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Sustainable accounts

Impact & Allocation Reporting

Oberbank AG

March 2024

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Sustainability at Oberbank

Oberbank AG was founded in 1869 as Bank für Oberösterreich und Salzburg and is an independent Austrian regional bank headquartered in Linz. Its branch network extends across Austria (Upper Austria, Salzburg, Lower Austria and Vienna), Germany, the Czech Republic, Slovakia and Hungary. Oberbank AG serves both private and corporate customers and provides its customers with a full range of financial services.

Sustainable thinking and action have always been an integral part of Oberbank's value-based strategy. We are therefore committed to the 1.5 degree target of the Paris Climate Agreement and to supporting the 17 Sustainable Development Goals.

With the development of our sustainability strategy and a modern sustainability management system, we permanently implemented our sustainability organization at Oberbank in 2019. Successful sustainability management and clear objectives are of great importance for the further development and future success of Oberbank. For this reason, our sustainability strategy is also an important component of our overall bank strategy.

Comprehensive information on our sustainability activities can be found at https://www.oberbank.com/sustainability.

Sustainable accounts

Since June 1, 2021, Oberbank has been offering a sustainable current account, the be(e) green account. This account was awarded the Austrian "Umweltzeichen" (Ecolabel), as the amount of the account deposits is used to finance sustainable projects that include ecological and social criteria in addition to economic criteria. With every Oberbank be(e) green account opened, Oberbank contributes to preserving the bee population by creating large areas of wildflower areas and thus providing a habitat for bees and other flower-pollinating insects. In 2021, 46,000 square meters of wildflower areas were created.

The be green savings account was also awarded the Austrian "Umweltzeichen" in 2021. In 2022, the be(e) green student account,, the be green fixed-interest savings account and the be(e) green VKK account were also certified.

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Framework accounts

Use and management of proceeds in Oberbank's sustainable accounts

The deposits in the sustainable accounts are used to finance sustainable projects or financing in the amount of the deposits. The use of deposits for sustainable products is subject to a number of positive criteria.
Oberbank uses these deposits for financing in the following green project and social financing categories. These financings are identified as sustainable within the framework of the project selection process (identification of sustainable financings through portfolio analysis and in new business) as well as through monitoring by Oberbank's Sustainability Committee, which meets monthly.

Green project categories

The following green positive criteria are based on the ecological EU taxonomy and exclusively comprise economic activities that make a significant contribution to climate protection and adaptation to climate change. The taxonomy conformity of the assets in the Green Buildings (Residential) segment is ensured by a review as part of the project selection process and by monitoring by Oberbank's Sustainability Committee, which meets monthly.

In the area of Green Buildings (Commercial), the focus is primarily on taxonomy capability.
By financing projects in the following green categories, we contribute to environmental goal (1): climate protection of the EU taxonomy and to the SDGs (see table).

Green project cate-categ ory	Green sub-category	Definition of	Suitability criterion
Green Buildings (Residential)	**New construction or residential building purchase** and ownership	Acquisition of residential buildings (single and multi-family homes) built before December 31, 2020	**Energy Performance Certificate (EPC) Class A**. Alternatively, buildings that belongs to the **top 15%** most energy efficient buildings at the **national or regional level** in terms of operational primary energy demand (PED), with the corresponding certification.
		Acquisition of residential buildings (single-family and multi-family houses) built after December 31. December 2020 were built	The primary energy demand (PED), which defines the energy performance of a building after construction, is at least 10% below the national threshold for nearly zero energy buildings (NZEB) and verified by an Energy Performance Certificate (EPC). For residential buildings **over 5,000 m²:** Testing for air tightness and thermal integrity upon completion or, alternatively, verifiable quality controlprocesses during the construction process.
	Renovation of existing residential buildings	Renovation of existing single and multi-family homes	Building renovation complies with the applicable requirements for **major renovations**. Alternatively, it leads to a **reduction in primary energy demand (PED) of at least 30%.**
Green Buildings (Commercial)		Loans and/or investments to finance new or existing commercial buildings	The primary energy requirement (PED), which defines the overall energy efficiency of the building after construction, is at least 10% below the national threshold for nearly zero-energy buildings (NZEB) and is verified with an energy performance certificate (EPC). Buildings built before 31.12.2020 that are among the top 15% of the most energy-efficient buildings in the respective region/country Building that has been refurbished meets the applicable requirements for major renovations. Alternatively, it leads to an increase in energy efficiency of at least 30% compared to the

			building's baseline performance prior to the refurbishment (For details see Oberbank Sustainable Corporate Lending Framework)
Energy efficiency	Installation, maintenance and repair of instruments and devices for measuring and controlling the overall energy efficiency of buildings		(a) Installation, maintenance and repair of zone thermostats, intelligent thermostat systems and sensor equipment, including. Motion and daylight control; (b) Installation, maintenance and repair of building automation and control systems, building energy management systems (BMS), lighting control systems and energy management systems (EMS); (c) Installation, maintenance and repair of smart meters for gas, heating, cooling and electricity; (d) Installation, maintenance and repair of façade and roofing elements with a sun protection or solar shading function, including those that support the growth of vegetation.
Renewable energies	Installation, maintenance and repair of renewable energy technologies (on-site)		a) Installation, maintenance and repair of photovoltaic solar systems and associated technical equipment; b) Installation, maintenance and repair of solar hot water panels and the associated technical equipment; c) Installation, maintenance, repair of heat pumps contributing to the renewable energy targets for heating and cooling in accordance with Directive (EU) 2018/2001 and the additional technical equipment; d) Installation, maintenance and repair of wind turbines and additional technical equipment; e) Installation, maintenance and repair of solar collectors and technical auxiliary equipment; f) Installation, maintenance and repair of thermal or electrical energy storage systems and technical auxiliary equipment; g) Installation, maintenance and repair of highly efficient micro-CHP systems; h) Installation, maintenance and repair of heat exchangers/recovery systems. i) Installation, maintenance or repair of Charging stations for electric vehicles.

	Power generation using photovoltaic technology	Loans and/or investments to finance new or existing photovoltaic technology	Construction or operation of power generation plants that generate electricity using photovoltaic technology and technical auxiliary/additional equipment.
	Electricity generation from wind power	Loans and/or investments to finance new or existing wind turbines	Construction or operation of power generation plants that generate electricity from wind power and technical auxiliary/additional equipment.

Social financing categories

The following positive social criteria were defined on the basis of the guidelines and project criteria of the "Social Bond Principals" published by the International Capital Market Association (ICMA).

Social financing category	Social sub-category	Definition of	Suitability criterion	Target groups
Access to essential services**	**Social and health care**	Ensure access to high-quality healthcare services.	Investments in childcare facilities, retirement and nursing homes, workshops for the disabled, health resorts and rehabilitation centers, Hospitals and hospices	General population, especially people with disabilities
	Schooling and vocational training	Promote equal and high-quality education and possibilities for lifelong learning	Investments in different types of schools Adult education programs	General population, especially people with limited access to education

Contribution to SDGs

Our accounts contribute to the following Sustainable Development Goals (SDGs) through the use of the deposits.

SDG 12 - Responsible consumption and production

The account deposits are used to finance sustainable projects that meet environmental and social as well as economic criteria.

SDG 13 - Climate action.

According to the Austrian Federal Environment Agency (2020), buildings are one of the four sectors that contribute the most to CO_2 emissions in Austria (10.9%). Most emissions are caused by energy and industry, followed by mobility, buildings, and agriculture.
The construction of environmentally friendly and energy-efficient buildings and the renovation of existing buildings facilitate the transition to a greener future by reducing energy consumption and greenhouse gas emissions.

SDG 3 Health and well-being

Investments and projects in connection with childcare facilities, retirement and nursing homes, workshops for the disabled, spa and rehabilitation centers, hospitals and hospices are subsumed under the area of health and well-being. An important criterion for Oberbank is the non-profit status of the respective operators.

SDG 7 Affordable and clean energy

Categories such as energy efficiency and renewable energies support the expansion of future-oriented energy concepts of companies. Here, Oberbank specifically grants loans to customers who, for example, set up PV systems or wind power plants. Affordable energy has become increasingly important, also against the backdrop of the energy crisis in winter 2022, and independence from fossil resources is an issue that has become much more important. Oberbank supports the expansion of renewable resources and clean energy and also reflects this in its sales targets.

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Project examples

Here we present five selected projects as examples of the use of funds.

Photovoltaic system Niedertrennbach 3 and Niedertrennbach 1

8 ground-mounted PV systems in Gangkofen (Lower Bavaria)
Total rated power 53.18 MW

Fotocredit 1: Mückenhausen

New building Hotel JAZ Vienna, 1060 Vienna
HWBRef.RK = 25.47 kwh/m²a, fGEE, RE = 0.77
ÖGNI-certified taxonomy-eligible building

Fotocredit 2: Hotel project WMG GmbH

New building: Residential building with one or two units in Schalchen, Upper Austria

Overall energy efficiency factor (f_{GEE}): A++
Primary energy requirement (PEB_{SK}): A++

Fotocredit 3: Private, energy certificate from 10.01.2023

New building: Residential building with one or two units in St. Georgen im Attergau, Upper Austria

Overall energy efficiency factor (f_{GEE}): A+
Primary energy requirement (PEB_{SK}): A++

Fotocredit 4: Private, energy performance certificate from 19.12.2022

New building: Residential building with one or two units in Peuerbach, Upper Austria

Overall energy efficiency factor (f_{GEE}): A+
Primary energy requirement (PEB_{SK}): A++

Source Figure 5: Private, energy certificate from 03.04.2023

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Allocation & Impact Reporting

Oberbank has been offering sustainable accounts since June 2021. The deposits are used to finance sustainable projects as listed in the following table.

Allocation reporting (in euros unless otherwise stated) *

Reporting date 12/31/2023

Scope of the green and social loan portfolio	€ 1,702,083,205.33
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Total amount of deposits of sustainable accounts allocated to the green and social loan portfolio (in the AT and CZ market)	€ 1,249,840,163.72
- of which in the CZ market (without ecolabel 49)	€ 11,988,149.15
Total amount of deposits allocated to the green loan portfolio	€ 1,216,495,165.31
Total amount of deposits allocated to the social loan portfolio	€ 33,344,998.41
Total amount of deposits and proceeds from other financial products (green bond)	€ 248,112,500.00
Extent of the overlap	€ 204,130,541.61
Amount or percentage share of new and refinancing (existing loan portfolio)	
- Share of green financing in total residential construction financing AT	39.05%
- Share of green/social financing in total corporate financing	4.12%
Breakdown of allocated deposits by green and social project and financing categories:	
- Green Buildings (Residential)	€ 1,033,650,043.47
- Green Buildings (Commercial)	€ 604,787,358.53
- Renewable energy	€ 30,300,804.92
- Social and healthcare services	€ 33,344,998.41

* The values stated are historical values. Future developments cannot be derived from them.

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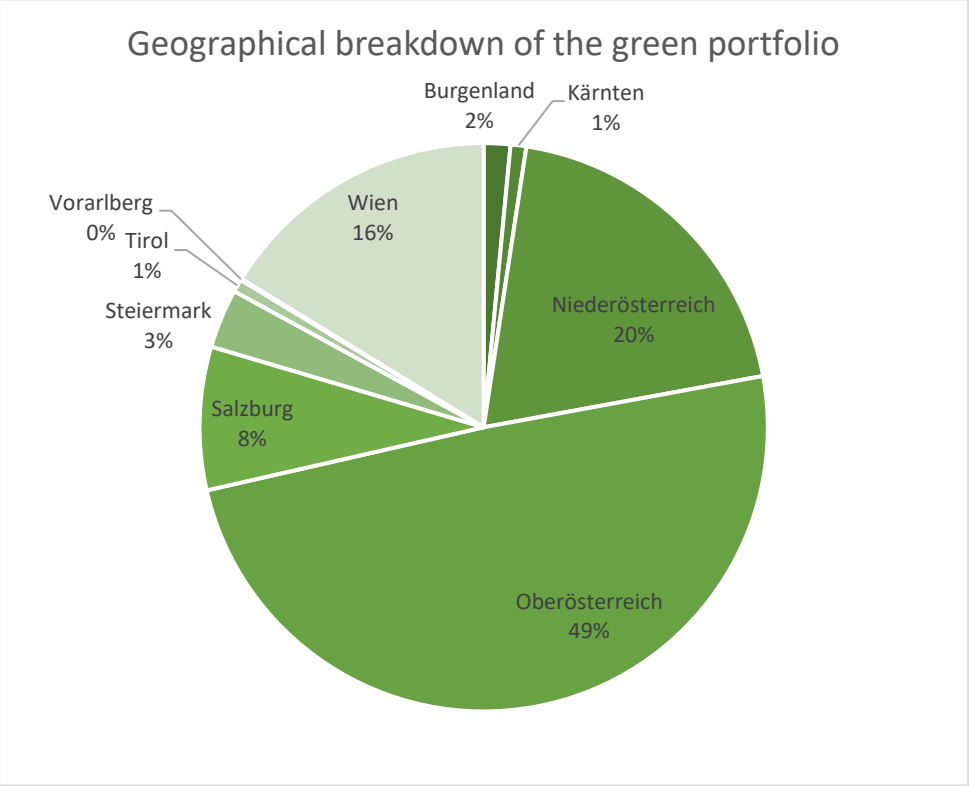
Impact Reporting

The calculation of the impact of deposits in the sustainable accounts is based on assumptions in accordance with the specified logic / conversion factors in the respective categories.

Geographical breakdown of the green portfolio from private residential construction at the end of 2023 (in euros)*

Burgenland	15.650.237,38
Carinthia	9.269.842,67
Lower Austria	203.605.085,18
Upper Austria	509.835.644,44
Salzburg	84.247.673,47
Styria	34.817.889,52
Tyrol	7.546.571,80
Vorarlberg	793.273,65
Vienna	167.883.825,36



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Impact Reporting

The sustainable buildings of Oberbank's sustainable finance pool (private housing) have significantly lower energy consumption and thus also lower CO_2 emissions than the average residential building in Austria (see above criteria). Oberbank thus contributes to the avoidance of CO_2 emissions with its green loan portfolio.
The methodology for the impact calculation was developed by the consulting firm Drees & Sommer.

The other categories of sustainable buildings in the corporate client area as well as renewable energy and social and healthcare are defined in more detail in the Sustainable Corporate Lending Framework. These also have an impact, which we describe using estimates in CO_2 savings (CO_2 equivalents).

Savings per category compared to conventional buildings / electricity mix of the respective country*

Category	1st impact factor: CO_2e savings per year (kg)	2. impact factor: savings (unit on the right)	Unit
Green Buildings (Residential)	7,887,430.00	56,204.43	MWh
Green Buildings (Commercial)	14,425,305.94		
Renewable energy	8,573,359.50 -	30,674.68	kWp PV and rated power wind in kWh
Social and healthcare services	-	29.88	Beds
		21.92	Room
Total	30,886,095.44		

Calculation of Impact: Green Buildings (Residential) based on Drees & Sommer Green Bond logic, Green Buildings (Commercial) as described in Sustainable Corporate Lending Framework, Social and Healthcare: limited availability of data; Renewable Energy with assumptions as in the following table.

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Conversion factors CO e_2 for renewable energy (electricity mix per country)

Country	Year	g/kWh electricity	Source
AT	2022	0.23	Federal Environment Agency Austria (update 2023), online at: secure.umweltbundesamt.at/co2mon/co2mon.html
EN	2023	0.380	Statista 2023, online at: Electricity emissions: Germany/France until 2023 | Statista
SK	2023	0.245	Electricity Maps 2024, online at: Electricity Maps | CO_2 emissions from electricity consumption in real time
CZ	2023	0.5	Electricity Maps 2024, online at: Electricity Maps | CO_2 emissions from electricity consumption in real time
HU	2023	0.26	Electricity Maps 2024, online at: Electricity Maps | CO_2 emissions of electricity consumption in real time

Average electricity yield

		AT kWh/a	DE kWh/a	HU kWh/a
Wind	installed kWp wind	2590	2042	-
PV	installed kWp PV	1050	1050	1050

Sources:
"Electricity yield AT Wind: IG Windkraft IG Windkraft
https://www.igwindkraft.at/?xmlval_ID_KEY%5b0%5d=1147;"
PV electricity yield: Oberbank's internal calculation;
Electricity yield DE Wind: Wind energy and electricity generation in Germany 2023
https://www.windbranche.de/wind/windstrom/windenergie-deutschland

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