



Oberbank's decarbonisation strategy

Actions, Targets & Governance

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Introduction

Oberbank is clearly committed to the 1.5°C target of the Paris Climate Agreement and is aligning its climate strategy with the decarbonisation of the loan portfolio thereafter, as this is where the greatest lever for reducing emissions lies. Specific, measurable targets for 2030 and 2050 as well as binding measures for all markets have been defined for the three central asset classes of commercial real estate, residential mortgages and business loans. The development is monitored annually and transparently reported as part of the ESRS disclosure. The aim is to achieve a net-zero portfolio by 2050. Supporting clients along their ESG maturity level – from advanced companies with clear climate targets to clients with increased ESG risk – is a central element of this strategy. The targets were defined throughout the institute under the leadership of the ESG unit from the department Organizational Development, Digitalization & IT together with Risk Management, the Corporate Clients department and the Management Board and are an integral part of strategic management and risk assessment.

Methodology and data basis

The decarbonization pathways for Commercial Real Estate and Residential Mortgages are based on CRREM V2. The model provides country-specific, building-type-dependent emission pathways, which are aggregated according to the exposure to derive robust portfolio targets. The targets are science-based and compatible with the 1.5°C pathway. The target derivation for the business loans is based on the NGFS scenario "Net Zero 2050" (MESSAGEix-GLOBIOM). The target includes Scope 1 and 2 greenhouse gas emissions; Scope 3 emissions are excluded from this calculation per scenario definitions to avoid double counting. The scenario matches the portfolio composition and remains strictly science based.

Target system and decarbonisation pathways

Oberbank has set decarbonization targets to contribute to the transition to a climate-neutral economic area.

- Commercial Real Estate (PCAF, Scopes 1 & 2; CRREM V2):
 - Base year 2023 39,52 kg CO₂e/m²
 - Target 2030: 18,64 kg CO₂e/m²
 - Target 2050: 0,4 kg CO₂e/m²

- Residential Mortgages (PCAF, Scopes 1 & 2; CRREM V2):
 - Base year 2024 24,45 kg CO₂e/m²
 - Target 2030: 13,1 kg CO₂e/m²
 - Target 2050: 0,4 kg CO₂e/m²
- Business Loans (PCAF, Scopes 1 & 2; NGFS „Net Zero 2050“):
 - Base year 2024 113,2 t CO₂e/MEUR
 - Target 2030: 81,5 t CO₂e/MEUR
 - Target 2050: 27,4 t CO₂e/MEUR

All targets are science-based and correspond to the 1.5°C pathway.

Measures to achieve targets

For the Commercial Real Estate asset class, financing conditions have been linked to energy efficiency requirements in a binding Credit Policy. For third-party used properties with a credit exposure of € 3 million or more (group of connected customers), an energy performance certificate of at least Class B is required. For owner-occupied properties, the energy performance certificate must be at least efficiency Class C. Renovations require demonstrable improvement in primary energy demand. These specifications apply in all markets and are regularly monitored via the PCAF calculation. To enable targeted and responsible decisions on a case-by-case basis, the Management Board retains a right of veto and can override the Credit Policy in justified exceptional cases.

For Business Loans, the biggest leverage lies with customers who have high CO₂e intensity. A specific support concept addresses the 50 most greenhouse gas-intensive companies (measured in t CO₂e/MEUR). Sustainability discussions are held with these customers, CO₂e data is collected, and measures are defined. The customers' targets are recorded and flow into the calculation of the bank's targets. The focus here is particularly on the Scope 1 and 2 emissions of these companies. Additionally, the bank will introduce differentiated conditions based on GHG intensity in the future; a corresponding project is currently in progress. CO₂e-reducing investments are actively supported according to the OBK Sustainable Lending Framework—for example, through interest-subsidized loans ('be green invest' loans/leasing, EIB green) and promotional products. Furthermore, „Schuldschein“ loans have been identified as leverage for decarbonization: before participation, the GHG intensity of the financing is calculated and used as a basis for decision-making. These measures are expected to make a substantial contribution to achieving the Business Loans target. The industry expects the remaining gap to the target to be closed through the manifestation of national climate plans (energy transition, efficiency increases, etc.) in the Oberbank markets.



For Residential Mortgages, pathway control follows the CRREM specifications in all markets; the suitability of the scenario has been validated based on the starting intensity.

Customer dialogue and transformation support

Oberbank provides differentiated support to its customers based on their GHG intensity—ranging from advanced companies with clear climate targets to customers with elevated ESG risks and a lack of defined goals. The focus lies on advisory services, sustainable financial products, and targeted incentives for emission reductions to encourage CO₂e savings and discourage CO₂e-intensive investments.

Monitoring, Reporting and Transparency

The development of the three asset classes is continuously monitored and reported transparently on an annual basis as part of the ESRS disclosure. Regular emission monitoring enables active portfolio management and ensures that steering measures can be implemented at an early stage.

Operating emissions (Scope 1 & 2)

In parallel with reducing financed emissions, Oberbank is consistently lowering its operational footprint: in Austria and Germany, operations have transitioned to 100% green electricity, with a long-term plan for a complete phase-out of oil and gas. The vehicle fleet is being gradually electrified alongside updates to the company car policy; buildings are undergoing energy-efficient renovations and are being equipped with modern control systems to reduce energy consumption.

In 2024, Oberbank's emissions stood at 1,495 tonnes of CO₂e in Scope 1 and 1,234 tonnes of CO₂e in Scope 2 (market-based). In line with the science-based SBTi pathway, combined Scope 1 and 2 emissions are to be reduced by 42% by 2030 compared to the 2022 base year (baseline: 3,363 tonnes of CO₂e), reaching a total of 1,951 tonnes of CO₂e.

Period of validity

The contents of this document take effect immediately and remain valid until the publication of the non-financial report as part of the 2025 Annual Financial Report. Upon its publication, the contents of this document will be superseded and replaced by the corresponding, identical provisions within the non-financial report.

Conclusion

Oberbank embraces its corporate responsibility to play its part in the transition toward a climate-neutral future. Through science-based targets, clear lending and product standards, targeted customer incentives, and rigorous monitoring, all financed emissions are to be substantially reduced to achieve a net-zero portfolio by 2050.