorship budget goes to regional initiatives
- Procurement and purchasing primarily from the region



## ... in finance and in lending policy:

- Target: at least EUR 1.5 billion in sustainable loans (housing)
- As at 2023: approx. EUR 1.034 billion
- Decarbonisation of the loan portfolio
- Impact Reporting
- Target: 50% of all new issues conform to ESG criteria (green/social bonds)
- The first green covered bond (EUR 250 million) was issued in 2022.



## ... for our employees:

- Next generation target: 80 % managers from within our organization
- As at 2023: 96 %
- Gender balance target: 30 % female managers
- As at 2023: 28 % women in management positions



## ... for the environment:

- Targets 2025: climate neutrality in scope 1 and scope 2, carbon footprint per employee < 1 tonne
- As at 2023: 1.14 tonnes of CO<sub>2</sub> equivalents per employee



# Key sustainability topics and SDGs

All measures and activities under Oberbank's sustainability strategy are designed to contribute to the sustainable development of our environment and our society. In addition, they allow us to make measurable contribution to the achievement of the United Nations' Sustainable Development Goals (SDGs).

## Corporate governance

Our strategy and business policy are designed to take the concerns of all stakeholders – customers, employees, shareholders and others – into account in a well-balanced approach.



## Compliance

Oberbank does not tolerate any conduct which could be likely to cause harm of any kind to itself, its employees, its stakeholders or the general public.



## Sustainable lending policy

Our lending policy, which takes account of sustainability risks, is one of Oberbank's most important levers when it comes to contributing to the sustainable development of society and our environment.



## Sustainable product portfolio

Sustainable products enable retail and business customers to make a contribution of their own.



## Customer satisfaction

We value our customers' opinions, and we take complaints seriously.



## Employees

Relevant topics in Oberbank's sustainability strategy include being a fair employer, employee development, work-life balance, as well as health and safety at work.



## Asset Management

Sustainable investment products enable our customers to consider the protection of the environment, climate and ethical values in their investments.



## Our investments

Oberbank may also use its own investments to exert an influence on the protection of the environment, the climate and ethical values.



## Operational ecology and sustainable procurement

We are committed to conserving resources, to taking ecological and social aspects into account in our own operations as well as purchasing activities and to using resources sparingly.



## Exclusion criteria

### Transaction unconditionally excluded by Oberbank

Oberbank distances itself from industries, companies and business practices that, in its view, could result in unacceptable impacts on the environment, social aspects and governance (ESG). The following exclusion criteria based on sustainability aspects are mandatory for new customer business as well as for new fields of businesses that existing customers may enter into, and they are not subject to any option of approval.

Oberbank will not enter into business relationship and/or will distance itself from individual companies if violations of labour law and human rights, or illegal and controversial business or environmental practices are known or become known in the course of the business relationship.

### Generally applicable exclusion criteria

Criterion	Example
Labour rights violations	when at least one of the four fundamental principles set out in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work is violated: <ul style="list-style-type: none"><li>• Freedom of association and the recognition of the right to collective bargaining</li><li>• Forced and compulsory labour</li><li>• Child labour</li><li>• Discrimination in the workplace</li></ul>
Human rights violations	when human rights are systematically violated through political arbitrariness, torture, restriction of privacy, freedom of expression or freedom of religion
Illegal business practices	when products or activities are deemed illegal under applicable law or other regulations in the respective national jurisdiction or under international treaties and conventions
Controversial environmental behaviour	when national environmental laws or international environmental protection agreements are violated, and practices are not compatible with general values and the conservation and promotion of biodiversity

### Excluded economic activities and industries

Oberbank considers the following economic activities and industries to have increased ESG risk potential and excludes them:



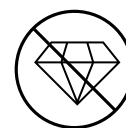
**Nuclear energy**



**Illegal substances  
(narcotics)**



**Harmful substances**



**Gems and  
conflict materials**





Fishing



Trade in protected animals or export leather, animal testing



High volume fracking and extraction of oil sands, crude oil



Coal



Controversial and heavy weapons



Embryo research



Pornography (adult entertainment)

For detailed information and examples see the Oberbank website at <https://www.oberbank.at/strategie>.

## Exclusion criteria for countries

Criterion	Excluded are:
FATF list	Countries on the black, dark grey or grey list of the Financial Action Task Force on Money Laundering (FATF)
EU list of high-risk countries	Countries on the EU list of high-risk countries set out in the Regulation (EU) 2020/855
Climate protection	Countries that have not ratified the 2015 Paris Climate Agreement
Freedom of the press and media	Countries where the freedom of the press and the media is massively restricted (blacklisted by "Reporters Without Borders")
Sanctions	Countries against which UN, US and EU has imposed sanctions

## Governance, compliance and data protection

Oberbank not only complies with existing guidelines, but also sets its own high standards for compliance with ethical principles. Compliance, anti-corruption and the protection of customer data are non-negotiable for us.

### High standards at Oberbank

- Commitment to the Austrian Corporate Governance Code (**ÖCGK**)
- **Code of Conduct:** Code of Conduct for employees, Code of Conduct for suppliers
- **Whistleblowing reporting platform:** internal and external stakeholders can report possible violations of the law; thus Oberbank is fulfilling the requirements of EU Directive 2019/1937.
- **Tax ethics and tax honesty:** This commitment to integrity and honesty and the course of action taken in tax matters are part of the Code of Conduct.
- **Protecting customer data and IT security** are important issues to us, which we fulfil with care. 3 Banken IT GmbH has undergone certification in accordance with the recognised ISO/IEC 27001:2013 standard.
- High-quality **IT tools** and **automated processes** ensure compliance with regulatory requirements.
- Internal **guidelines** and **training for all employees** (e.g. web-based training)

## Compliance<sup>2</sup>



### ***BWG compliance (regulatory compliance management)***

The continuous tracking of regulatory changes and developments and ensuring their timely implementation allow for sustainable project, resource and budget planning at Oberbank.



### ***Prevention of money laundering and terrorist financing***

Group-wide strategies and procedures, that are continuously refined, ensure that high standards of money laundering and terrorism prevention are maintained in all Oberbank markets.



### ***Sanctions management***

Ensuring compliance with sanctions since 2022 by a specially established team in response to developments in sanctions law triggered by the war in Ukraine.



### ***Anti-fraud management***

Measures based on the PREVENT - DETECT - RESPOND principles. In 2023, an IT tool in the area of fraud prevention allowed us to prevent potential losses on the customer side in the amount of approximately EUR 3.6 million.



### ***Anti-corruption management***

Violations of anti-corruption regulations are not tolerated by Oberbank and will be punished accordingly. In 2023, there were no confirmed incidents of corruption.



### ***Securities compliance***

Ongoing monitoring of Oberbank's securities trading to prevent malversations under stock exchange law as well as monitoring activities in the field of securities services and investment activities.

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<sup>2</sup> Supplement to the Sustainability Report 2023, content from the Compliance chapter in the Annual Financial Report 2023.



# Memberships and participation in industry initiatives

## UN Global Compact

The United Nations Global Compact is the world's largest initiative on corporate social responsibility (CSR) and sustainable development. As a participant in the banking initiative, Oberbank is committed to supporting the ten universal principles addressing human rights, labour standards, environmental protection and the fight against corruption, as well as the 17 Sustainable Development Goals. For the goals we address, please see the chapter [Key sustainability topics and SDGs](#), page 9.



## respACT

austrian business council for sustainable development is a platform for businesses focusing on responsible business management.



## ÖGUT

Österreichische Gesellschaft für Umwelt und Technik is an independent Austrian NGO that has been advocating for sustainability in business and society for more than 30 years.



## PCAF

Partnership for Carbon Accounting Financials is a worldwide initiative whose members work together to develop a harmonized approach for the financial industry to assess and disclose the greenhouse gas emissions associated with its loans and investments.



## TCFD

The Task Force on Climate-related Financial Disclosures develops recommendations for climate-related disclosures in the financial sector to promote transparency and comparable high-quality reporting across the industry. Contents include information on the core elements of governance, strategy, risk management as well as metrics and targets.



## SBTi

The Science Based Targets initiative is an international organisation that aims at actively involving companies in climate protection. The initiative is considered the internationally recognised gold standard for science-based corporate climate protection targets, so-called science-based targets.

## Oberbank's in-house sustainability organisation

This is how sustainability is addressed within Oberbank's organizational structure:

- The **ESG Unit** is the first point of contact and hub for various sustainability topics within the group.
- At least **one sustainability officer within each department** to ensure that the topic is mainstreamed across all organizational units.
- The **Sustainability Steering Committee** (Management Board, department heads and group head of the ESG Unit) ensures that the sustainability strategy is implemented and approves new measures.
- The establishment of a **Sustainability Committee** was resolved by the Supervisory Board in March 2023. This committee is responsible for supporting the Supervisory Board in the monitoring, implementation and ongoing development of Oberbank's sustainability strategy.
- A **Stakeholder Sounding Board** with the most important stakeholder groups for a regular re-evaluation of our sustainability commitment.
- The **Green Bond Committee** for the administration of Oberbank's Green Bond Framework meets as part of the Aktiv-Passiv-Management (Assets Liabilities Management) and is responsible, among other things, for the approval of Green Loans.

### Oberbank Sustainability Organisation

Oversight			
Oberbank AG Supervisory Board			
Management Board			
Board of Directors			
Dr. Franz Gasselsberger, MBA Florian Hagenauer, MBA Martin Seiter, MBA <b>Mag.<sup>a</sup> Isabella Lehner, MBA</b> Management Board Member responsible for sustainability			
Strategy and steering			
ESG Unit	Sustainability Steering Committee	Stakeholder Sounding Board	Green Bond Committee
Sustainability hub	Full Management Board & department heads	Members from the private and public sector, interest groups and advisors	Full Management Board, responsible department heads and sustainability officers
Implementation			
Employees of the <b>ESG Unit</b> <b>Sustainability officers</b> of the central departments <b>All employees</b> when working on projects and brainstorming			

# Sustainability in line with the EU taxonomy

## Legal background to sustainable financing

### *The EU taxonomy in a nutshell*

The EU taxonomy is essentially a list of economic activities that are considered sustainable. In the so-called delegated regulations, it lays out detailed classification systems that can be used to determine whether or not an economic activity is sustainable.

### *Calculation of the green asset ratio (Green Asset Ratio, GAR)*

When calculating the GAR, the share of sustainable financing of a group of financing customers defined by the Non-financial Reporting Directive (NFRD) – companies that must publish the share of their taxonomy-aligned business (according to the NFRD), private individuals and local authorities – is compared with the bank's business volume as defined in the EU taxonomy.

### *Own sustainability team for taxonomy review*

In 2022, a dedicated sustainability team was established in the Corporate & International Finance (CIF) department to carry out and document the taxonomy review of corporate financing. For this purpose, the material contribution criterion for the activity, the DNSH criteria (Do no significant harm) and the MSS criteria (Minimum social safeguards) are reviewed.

### Summary of key figures in accordance with Article 8 of the Taxonomy Regulation<sup>3</sup> (as at 31 December 2023)

		Total environ- mentally sustainable assets in EUR million	% KPI based on Turnover	% KPI based on CapEx	% coverage (over total assets)	% of assets not included in the numerator of the GAR	% of assets not included in the denominator of the GAR
Main KPI	Green Asset Ratio (GAR) stock	203	0,94 %	1,20 %	76,19 %	61,30 %	23,81 %
		Total environ- mentally sustainable activities	% KPI	% KPI	% coverage (over total assets)	% of assets not included in the numerator of the GAR	% of assets not included in the denominator of the GAR
Additional KPIs							
	GAR (flow)	1	0,02 %	0,11 %	83,38 %	73,43 %	16,62 %
	Trading book	0	0,00 %	0,00 %			
	Financial guarantees	5	0,00 %	0,01 %			
	Assets under management	0	0,00 %	0,00 %			
	Fees and commissions income <sup>4</sup>						

<sup>3</sup> Cells shaded in green should not be reported.

<sup>4</sup> "Fees and commissions income" shall only apply starting 2026.



# Sustainable lending policy

## Grant more sustainable loans and reduce sustainability risks

### *We achieve a more sustainable portfolio through*

- consistent application of the exclusion criteria,
- taking account of sustainability risks and opportunities when granting loans and
- stepping up funding of sustainable activities and ventures.

### *Sustainability risks (also referred to as ESG risks) for businesses*

- Risks in the area of environment
  - Physical risks such as extreme weather events fuelled by climate change as well as major (financial) damage and
  - climate-related transition risks, such as changes in policy (e.g. CO<sub>2</sub> levies) or technology (e.g. e-mobility) may be a threat to businesses.
- Risks in the areas of social (i.e. social and labour issues) and governance (i.e. corporate management)

### *Integration of sustainability risks into the rating/the credit decision process for business customers*

- The consideration of ESG risks in the lending decision process is largely automated.
- Where customers are presenting a high or very high **ESG risk**, the extent to which new financing contributes to reducing the ESG risk is scrutinised.
- When assessing the creditworthiness of our customers, sustainability risks are included in the customer rating via the assessment of ESG-relevant soft facts (physical risks for the company's purpose and assets, transition risks).

### *Sustainability risks in Oberbank's aggregate loan portfolio*

Oberbank's loan portfolio is exposed to below-average sustainability risks (as at 31 December 2023).

### *Distribution of Oberbank AG's receivables volume by ESG risk classes<sup>5</sup>*

ESG risk class	2023	2022
High	0,43 %	0,63 %
Medium	10,21 %	10,21 %
Low	89,36 %	89,16 %

<sup>5</sup> ESG risk classes defined internally by the institute

# Sustainable lending

Oberbank strives to make a measurable contribution towards achieving the goals of the Paris Climate Agreement and is developing a strategy for decarbonising its loan portfolio.

The loans we grant to both retail and business customers should become more sustainable.

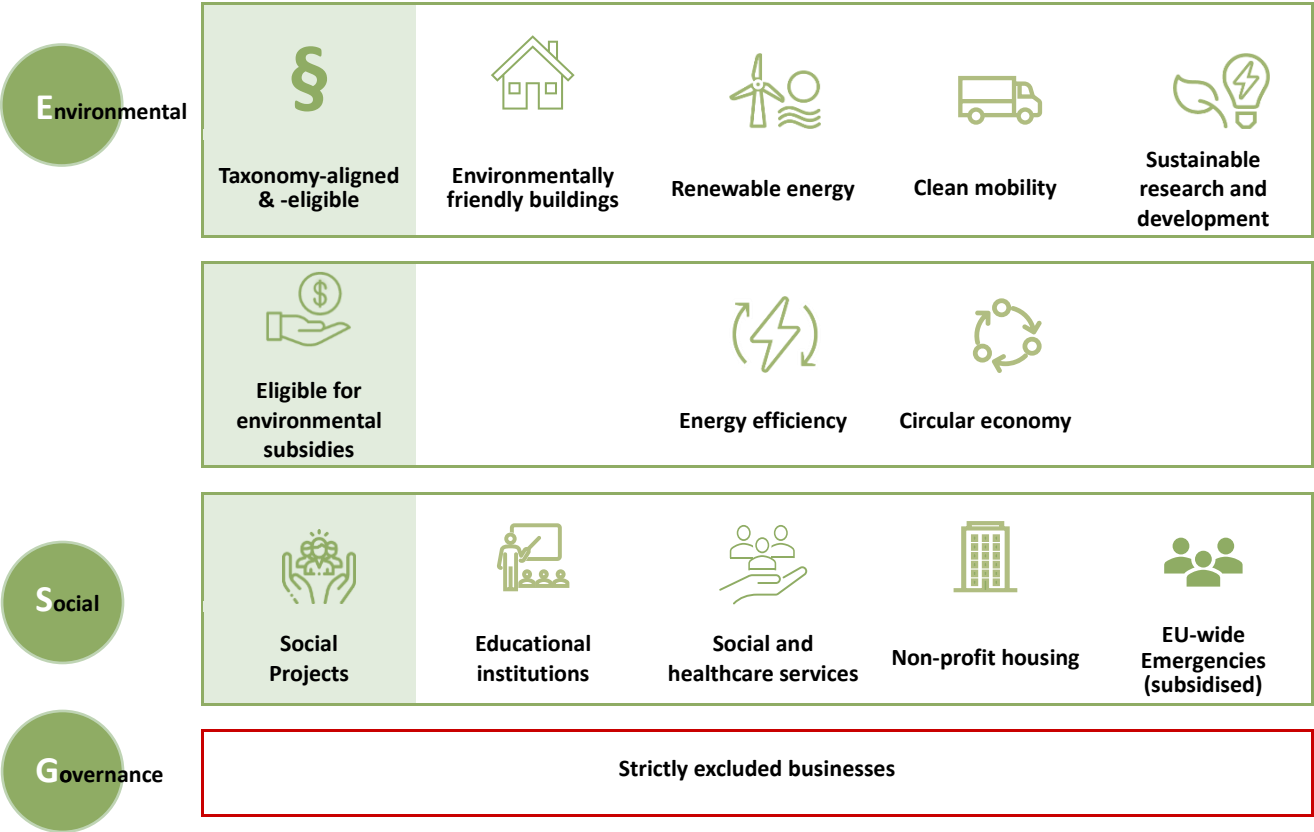
## Sustainable business lending

### Sustainable Lending Framework

In addition to the taxonomy review, the Oberbank Sustainable Corporate Lending Framework has been the basis for analysing the environmental sustainability of Oberbank lendings since 2022. It is aligned with the assessment criteria of the EU taxonomy as well as our exclusion criteria (see chapter on [exclusion criteria](#), page 10).

The object of this framework is to define clear sustainability criteria and thus positive criteria for investment and project financing in the business customer sector. In 2024, the framework will be expanded to include further criteria and will then also cover lending to private customers.

The Oberbank Sustainable Corporate Lending Framework creates an Oberbank Sustainable Finance Pool, which, among other things, forms the basis for existing or future issues (e.g. of green bonds).



## Overview of sustainable lending in 2023<sup>6</sup>

	Number	Amount (in EUR million)
Green Building (Commercial)	188	735
Renewable energy	229	110
Energy efficiency	2	1
Clean mobility	2,123	68
Sustainable research and development	0	0
Circular economy	6	16
Education and vocational training	1	4
Social and healthcare services	12	62
Non-profit housing	0	0
Social support	10	6
<b>Total</b>	<b>2,571</b>	<b>1,002</b>

### Sharp rise in the number of environmental lending applications

- The number of supported environmental lending applications increased by 68% to 176 applications; the project volume in 2023 totaled EUR 62 million.

### Subsidised lending scheme “OeKB Exportinvestkredit Green”

- Lending option for new or replacement investments by exporting companies in Austria, provided they reduce the environmental impact and make a sustainable contribution to improving the environment
- In 2023, Oberbank issued a total of 8 Exportinvest Green financings with a volume of EUR 68 million (2022: EUR 32 million).

### EIB's "Green" refinancing scheme

- Oberbank is one of only a few Austrian banks to offer its business customers customised "Green" refinancing with the European Investment Bank (EIB) since the third quarter of 2022.
- This means **loan and lease finance at concessionary interest rates for environmentally benign investments** of our business customers.
- In the first step, a refinancing volume of EUR 100 million was available.
- Discussions are being held with the EIB regarding a second tranche totalling EUR 150 million, which will be made available in 2024.

### Sustainability also means support in times of crisis

- Lending to cope with the COVID-19 pandemic
- In total, bridge financing of EUR 892 million was granted, of which EUR 7 million will still be available in 2023 despite the expiry of the programmes.

<sup>6</sup> Lending commitments per framework category as at 31 December 2023. These include investment and lease financing in all markets.

## Sustainable retail lending

### Housing loans

- Using a valuation logic developed with the consultancy Drees & Sommer, the energy efficiency of housing loans in Austria was assessed on the basis of the properties' energy performance certificates.
- Based on this valuation logic, a volume of approximately EUR 1,034 billion in sustainable housing loans was identified in Austria as at 31 December 2023. This corresponds to a share of 39.05% of the total housing loans volume in the Austrian core market (2022: EUR 1.16 billion / 40.8%).

### Emission of the first green covered bond in Austria

EUR 250 million based on housing loans identified as sustainable (as at June 2021)

### Other options for sustainable retails lending

- Loans under government-subsidised financial aid schemes: subsidies for construction, refurbishment, alternative energies and other measures, such as noise protection or installation of elevators
- Housing accounts and financing for refurbishment measures
- Housing bank loans

### Outlook



#### be green mobility

This instant retail loan will be available from January 2024. This product, which can be taken out at any Oberbank branch, finances the following: hydrogen cars, e-cars, e-motorbikes, e-bikes, cargo bikes, bicycles and scooters.



#### be green living

This retail loan for renovation, purchase and construction of energy efficient and environmentally friendly properties in Austria will be available to our retail customers from the second quarter of 2024.



# Sustainable products

**Different, because with Oberbank you can achieve great things even with small bits.**

The sustainable product portfolio is a key element in contributing to a sustainable development of our environment and our society. Many sustainable products are already integral components of Oberbank's product range.

## For retail customers in Austria

***be(e) green account (current account), be(e) green student account, be green savings account, be green fixed-rate savings account***

- For the projects financed by means of these deposits, economic, ecological and social criteria are taken into account.
- These are digital accounts that save significant amounts of CO<sub>2</sub> emissions.
- Awarded the Austrian Ecolabel for sustainable financial products
- With each new be(e) green account or be(e) green student account opened, Oberbank contributes to protecting the bee population by creating large areas of wildflower areas.

## ***Austrian Ecolabel for sustainable financial products***

The Austrian Ecolabel was awarded by the Federal Ministry for Climate Action, Environment, Energy, Mobility, Infrastructure and Technology (BMK) for the products be(e) green current account, be green savings account, be(e) green account VKK, be(e) green student account and be green fixed rate saving account, because the projects financed by means of current and savings deposits take into account not only economic but also ecological and social criteria.



The Austrian Ecolabel guarantees that these criteria and their implementation are suitable for selection of appropriate projects. This has been verified by an independent body. The award of the Ecolabel does not represent an economic evaluation and does not allow any conclusions to be drawn about the future performance of the financial product.

## For business customers

### *Investment support for sustainable projects*

Based on its many years of experience, Oberbank offers its customers a broad range of subsidised loans for environmentally relevant investments that go beyond the scope of traditional investments. Depending on the programme, affordable subsidised loans, subsidised guarantees, subsidised equity or non-repayable grants may be available.

### *Sustainability dialogue*

Since 2022, Oberbank's business customers have been invited to participate in the sustainability dialogue, in which Oberbank actively discusses the topic of sustainability (environmental, social and governance issues) with its business customers.

### *ESG Data Hub of the OeKB (Österreichische Kontrollbank)*

- Sustainability reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD) places increasing demands on companies, particularly in terms of internal organisation and infrastructure for data collection.
- Oberbank has therefore decided to participate in **OeKB's ESG Data Hub** and has drawn the attention of its largest customers to the possibility of collecting and managing ESG data via this platform.
- In addition, Oberbank participated in adjusting the questionnaire.

### *ESG-linked loans*

In 2023, an ESG-linked loan was developed in which **individual sustainability targets**, such as the reduction of CO<sub>2</sub> emissions or occupational accidents, are set with the respective company. Alternatively, **sustainability ratings or an ESG certificate** from recognised providers can also be used as a basis. If the targets are achieved, the loan interest rate is adjusted in the customer's favour.

### *Sustainability check for companies*

Complementing the sustainability dialogue, in 2022, Oberbank, in cooperation with the sustainability consultancy Terra Institute, has introduced a sustainability check for Austrian and German companies. In the beginning of 2023, the sustainability check was also rolled out in the Czech, Hungarian and Slovakian markets. The check is designed to support the preparation of the sustainability dialogue and to raise awareness of ESG issues, as the status quo is assessed and tips are given based on this.



The questionnaire is available to all interested companies (customers and non-customers) free of charge: [www.oberbank.at/nachhaltigkeits-check](http://www.oberbank.at/nachhaltigkeits-check)

## Sustainable investments

**Our sustainable investments generate sustained earnings.**

- We offer a number of options for investing in sustainable products.
- The basis is a clearly structured **ESG analysis process**. Detailed information on this can be found in the integrated Sustainability Report on the Oberbank website at <https://www.oberbank.at/strategie>.
- Our carefully curated range of products (related to equities, bonds and mutual funds) comprises both our own and third-party products.
- **Sustainable funds:** In close coordination with 3 Banken Generali, a large number of funds comply with the strict ESG analysis process, e.g. Oberbank Vermögensmanagement nachhaltig, Oberbank Premium Strategie ausgewogen nachhaltig, 3 Banken Nachhaltigkeitsfonds, 3 Banken Mensch & Umwelt Aktienfonds and 3 Banken Mensch & Umwelt Mischfonds.
- **Sustainable asset management:** Asset management was expanded in 2023 to include the Oberbank Premium-Strategie ausgewogen nachhaltig (institutionelle Tranche).

**Oberbank is continuously striving to expand the range of sustainable products and services it offers. For more information, please refer to our website and the annual Sustainability Report.**

## High degree of customer satisfaction

- Online surveys on customer satisfaction among retail customers, private banking customers and business customers in Austria, for instance as a follow-up to consultations and telephone conversations with the Customer Service Centre (2023: 55,410 surveys delivered)
- At 65.7 as at 31 December 2023, Oberbank's Net Promoter Score (NPS) was very high. The score measures how many consumers would recommend a product or service to someone else (range between plus 100 and minus 100).

## Responsible marketing

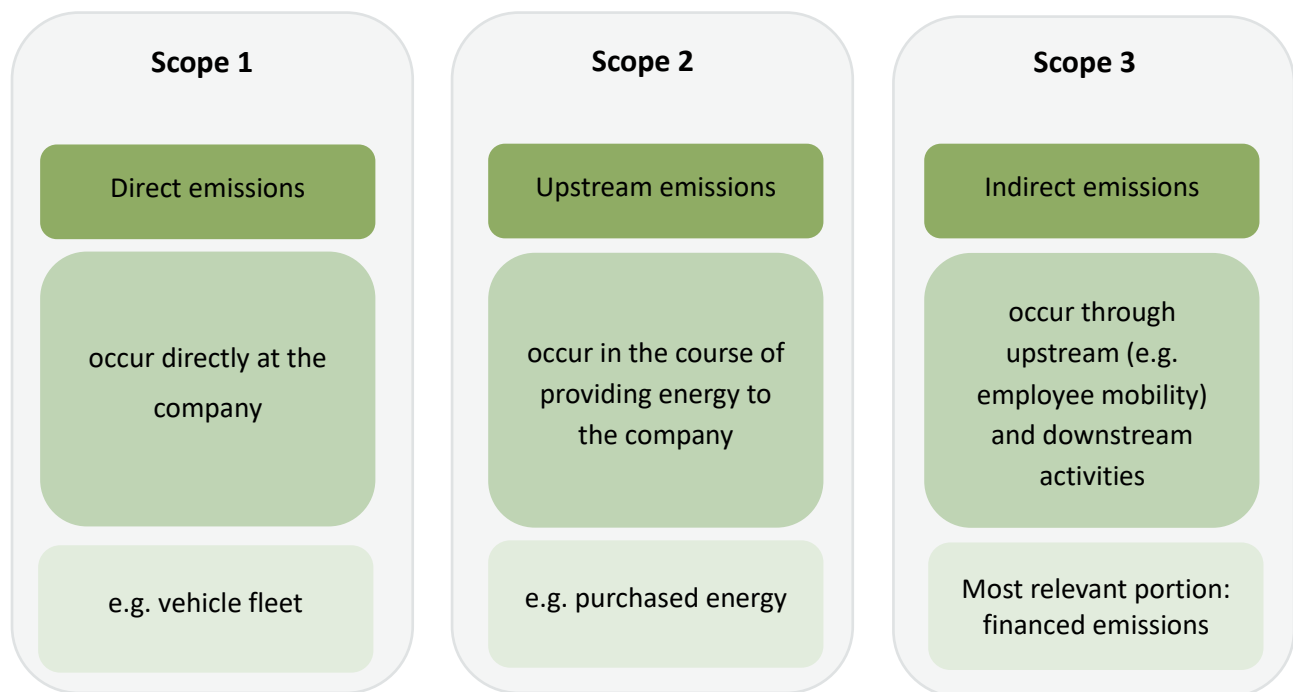
Oberbank was awarded the Pro Ethik label by the Austrian Advertising Council and, in accordance with the Austrian advertising industry's ethics code, complies with certain quality criteria that go beyond statutory requirements.



# CO<sub>2</sub> footprint and decarbonisation

## Greenhouse gas emissions according to the Green House Gas (GHG) Protocol

According to the GHG Protocol, greenhouse gas emissions (GHG emissions) can be categorised into three different impact areas.



## Oberbank Group GHG emissions in scope 1, 2 and 3 (in CO<sub>2</sub> equivalents in tonnes)

Oberbank has set itself the goal of being climate-neutral in scope 1 and 2 by 2025 and reducing the CO<sub>2</sub>-footprint per employee to less than one tonne. The following table shows the development of GHG emissions of the Oberbank Group.

		2025	2023	2022
Scope 1			1,495	1,410
Scope 2	market-based		1,234	1,334
	location-based		2,313	2,663
Scope 1+2	market-based	2,800	2,729	2,744
	location-based		3,808	4,073
	per employee (market-based)	<1	1.04	1.14
Scope 3 <sup>7</sup>	Scope 3.6 (business travel)		428	281
	Scope 3.7 (commuting)		1,551	1,532
	Scope 3.15 (financed emissions)			6,331,502
Scope 1+2+3	market-based			6,336,059
	location-based			6,337,388

<sup>7</sup> The scope 3 data and total emissions for 2023 are not yet completely available. The missing values will be disclosed in the Sustainability Report 2024.



## Indirect greenhouse gas emissions: scope 3

Since 2022, we have been collecting data on indirect greenhouse gas emissions that occur along the value chain (scope 3 emissions).

### Employee mobility<sup>8</sup>



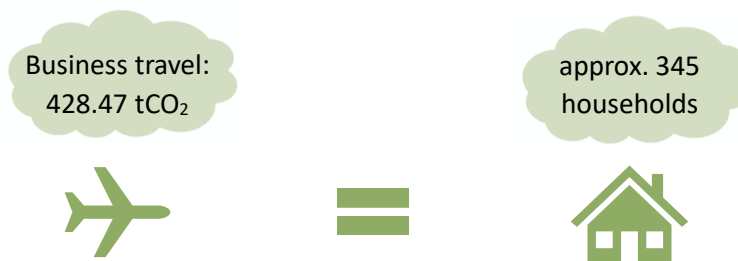
To gain a better understanding of the mobility behaviour of Oberbank's employees, in 2022 a mobility survey was conducted for the first time at all locations of the Oberbank Group (IFRS group; includes Oberbank AG and Leasing) in Austria, Germany, Slovakia, Hungary and the Czech Republic. The employee survey was repeated in 2023.

Employee mobility includes business travel and commuting (employees travelling to and from work). The CO<sub>2</sub> emissions generated in the process are classified as scope 3 – with the exception of the company's own vehicle fleet.

### Emissions from commuting and business trips compared with emissions from household electricity consumption<sup>9</sup>



The emissions for **commuting to work** correspond to the emissions caused by the electricity consumption of **approx. 1,249 households**.



The emissions for **business travel** correspond to the emissions caused by the electricity consumption of **approx. 345 households**.

<sup>8</sup> **Emission factors for employee mobility:** Predominantly using emission factors provided by the Austrian Federal Environment Agency for direct emissions (except for electric cars/hybrids). For mopeds and motorbikes: Emission factors published by the UK Department for Environment, Food and Rural Affairs. For tram, light rail and underground transport: factors of the German Federal Environmental Agency for application. For hybrid and electric cars: values calculated relative to fossil-fuelled cars on the German Environment Agency's 2021 "Life Cycle Assessment of Passenger Cars".

<sup>9</sup> **Emission factor** supplied by the Federal Environment Agency for electricity generation in Austria; based on this, electricity consumption in kilowatt hours is converted to total greenhouse gas emissions and represented by the consumption of households in Austria, which Statistics Austria surveys for the year 2021/2022.

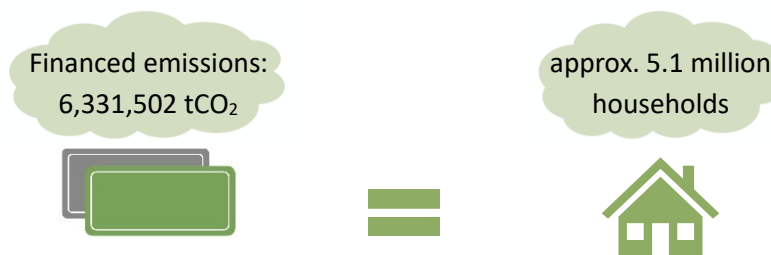
## Financed emissions<sup>10</sup>

Oberbank AG has been a member of the Partnership for Carbon Accounting Financials (PCAF) since October 2021. The PCAF methodology allows for a globally standardised calculation and disclosure of greenhouse gas emissions resulting from financing and investments. These greenhouse gas emissions are categorised as scope 3 category 15 (according to the GHG Protocol).

For the year 2022, the emissions financed by Oberbank AG were calculated for the following four asset classes, as in the previous year:

- Listed shares and corporate bonds
- Corporate loans and unlisted equity capital
- Mortgages
- Commercial real estate

The government debt asset class was included in the calculations for 2022 for the first time.



The **financed emissions** correspond to the CO<sub>2</sub> emissions caused by electricity consumption of **approx. 5.1 million average households** in Austria per year.

## Outlook for decarbonisation

In 2023, Oberbank started the **development of a decarbonisation strategy** for its entire portfolio. In a cross-company project, science-based climate protection targets are being developed in line with the Science Based Targets initiative (SBTi). These targets are to be finalised in the course of 2024 and submitted to the SBTi for validation. The validated science-based targets will be integrated as a fundamental component of the decarbonisation strategy.

The decarbonisation strategy is a fundamental instrument for Oberbank on its way to making a measurable contribution to achieving the Paris climate targets.

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<sup>10</sup> **Emission factors for financed emissions:** EXIOBASE was used to assign an emission factor per economic sector (tCO<sub>2</sub>e/EUR million) to each borrower or investee. Building emissions were calculated based on the emission factors for buildings (tCO<sub>2</sub>e/m<sup>2</sup>) obtained from the PCAF Emission Factor Database.

# Sustainable banking operations

We are aware of the importance of environmental protection and take on our responsibility. Oberbank strives for a high level of environmental compatibility in all its activities and processes.

## Four fields of action

### Energy efficiency

- Effective space management (location analyses, consolidations, reductions)
- New working models and processes, e.g. expansion of digital signatures for internal processes, introduction of a digital invoicing tool
- Self-service areas in the branches: self-service devices are used for as long as possible (end of life), necessary modernisations are carried out
- Efficient cooling of the technical rooms, elimination of servers in the branches, adjustment of the running times of ventilation systems, heating and advertising elements



In 2023, the Oberbank branches organised an **energy-saving challenge** with the ambitious goal of saving 15% of electricity. A saving of 12.5% was achieved – due to the hot summer, the use of cooling systems could not be reduced as planned.

### Renewable energy

- **Electricity from renewable sources:** In Austria and Germany, Oberbank has been using 100 % green electricity since 2020, in the Czech Republic since 2021.
- **Investment in new systems:** gradual acquisition of photovoltaic systems, expansion of e-mobility
- **Moving away from oil and gas:** We are encouraging landlords to switch from conventional to renewable energy sources for their heating systems. In 2023, five branches were converted to district heating.



### CO<sub>2</sub> compensation

The unavoidable CO<sub>2</sub> emissions generated by hosting the **FERONIA Gala 2023** for the presentation of the Upper Austrian Sustainability Award were calculated and offset by supporting the Dürrenstein-Lassingtal wilderness climate project.



### Resource conservation in mobility, internal processes and procurement

- **Climate-friendly business trips and vehicle fleet:** The proportion of vehicles with electric/hybrid drive on the Austrian market is to be increased to 30 % by 2025 and to 50 % by 2030. In 2023, 20 electric vehicles were put into operation in the Austrian vehicle fleet. Since 2022, the installation of additional e-charging stations at the headquarter and branches has been accelerated.
- **Streamlining of internal processes** – cutting back paper and courier services: Courier services were drastically reduced in the second half of 2023.
- **Sustainable procurement:** When selecting suppliers, environmental impacts are considered.
- The **company kitchen** has switched to mandatory menu bookings in order to avoid food waste.

# Oberbank staff

We want to take the journey into a more sustainable future together with our employees.

Our employees invest their time, their talents and their passion into Oberbank. In return, Oberbank strives to be a fair employer that offers equal opportunities, personal and professional development options, and an attractive work environment.

## Diversity and equal opportunities

As a fair employer, diversity and equal opportunities are important to us. Age, gender, nationality, beliefs or other factors have no influence at all on staffing choices at Oberbank. This is demonstrated, for example, by our "**Chance 2030**" (Opportunity 2030) project or our signing of the **Diversity Charter**.

## Gender Balance

**Project "Chance 2030"** (Opportunity 2030): The upcoming generational change will be used to achieve a sustainable gender balance in management positions (goal: 40% share of women by 2030).

## Attractive employer

High **employee satisfaction ratings** according to company survey and high recommendation rate as a place of work on online the platform kununu, where Oberbank is among the top 5% of the companies rated.



Oberbank is also among the top **1% of Austria's top employers**. This has been confirmed by a meta-study involving more than 40,000 companies.



## Employee participation scheme: Employees turned shareholders.

Every year, since 1994, Oberbank has organised a drive offering Oberbank share at preferential conditions to employees. As a result, our employees are among the core shareholders of the bank.

## Work-life balance

- Flexible working-time models: flexitime, part-time and mobile working
- Work-life balance: In September 2021, Oberbank opened Kinkis Nest, a childcare facility for small children at its headquarters in Linz.





## Aktie Gesundheit (Health Equity): Promoting health holistically

The "Aktie Gesundheit" (Health Equity) initiative has become a permanent fixture at Oberbank. There are offers on sport, nutrition and mental health. The prevention of physical and mental illnesses is of great importance at Oberbank. Many of our measures are designed to make the working environment more attractive and to help maintain the health of our employees.



For years, Oberbank has been promoting the health of its employees with a wide range of offers that go far beyond the basic benefits.

This is also confirmed by the certification and renewal of the quality seal for workplace health promotion (BGF) since 2013.

## Health offensive GO!2023

In 2023, the new health offensive GO!2023 will be launched under the motto **#wirsindfit** (#wearefit), offering employees in all countries a even broader and more varied range of options to boost their own well-being.

For example, specially trained employees are available in all regions as health ambassadors for questions regarding the main topics of nutrition, exercise, mental fitness and stress management. There will also be a number of workshops on these three main themes.

## Oberbank Sozialstern (Social star)

In 2022, employees were able to submit their ideas for more sustainability (details on the "Sustainability Challenge" in the Sustainability Report 2022). One of the winning ideas was to create a **social prize**: this resulted in the **Oberbank Sozialstern**.

In 2023, the award was presented for the first time at a ceremony to three employees who take responsibility for society and the environment through their voluntary work – the winning projects were supported with prize money of up to EUR 3,000. The Sozialstern will also be awarded in 2024.

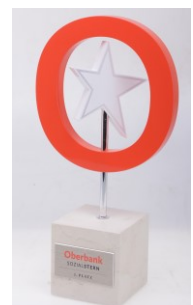


Photo credit: Oberbank AG

# Social commitment: financial education, donations platform and sponsoring

We use our strong roots to give something back to society.

## Contribution to financial education

### *Goal: Improving financial literacy*

Oberbank holds **lectures and workshops** at schools and universities and cooperates closely with Johannes Kepler University in Linz and the Salzburg University of Applied Sciences (FH Salzburg) for academic theses and projects in the area of sustainability. Examples of **cooperation in 2023**:

- On behalf of Oberbank, students at the Salzburg University of Applied Sciences analysed the transparency and usability of sustainability documents in the securities sector.
- Event on the topic of sustainability in the securities sector at a regional company

### *Partnership with impactory – platform for social commitment*

impactory assists companies in making their social commitment interactive and measuring its impact. To do so, impactory brings committed businesses and non-profit projects together via an online donations platform (see Oberbank's own impact page: <https://impactory.org/oberbank>).



## Donations and sponsorships

- Sponsoring in a range of fields, with sports and culture as cornerstones.
- The focus is on our regions and long-term support.
- In addition to the Oberbank Linz Danube Marathon, there is a host of other projects and initiatives (2023: 425 sponsoring requests approved at the headquarter in Linz).
- Examples of **sponsoring in 2023**
  - Sports: Oberbank Linz Danube Marathon, ULC Linz Oberbank, women's football team of TSV Ottensheim, SV Guntamatic Ried, Oberbank Steelvolleys Linz-Steg, Gala Night of Sports
  - Culture: in addition to events, including the St. Florian Boys' Choir, various concerts as part of the Salzkammergut Festival Weeks in Gmunden, Ohrenschmaus literature prize, Blindenmarkt Autumn Days cultural festival, Linz School of Music
  - Public institutions such as educational institutions, the MINTality Foundation and the Agenda Austria think tank are also supported.
- Examples for **donations 2023**
  - In the social sector, Oberbank supported for example Caritas, Licht ins Dunkel, Volkshilfe, Rettet das Kind OÖ, Verein Elijah, volunteer fire brigades, Christmas campaigns by Kronen Zeitung and BezirksRundschau OÖ, associations for the blind, animal welfare organisations and the Linz/Urfahr-Umgebung hospice movement.

## Oberbank Art Advisory Board

- Professional management, from the selection and purchase of the works of art to their exhibition
- The collection includes works by Maria Moser, Anselm Glück, Lena Göbel, Christian Ludwig Attersee and Brigitte Kowanz, to name but a few.

## Sustainability Award FERONIA

In 2023, Oberbank joined forces with OÖ Nachrichten and the State of Upper Austria, to award the Sustainability Award FERONIA for the first time and honoured sustainable and climate-conscious companies, initiatives and associations based in Upper Austria. The winners were selected by a panel of mostly independent judges and representatives of the sponsoring organisations with broad expertise in sustainability, ranging from environment, social affairs, art and culture.

At the FERONIA Gala on 16 March 2023, the Sustainability Award was ceremoniously presented in four categories (Sustainable Through & Through, Sustainable Products and Services, Culture and Social). In addition, a special prize for outstanding commitment was presented to a school.



In 2024, the Sustainability Award FERONIA will again be presented to sustainable and climate-conscious companies, initiatives, associations and, for the first time, schools in the region of Upper Austria.

Detailed information on FERONIA can be found on the OÖNachrichten website at <https://www.nachrichten.at/wirtschaft/feronia/bewerben/>.

## "Green Location" Oberbank Danube Forum

Since spring 2023, the Oberbank Danube Forum (event location at the Oberbank headquarters in Linz) has been certified with the Austrian Ecolabel "Green Location" (Ecolabel no. 200). Oberbank thereby seeks to demonstrate its high quality standards and, at the same time, set an example for sustainability.



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### **Project management and editing**

ESG Unit

### **Editorial deadline**

April 2024

### **Photo credits**

Cover: Oberbank AG / Sabine Kneidinger

Social prize: Oberbank AG

For more information, please refer to our integrated Sustainability Report 2023 available on the Oberbank website at <https://www.oberbank.at/nachhaltigkeit>.



The background of the advertisement is a lush, green meadow with tall grass and wildflowers in the foreground, leading up to a dense forest of tall trees in the background. The scene is brightly lit, suggesting a sunny day.

**Oberbank**  
Not like any other bank

Further information: [oberbank.at/nachhaltigkeit](https://www.oberbank.at/nachhaltigkeit)