

Sustainability in Brief 2022

Oberbank
Not like any other bank



Grow independently.
Bloom sustainably.

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This brochure is based on the Oberbank Sustainability Report 2022.
Differences in content have been marked.

Preface by the Chairman of the Management Board

Dear Readers,

after an optimistic start to the year, 2022 was marked by the shocking start of Russia's war of aggression against Ukraine, rising energy prices, interest rate hikes and inflation. But even in this very challenging environment, Oberbank's operating business performed well. We were also successful with our sustainability management and in achieving our strategic sustainability goals by 2025.

Ratings and awards confirm our pioneering role

Oberbank was awarded PRIME status by the rating agency ISS ESG already in June 2021 (and again in 2022). The good result in our first CDP rating is furthermore very pleasing. Oberbank's Sustainability Report 2021 was also awarded 3rd place in the Austrian Sustainability Reporting Award (ASRA) in the category "Capital Market Oriented Companies – Banks and Insurance Companies".

The EMAS (Eco-Management and Audit Scheme) audit of Oberbank in Austria, which was completed in 2022, also demonstrates that we have a clear goal to improve our environmental performance in our own operations.

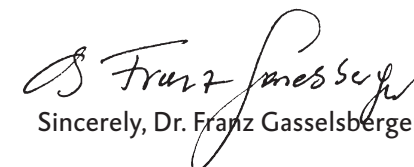
Towards a decarbonisation strategy

At present, however, the biggest challenge in sustainability management remains the development of a science-based decarbonisation strategy for Oberbank. An unequivocal commitment to the goals of the Paris Climate Agreement is a cornerstone of our sustainability strategy. Oberbank has been a member of PCAF – Partnership for Carbon Accounting Financials – since October 2021. In 2022, for the first time, we were able to calculate the greenhouse gas emissions we finance and collect data on employee mobility in a Group-wide survey.

The next step is to develop a decarbonisation strategy for Oberbank from 2023 onwards. Science-based targets under the Science Based Targets Initiative (SBTi) must be in place by the end of 2024.

Further development of sustainability reporting

Oberbank's sustainability reporting is also facing major changes such as the Corporate Sustainability Reporting Directive and the future mandatory application of the European Sustainability Reporting Standards (ESRS). Oberbank has taken a progressive approach to its development. As early as 2023, we will conduct a materiality analysis in line with the ESRS and integrate the sustainability report into the annual report as part of the management report.


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 2022

in EUR million	
Profit for the year before tax	295.3
Total assets	26,798.2
Primary funds	17,948.1
Equity	3,546.9
Customer funds	37,185.5
Market capitalisation	3,227.1

in %	
Common equity tier 1 ratio	18.03
Tier 1 capital ratio	18.32
Total capital ratio	20.19
Cost/income ratio	48.75

Competent

2,411 employees* at 180 branches

Austria
95 branches, 1,724 employees
Germany
46 branches, 304 employees
Czech Republic
21 branches, 196 employees
Hungary
14 branches, 139 employees
Slovakia
4 branches, 48 employees

* Number according to staff headcount
as at 31 December 2022

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 21/02/2022).

Our goals and values

Sustainability as a key principle

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

Our corporate values

Shared values put into practice

- Highly motivated, competent and passionate employees – who work according to our values – create trust.
- A sense of community is one of our key values.
- As an employer, Oberbank is committed to fairness and equal opportunity, and strives to provide an attractive and meaningful work 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 page 8).



Sustainability at Oberbank in 2022: Highlights and achievements

In 2022, 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 2022: once again, Oberbank ranks among the top 10 percent of rated institutions in the Financials/Public & Regional Bank sector

CDP Rating 2022: in its first rating, Oberbank achieved a good result with a B rating

ASRA Austrian Sustainability Reporting Award: 3rd place for the Sustainability Report 2021



Innovations in sustainable products and financing

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

Expansion of the sustainable product range for retail customers: be(e) green student account and be green fixed-rate savings account were awarded the Ecolabel for financial products



Further improvement of sustainability in our own operations

EMAS (Eco-Management and Audit Scheme): audit completed

Green Location Ecolabel: for the event location Oberbank Donauforum



Successful launch of the new sustainability award FERONIA

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



More detailed consideration of CO₂ footprint and decarbonisation strategy

Survey of indirect emissions (scope 3): First-time calculation of financed emissions (PCAF Partnership for Carbon Accounting Financials) and employee mobility

Decarbonisation: Start of work on the development of a decarbonisation strategy and commitment to the development of science-based targets

Awards and ratings

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

ISS ESG Rating*

ISS ESG has awarded Oberbank Prime Status. According to ISS ESG, Oberbank AG is thus among the best 10% of the institutions rated in the sector Financials/Public & Regional Bank (as at 25/11/2022).

* <https://www.issgovernance.com/esg/ratings>



CDP Rating

The CDP rating is considered the gold standard of environmental transparency for listed companies. In its first rating in 2022, Oberbank AG achieved a good result: a B rating.



WWF Bank Rating

Oberbank was classified as "Ambitious" by WWF in autumn 2022. The "Ambitious" group recognises that ESG factors can create economic opportunities and offer a suitable approach to minimising the associated risks.

S&P CSA

In 2022, Oberbank received an invitation from S&P Global to participate in the CSA (Corporate Sustainability Assessment) for the first time. We have accepted it and submitted the required information by January 2023.

ASRA

In the category "Capital Market Oriented Companies – Banks and Insurance Companies", Oberbank AG was awarded third place for its Sustainability Report 2021.



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 has been certified under EMAS as of December 2022.



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:

- Increasing the volume of sustainable 3BG mutual funds (according to the new ESG analysis process) to more than EUR 1 billion by 2025
- 2022: EUR 561 million



... for our customers:

- Retain high level of customer satisfaction (Net Promoter Score (NPS) > 60)
- 2022: NPS of 62.9
- Customer digitalisation rate > 80%
- 2022: 70% digitalisation rate (based on customer portal use)



... for society:

- Priority for the region: 95% of our sponsoring budget goes to regional initiatives
- Procurement primarily from the region



... in finance and in lending policy:

- At least EUR 1.5 billion in sustainable loans (housing)
- 2022: approx. EUR 1.164 billion
- Decarbonisation of loan portfolio
- Impact reporting
- 50% of all new issues conform to ESG criteria (green/social bonds)
- 2022: First green covered bond issued (EUR 250 million)



... for our employees:

- Next generation: 80% managers from within our organisation
- 2022: 88%
- Gender balance: 30% female managers
- 2022: 27.2% women in management positions



... for the environment:

- Climate neutrality in scope 1 & scope 2
- Carbon footprint per employee < 1 tonne
- 2022: 1.14 tonnes of CO₂ equivalents per employee

Key sustainability topics and Sustainable Development Goals

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 a 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 clients to consider the protection of the environment, climate and ethical values in their investments.



Own 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 and to taking ecological and social aspects into account in our own operations and purchasing activities.



Exclusion criteria

Transactions 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 business that existing customers may enter into, and they are not subject to any option for approval.

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

Excluded business activities and industries

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

Industries

- Nuclear energy
- Illegal substances (narcotics)
- Harmful substances
- Gems and conflict minerals
- Fishing
- Trade in protected animals or export leather, as well as 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, please visit 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 lists of the Financial Action Task Force on Money Laundering (FATF)
EU list of high-risk countries	Countries on the EU list of high-risk third countries as set out in REG (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 the UN, the US and the EU has imposed sanctions

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. Oberbank is committed to implementing the UNGC’s ten universal principles addressing human rights, labour standards, environmental protection and the fight against corruption, as well as to supporting the 17 Sustainable Development Goals. For the goals we address, please see page 10.



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 harmonised approach for the finance 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 action targets.

Oberbank’s in-house sustainability organisation

This is how sustainability is addressed within Oberbank’s organisational structure*:

- ESG Unit: acts as first point of call and hub for various sustainability topics within the group
- Sustainability Officers: each department has a sustainability officer to ensure the topic is mainstreamed across all organisational units
- Steering Committee (Management Board & department heads): ensures that the sustainability strategy is implemented and approves new measures.
- Stakeholder Sounding Board: is consulted to regularly re-evaluate our sustainability commitment together with our key stakeholder groups

Oberbank Sustainability Organisation

Oversight		
Oberbank AG Supervisory Board		
Management Board		
Full Management Board Dr. Franz Gasselsberger, MBA; Mag. Florian Hagenauer, MBA; Martin Seiter, MBA; Mag. ^a Isabella Lehner, MBA Mag. ^a Isabella Lehner, MBA Management Board Member responsible for sustainability		
Strategy and steering		
ESG Unit Sustainability hub	Sustainability Steering Committee Full Management Board & department heads	Stakeholder Sounding Board Members from the private and public sector, interest groups and advisors
Implementation		
Sustainability Officers of the central departments	ESG Unit staff	All employees When working on projects, brainstorming

* As of June 2023 (content differs from Sustainability Report 2022)

Governance, compliance and data protection

Oberbank not only follows 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 and separate one for suppliers
- Whistleblowing tool: With this tool, Oberbank offers both internal and external persons the opportunity to report possible violations of the law, thus already fulfilling the requirements of EU Directive EU 2019/1937.
- Integrity in tax matters: Oberbank is committed to integrity and honesty in tax matters. This commitment and the course of action taken in tax matters are part and parcel of the code of conduct.
- The protection of customer data and IT security are very important to us, and we dedicate utmost care and attention to this matter. 3 Banken IT GmbH has undergone certification in accordance with ISO/IEC 27001:2013, the internationally recognised information security standard.

Compliance

- Ensuring that regulatory requirements are met through the use of high-quality compliance IT tools and automated processes
- Internal guidelines and staff training (e.g. WBTs for all Oberbank employees)

Compliance with the Banking Act (BWG, regulatory compliance management): 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. 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 2.3 million in 2022.

Anti-corruption management: Oberbank does not tolerate violations of anti-corruption regulations and will punish such infringements accordingly. In 2022, there were no confirmed incidents of corruption.

Securities compliance: ongoing monitoring of Oberbank's securities trading to prevent malversation under stock exchange law as well as monitoring activities in the field of securities services and investment activities

Sustainability in line with the EU taxonomy

Legal background for sustainable finance

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.

Oberbank: Project for implementation of changes in legislation

Ongoing project designed to integrate EU taxonomy assessment criteria in our loan application process and to analyse our loan portfolio for conformity with the EU taxonomy

Own sustainability team for taxonomy audits

In 2022, a dedicated sustainability team was established in the Corporate & International Finance (CIF) department to carry out and document the taxonomy review.

The technical evaluation criteria, the DNSH (do no significant harm) criteria and the MSS (minimum social safeguards) criteria are examined during this review

In the future, this team will also review financing against the parameters of Oberbank's Sustainable Lending Framework (see page 5).

Key figures as per the EU taxonomy

EU taxonomy reporting

as of 31/12/2022

a1)	Share of risk positions in economic activities not eligible for taxonomy/ total assets	
	classified in terms of revenue KPIs	4.52%
	classified in terms of CapEx KPIs	4.50%
a2)	Share of risk positions in economic activities eligible for taxonomy/total assets	
	classified in terms of revenue KPIs	10.65%
	classified in terms of CapEx KPIs	10.67%
b)	Share of risk exposures to central governments, central banks, supranational entities, derivatives/total assets	15.61%
	of which share of derivatives/total assets	0.32%
c)	Share of companies not subject to NFRD/total assets	40.30%
	Share of trading portfolio/total assets	0.04%
	Share of short-term interbank loans/total assets	0.35%

Sustainable lending policy

Grant more sustainable loans and reduce sustainability risks

To arrive at a more sustainable portfolio, we

- consistently apply exclusion criteria,
- take account of sustainability risks and opportunities when granting loans
- step up funding for 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,
 - Climate-related transition risks, such as policy changes (e.g. CO₂ levies) or technology changes (e.g. e-mobility) may be a threat to businesses that have failed to adapt
- In addition, also in the areas of S (Social, i.e. social and labour issues) and G (Governance, i.e. corporate management).

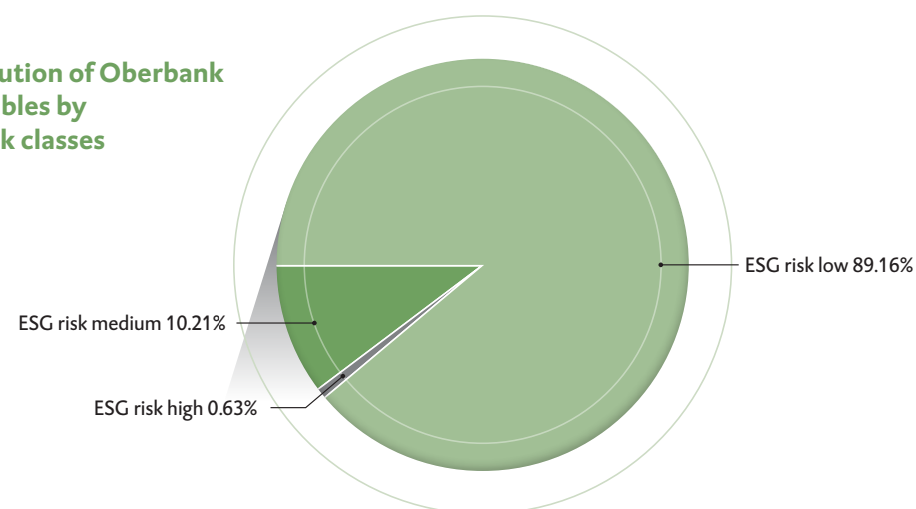
Integration of sustainability risks in corporate and business customer ratings:

- Consideration of ESG risks in the lending decision process is largely automated
- Where customers presenting a high or very high ESG risk apply for new funding, we will ask to what extent such funding contributes to reducing ESG risk.
- ESG risks are currently already recorded and documented in the soft facts, but do not yet feed directly into the rating grade. However, they are taken into account as part of the lending decision.

Sustainability risks in Oberbank's aggregate loan portfolio

- Oberbank's loan portfolio is exposed to below-average sustainability risks (as at 31 December 2022).

Distribution of Oberbank receivables by ESG risk classes



Sustainable lending

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

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

Analysis of existing portfolio based on positive criteria

In 2020, Oberbank collaborated with Österreichische Gesellschaft für Umwelt und Technik (ÖGUT) to define positive criteria that go beyond the scope of the EU taxonomy. As of 2023, the ÖGUT positive criteria will be replaced by the Oberbank Sustainable Corporate Lending Framework (see page 19).

- These criteria are used to classify sustainable lending to business customers (see the result of the portfolio analysis on the next page).
- Lending falling within these categories has a positive impact on the environment and/or the social sphere.
- Positive criteria include, for example, construction/upgrading/acquisition of buildings with high energy efficiency ratings, renewable energy, and e-mobility.

Sustainable retail lending

Housing loans

- Accounted for the majority (89.92%) of new retail loans granted by Oberbank in the core market of Austria in 2022.
- Sustainability defined in accordance with EU taxonomy screening criteria, based primarily on properties' energy performance certificates.

First green covered bonds issued in Austria (EUR 250 million) based on housing loans identified as sustainable (June 2021)

Other options for sustainable retail lending:

- Loans under government-subsidised financial aid schemes: subsidies for new buildings, home upgrades, alternative energies and other measures, such as noise protection or installation of elevators
- Housing accounts/lending schemes for building upgrading measures
- Housing loans

Sustainable business lending

Portfolio of sustainable loans by sector code

- In 2022, a survey of sustainable corporate lending was carried out on the basis of the ÖNACE sector codes. A total of 179 loans with a volume of EUR 94.8 million were identified.

Sustainable large-scale projects and applications for subsidies for environmental projects on the rise

- Our positive criteria analysis shows that the lending volume for sustainable large-scale projects has grown considerably (from about EUR 113.3 million in 2021 to EUR 184.5 million in 2022).
- The number of applications for subsidised loans for environmental projects processed by Oberbank also rose by 6 percent, while the projected project volume increased by 42 percent against 2021 to EUR 160 million.

Subsidised lending scheme “OeKB Exportinvestkredit Green”

- A funding scheme 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 2022, Oberbank extended four Exportinvest Green loans with a volume of EUR 32.4 million.

EIB’s “Green” refinancing scheme

- Oberbank is one of only a few Austrian banks to offer its corporate customers customised Green refinancing with the European Investment Bank (EIB) since the third quarter of 2022.
- This means loans and lease finance at concessionary interest rates for environmentally benign investments of our corporate and business customers.
- In a first step, a refinancing volume of EUR 100 million is available, which can be increased to EUR 200 million if necessary.
- In 2022, EIB loans totalling EUR 11 million were disbursed for four projects with a total volume of EUR 24 million.

Sustainability also means support in times of crisis

- Lending to cope with the COVID-19 pandemic
- In total, bridge financing of EUR 885 million was granted, of which EUR 22 million were still granted in 2022, despite the expiry of the programmes














Oberbank Sustainable Corporate Lending Framework

In 2022, the Oberbank Sustainable Corporate Lending Framework was developed as a new basis for analysing lending operations in terms of their environmental sustainability. It is aligned with the assessment criteria of the EU taxonomy as well as our exclusion criteria (see chapter on corporate governance).

The objective of this framework is to define clear sustainability criteria for investment and project financing in the corporate client sector.

The Oberbank Sustainable Corporate Lending Framework creates an Oberbank Sustainable Finance Pool, which, among other things, forms the basis for existing or future issues.

Oberbank Sustainable Corporate Lending Framework

Environmental	 Taxonomy-aligned & eligible	 Environmentally friendly buildings	 Renewable energy	 Clean mobility	 Sustainable research and development
	 Eligible for environmental subsidies	 Energy efficiency		 Circular economy	
Social	 Social projects	 Schooling and vocational training	 Social and health services	 Non-profit housing	 Social funding (EU-wide emergencies)
Governance	Strictly excluded business				

Sustainable products

Making a difference – every bit counts

Our sustainable product portfolio is a key element in contributing to a sustainable development of our environment and our society.

Many sustainable products are already fixed 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 CO₂ 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 creating wildflower areas to help save the bees.

For business customers

Investment support for sustainable projects

Based on its many years of experience, Oberbank offers its customers a broad range of funding options 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.



* 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 be(e) green current account, the be(e) green savings account, the be(e) green VKK account, the be(e) green student account, the be(e) green corporate account and the be(e) green fixed-interest savings account, because the projects financed by means of current/savings deposits take into account not only economic, but also ecological and social criteria. The Ecolabel ensures that these criteria and their implementation are suitable for the selection of appropriate projects. This has been independently verified. 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.

Annual sustainability review meeting

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

Sustainability check for companies *

Complementing the sustainability review meeting, Oberbank, in cooperation with the sustainability consultancy Terra Institute, has introduced a sustainability check for Austrian and German companies.

The check is designed to support the preparation of a sustainability review meeting and to raise clients' awareness of ESG issues.

The sustainability check was integrated into Oberbank's advisory process and the results are incorporated into the sustainability review meetings. The sustainability check can also be accessed via Oberbank's website and is available to all interested companies (customers and non-customers) free of charge: <https://www.oberbank.at/nachhaltigkeits-check/>

How does it work?

Conducted by the Terra Institute: fast, free and effective. In just a few minutes you can access your customised environmental, social and governance (ESG) report.

Entrepreneurs receive quick feedback on their status quo. The answer to the question of where your company is currently positioned results in concrete recommendations for action. In the next step, you receive specific suggestions for the sustainable transformation of your company in a personal meeting.

The advantages at a glance:

- Overview of important ESG issues and the status quo of your company
- Fast, uncomplicated and free of charge
- The report with results includes tips for possible improvements

* Different from the Sustainability Report 2022, new content added



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:
 - minimum standards and exclusion criteria (coal, tobacco, weapons, etc.)
 - MSCI ESG rating review
 - Consideration of regulatory requirements (SFDR, Principle Adverse Impacts, Taxonomy Regulation)
- **Our carefully curated range of products (related to equities, bonds and mutual funds)** comprises both our own and third-party products.
- In close coordination with 3 Banken Generali, a large number of funds comply with the strict ESG analysis process, for example 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 can draw on three new sustainable investment strategies under the individual portfolio management (iPM) programme.

Oberbank is constantly 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 customer satisfaction surveys among retail customers, private banking customers, and corporate and business customers in Austria, for instance as a follow-up to consultations and telephone conversations with the Customer Service Centre (2022: 55,440 surveys delivered)
- At 62.9% as at 31 December 2022, 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.

Under the Austrian advertising industry's ethics code, Oberbank undertakes to comply with certain quality criteria that go beyond statutory requirements.

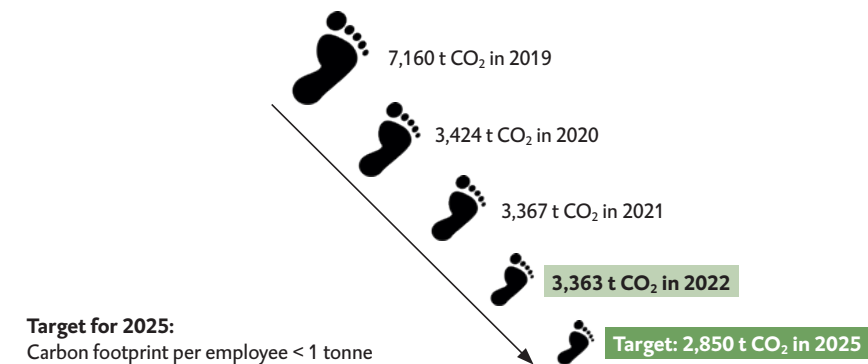
CO₂ footprint and decarbonisation

Greenhouse gas emissions according to the Green House Gas Protocol

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

- Direct emissions, also known as scope 1 emissions, occur directly at the company (for example through its own vehicle fleet).
- Scope 2 emissions are upstream emissions that occur in the course of providing energy to the company (for example, through purchased energy)
- Scope 3 emissions are indirect emissions that occur along the value chain through upstream emissions (such as employee mobility) and downstream emissions. The most relevant portion of scope 3 emissions for the bank are the emissions resulting from the loans and investments made by the bank.

Carbon footprint of Oberbank
(scope 1 and scope 2 emissions)



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 mobility¹

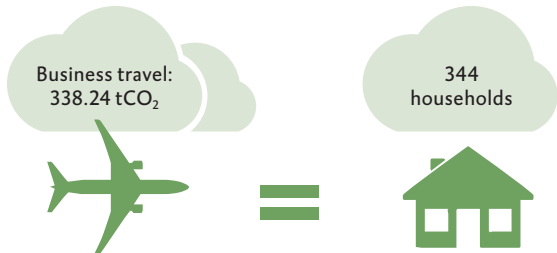
This includes business travel and commuting (employees travelling to and from work). With the exception of the company's own vehicle fleet, the CO₂ emissions generated in the process are classified as scope 3.

In 2022, the first-ever mobility survey was conducted across all Oberbank Group locations in Austria, Germany, Slovakia, Hungary and the Czech Republic. Based on the results, the CO₂ emissions generated by mobility were calculated in emitted tonnes of carbon dioxide equivalents (CO₂e in t). In the future, this survey will take place annually.

Emissions from commuting/business travel compared to emissions from household electricity consumption^{*2}



The emissions for **commuting to work** correspond to the emissions caused by the electricity consumption of **1,560 households**.



The emissions for **business travel** correspond to the emissions caused by the electricity consumption of **344 households**.

^{*} Deviation from Sustainability Report 2022, illustrations added

¹ **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: factors of the German Federal Environmental Agency for application. For hybrid and electric cars: values calculated relative to fossil-fuelled cars on the Federal Environment Agency's 2021 "Life Cycle Assessment of Passenger Cars".

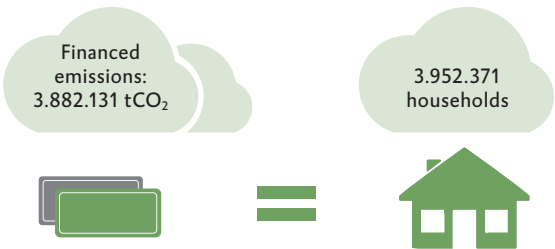
² **Emission factor** supplied by the Federal Environment Agency for electricity generation in Austria; based on this, electricity consumption in kilowatt hours is converted to total greenhouse gas emissions and represented by the consumption of a four-person household, which Statistics Austria surveyed for the year 2019/2020.

Financed emissions³

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.

For the year 2021, Oberbank AG, together with an external consulting firm, has for the first time calculated the emissions financed by Oberbank AG for four asset classes in accordance with the PCAF standard:

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



The **financed emissions** correspond to the CO₂ emissions caused by the electricity consumption of around **3.952.371 four-person households** per year.

Overview of scope 3 emissions

scope 3	CO ₂ e in t
Commuting 2022	1,532
Business travel 2022	338
Financed emissions 2021	3.882.131

Outlook for decarbonisation

In 2023, Oberbank will embark on the development of a decarbonisation strategy for its entire portfolio. As part of this, we will develop science-based targets by the end of 2024, in line with the Science Based Targets initiative (SBTi).

³ **Emission factors for financed emissions:** EXIOBASE was used to assign an emission factor per economic sector (tCO₂e/MEUR) to each borrower or investee. Building emissions were calculated based on the emission factors for buildings (tCO₂e/m²) obtained from the PCAF Emission Factor Database.

Sustainable banking operations

When it comes to protecting the environment, we walk the talk.

Oberbank strives for the highest levels of environmental compatibility in all its operations, processes and products.

4 fields of action:



Energy efficiency

Increasing energy efficiency through space management (location analyses, consolidations, reductions); modernisation, new working models, processes; increasing the efficiency of the self-service areas in the branches; efficient cooling of the technical rooms, elimination of servers in the branches as well as adjustment of the running times of ventilation systems, heating and advertising elements; 2023 Implementation of an energy-saving challenge at Oberbank branches as a contribution to the ambitious goal of saving 15 percent electricity.



Green electricity

Purchase of electricity from renewable sources; in Austria and Germany, Oberbank has been using 100 percent green electricity since 2020, and in CZ since 2021



Renewable energy

Shift away from oil and gas; investment in new installations (gradual procurement of photovoltaic systems, expansion of e-mobility)

Target for e-mobility: The share of electric/hybrid vehicles is to be increased to 30 percent by 2025 and to 50 percent by 2030.

This is supported by the installation of additional e-charging stations at the head office and the branches from 2022 onwards.



CO₂ compensation

Purchase of emissions certificates for emissions we are unable to reduce any further
For example: The unavoidable CO₂ emissions generated by hosting the first FERONIA Gala 2023 for the presentation of the Upper Austrian Sustainability Award 2023 were calculated and offset



Resource conservation in mobility, internal processes and procurement

- Climate-friendly business travel and vehicle fleet (increasing e-mobility)
- Streamlining of internal processes – cutting back on paper and courier services
- Sustainable procurement – taking into account environmental impacts when selecting suppliers, e.g. the company kitchen has already switched to organic products in numerous product groups, for which an organic certificate was awarded.

Oberbank staff

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

Our employees invest their time, their talent and their passion into Oberbank. In return, Oberbank strives to be a fair employer that offers equal opportunity, 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 the signing of the Diversity Charter.

Gender balance

The project “Chance 2030” (Opportunity 2030) aims to benefit from the upcoming generation change to achieve a sustainable gender balance in management positions (target: 40% share of women by 2030).

Attractive employer

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



Employee participation scheme: employees turned shareholders

Every year, since 1994, Oberbank has organised a drive offering Oberbank shares at preferential rates 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
- Compatibility of work and family life: 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 sports, nutrition and mental health. The prevention of physical and mental illness 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 an 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 and mental fitness/stress management. There will also be a number of workshops on these three main themes.

Sustainability Challenge 2022

In 2022, Oberbank hosted its first Sustainability Challenge, an ideas challenge on the topic of sustainability. Oberbank employees from all countries contributed more than 800 suggestions and creative ideas.

Three winners were selected in each of four categories: products and services for corporate customers, private customers and private asset management as well as general suggestions for improving sustainability at Oberbank. Furthermore, all ideas were collected, the ones that were reported frequently were checked for feasibility and some of them have already been implemented; further details can be found in the Sustainability Report 2022.

Social commitment: financial education, donations platform, sponsoring

Contribution to financial education

Goal: improving financial literacy

Oberbank organises lectures and workshops at schools and universities and cooperates closely with Johannes Kepler University in Linz when it comes to master and doctoral theses and projects addressing sustainability.

Further examples of cooperations in 2022: Lectures at the FH Salzburg, a cooperation with the IMC University of Applied Sciences Krems and the implementation of a business game with FH Wien der WKW

Partnership with impactory.com – platform for social commitment

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



Donations & Sponsorships

- Sponsoring in a range of fields, with sports and culture as cornerstones.
- The focus is on our regions and on long-term support.
- In addition to the Oberbank Linz Danube Marathon there is a host of other projects and initiatives (2022: 281 sponsoring requests approved).
- A few examples for sponsoring in 2022:
 - Sports: Oberbank Linz Danube Marathon, ULC Linz, the women's football team of TSV Ottensheim
 - In the cultural field, in addition to events, for example, St. Florian Boys' Choir, the Operetta Festival, the Anton Bruckner Private University and the Linz School of Music.
- A few examples for donations in 2022:
 - In the social sector, for example, Volkshilfe, volunteer fire brigades, Caritas and Kinderkrebshilfe. Further support goes to public institutions such as educational establishments and hospitals.

Oberbank Art Advisory Board

- The Oberbank Art Advisory Board was established to ensure 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 FERONIA Sustainability Award for the first time. This award was presented to 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 environmental and social issues to arts and culture.

At the FERONIA Gala on 16 March 2023, the Sustainability Award was ceremoniously presented in the 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 FERONIA Sustainability Award will again be presented to sustainable and climate-conscious companies, initiatives and associations in the region of Upper Austria.

Further information can be found at: <https://www.nachrichten.at/wirtschaft/feronia/bewerben/>

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For more information, please refer to our Sustainability Report available at oberbank.at/nachhaltigkeit.

“Green Location” Oberbank Donau-Forum

The Oberbank Donau-Forum (event centre at the Oberbank headquarters in Linz) is certified with the Austrian “Green Location” | UZ 200 Ecolabel. Oberbank thereby seeks to demonstrate its high quality standards and, at the same time, set an example for sustainability



**Nature serves as a model
of sustainability.
We are learning
in a sustainable manner.**

What applies to nature also applies to the economy.
Those who want to be successful in the future
must act and plan sustainably today.

They must gently sow the seeds for a better
and safer tomorrow.

At Oberbank, we are as committed to
sustainability as we are to our independence.

A bank that can make independent and sustainable
decisions in the region and for the region, quickly
and always right where support is needed,
can genuinely say:

Not like any other bank.

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