

(Consolidated) Non-Financial Report

(CONSOLIDATED) NON-FINANCIAL REPORT

GENERAL INFORMATION AND REPORTING BOUNDARIES

With the NaDiVeG (Sustainability and Diversity Improvement Act), the reporting obligations regarding non-financial information (environmental, social and employee issues, respect for human rights and the fight against corruption) in the management report was expanded and specified as of the 2017 financial year in implementation of EU Directive 2014/95/EU.

To meet the statutory requirement of disclosing non-financial information, BAWAG Group has decided to include the (consolidated) non-financial report in its annual report, thus fulfilling its obligations under sections 243b and 267a of the Austrian Commercial Code (UGB). BAWAG Group has drawn up this non-financial report in conformity with the Global Reporting Initiative (in accordance with GRI Standards), including industry-specific indicator sets for financial services – the report was prepared in accordance with the principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability. The CSR Report is accompanied by the GRI Index (starting on page 357) and the UN Global Compact progress reports (page 368). In addition the requirements for disclosing information in accordance with the EU Taxonomy Regulation (Article 8) are fulfilled.

This report describes our concepts, non-financial risks and opportunities and (ongoing) measures, as well as the performance indicators used to manage and steer our key areas of action. In this context, we also explain the innovations and progress in the area of sustainability in 2023 and follow up on the CSR Report 2022.

Unless indicated otherwise, this report covers all operating entities of BAWAG Group as well as their brands. Unless indicated otherwise, this report covers all operating entities of BAWAG Group as well as their brands. The acquisition of Peak Bancorp, Inc., the holding company of the Idaho First Bank was not closed until the end of November 2023, it is highlighted separately, if numbers from Idaho First Bank were not included.

The non-financial report for the financial year 2024 will be reported in line with the Corporate Sustainability Responsibility Directive (CSRD) and therefore the non-financial reporting will be integrated in the management report.

Disclaimer:

We have taken the greatest care in collecting and processing all data and information provided in this report. Nevertheless, errors cannot be completely ruled out. If this report contains statements on future developments or expectations, these assumptions were made on the basis of the data and information available at the time of writing. Due to currently unforeseeable events, the statements made may therefore differ from actual events. We use gender-neutral terms such as “customers” and “employees” to refer to both women and men.

SUSTAINABILITY STRATEGY & GOVERNANCE

We take great pride in our work, doing what is right for our customers and employees, and being good stewards of our shareholders' capital. We are disciplined in our lending, we focus on risk adjusted returns and we believe that ESG underpins sustainable, longterm profitability and capital growth as we look to grow organically in our core markets as well as through M&A. Our sustainability strategy reflects our belief that long-term success requires a commitment to responsible practices that benefit all of our stakeholders and the environment.

2-13 SUSTAINABILITY GOVERNANCE

To us, it is important that sustainability and ESG-related topics are embedded throughout our organization and to have each employee contribute within his or her own responsibilities. The internal organizational structure was expanded during recent years to manage and monitor progress in the area of sustainability and ESG.



We monitor relevant parameters and initiatives in the Non-Financial Risk and ESG Committee, which is chaired by the CRO and attended by all other Management Board members and selected BAWAG senior staff (including BAWAG Group's ESG Officers) as well. The Non-Financial Risk and ESG Committee is responsible for the operational implementation of BAWAG Group's sustainability program and Group-wide ESG strategy and meets on a quarterly basis. The Non-Financial Risk and ESG Committee works with experts in various areas and departments to continuously advance BAWAG Group's commitment to sustainability. We have also established other platforms where ESG Officers and specific working groups discuss strategic priorities with representatives of the organization's divisions who also embed the topics within their teams. Due to the emerging importance of sustainability and ESG topics, our Supervisory Board established a dedicated ESG Committee at the Supervisory Board level.

ESG TARGETS

Part of integrating ESG into the business is ensuring we outline specific targets that have been integrated into the Group's overall medium-term targets. We reconfirm our 2025 ESG targets, which we laid out during our investory day in 2021. When setting our ESG targets back in 2021, we wanted to serve as a positive example for our customers, launching initiatives to reduce our own CO2 footprint. However, our biggest emissions as a bank arise from our financed emissions, which we are disclosing for the first time for 2023. In 2024, we will assess a transition pathway for our residential mortgage and commercial real estate assets, as these represent the largest exposures on our balance sheet. As far as other asset classes, we currently have a very low exposure to mid-to-high-emitting sectors across our corporates and public sector exposures.

ESG targets	2020	2025
CO ₂ emissions (own scope 1&2 emissions*)	3,477	>50% reduction vs. 2020
Women quota:	Baseline 2020	
- Supervisory Board	17%	33%
- Senior Leadership Team	15%	33%
Green lending new business	€ 0.8 billion	>€ 1.6 billion

*2020 base restated for enhanced scope; 2020 will be adjusted in case of enhanced scope, M&A etc.

STAKEHOLDER ENGAGEMENT AND MATERIALITY PROCESS

Stakeholder groups

Ten stakeholder groups were defined in 2018 as part of the materiality process through an analysis by the CSR team and external consultants (CSR Report 2018, p. 9). This selection was also used for discussions in 2021 when the materiality matrix was redefined. The stakeholders comprise all material internal and external stakeholder groups and were determined in consultation with sustainability experts who were entrusted with implementing the stakeholder analysis (Consolidated Annual Report 2021, p. 289 et seq). We are in regular contact with all of these stakeholders via different means of communication. Our stakeholders include various groups of our society. Engaging in dialogue with our stakeholders and receiving their feedback enables us to understand the importance and impact of our actions on our stakeholder groups. For our stakeholders, there are various ways of entering into a dialogue with us: They may visit us at our physical branches or provide feedback via phone or e-mail to our investor relations department, our press office, our call center or during our General Meetings.

Materiality matrix



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3-1

During 2021, the Bank conducted an online stakeholder survey. The goal was to evaluate the importance of various sustainability topics of BAWAG Group from the perspective of representatives of our internal and external stakeholders. Stakeholders of the entire BAWAG Group were invited to participate in the online survey. With respect to BAWAG's employee base, the CEO invited all employees during an internal town hall, and employees were given access to the stakeholder survey via respective internal platforms (e.g. intranet). The results show that all stakeholders rank the topics of "Information security and data protection", "Compliance with legal and ethical standards" and "Economic success" as the most relevant topics. Regarding the three most important topics, no stakeholder-specific preferences or significant deviations could be identified. The results of the 2021 stakeholder survey were subsequently presented and reviewed at an internal workshop with the CFO, the members of the Non-Financial Risk and ESG Committee and other sustainability experts of BAWAG. The 2021 materiality process served as a basis for prioritizing individual sustainability measures and identifying areas of improvement in existing initiatives. As there were no changes in the business model in 2023, we consider the 2021 online stakeholder survey to be representative for evaluating and assessing our material issues for the entire BAWAG Group. There have been no changes to the list of material topics compared to the previous reporting period. In addition, we performed a risk materiality assessment during 2023 and focused on preparations for the regulatory changes under the Corporate Sustainability Reporting Directive (CSRD).

3-3 MATERIAL TOPICS AND KEY FIELDS OF ACTION

BAWAG Group's seven material topics lay the foundation for its CSR strategy and sustainability reporting: "Economic success", "Ethics and integrity," "Responsibility towards customers," "Sustainability in core business," "Social responsibility and personal commitment," "Employee promotion and development, diversity and equal opportunities" and "Environmental and climate protection". The fields of action and BAWAG Group's sustainability program have been derived from them and are also closely linked to external frameworks such as the GRI, the UN SDGs, the principles and goals of the UN Global Compact and the principles of the UN Global Compact Women's Empowerment Program as well as the concerns according to NaDiVeg. The following table shows main topics and corresponding aspects such as (potential) positive/negative impact, actions, due diligence, risks and engagement with stakeholders: Additional remarks regarding the management approach of each material topic can be found in the relevant chapter. Furthermore, GRI codes, SDG, COP and WEP references have been included alongside the text of the CSR chapter to provide better orientation on the various topics. Each chapter provides further insights into how we manage material topics.

BAWAG Group has robust governance arrangements in place. The Management Board and Supervisory Board ensure a suitable and transparent corporate structure that promotes and demonstrates effective and prudent management on an individual basis and at the Group level. On the Group level, the Management Board and Supervisory Board have the overall responsibility for adequate governance across the Group. The Management Board and Supervisory Board fully know and understand the operational structure of the Group and ensure that it is in line with its approved business strategy and risk profile. The governance framework is transparent as it presents the current position and future prospects of the Group in a clear, balanced, accurate and timely way. The Group provides all relevant stakeholders (including shareholders, employees, customers and the general public) with key information necessary to enable them to judge the effectiveness of the Management Board in governing the Group. The Management Board informs and updates employees about the strategies and policies in a clear and consistent way. Strategies and policies are communicated to all employees throughout the Group via intranet. Employees understand and adhere to policies and procedures pertaining to their duties and responsibilities. All relevant types of documents are included in the hierarchy of documents, where policy commitments are embedded and respective areas of responsibility are clearly defined. Furthermore, the commitments are integrated into organizational strategies, operational policies or operational procedures. Policies are available in German and English. The overarching governance arrangements are thus valid for the management of all enlisted material topics, including commitments, actions taken to manage the respective topics and related impacts.

Unless stated otherwise, target setting in the respective material topics takes into account a sustainability context related to the respective impact (e.g. such as SDGs, where applicable). Furthermore, policies and commitments are informed by expectations of authoritative intergovernmental instruments, such as (not exclusively) the UN Global Compact or the Women's Empowerment Program (see table columns).

3-2 Table: Material topics
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Material topic	Impact, effectiveness, due diligence and stakeholder engagement	GRI	SDGs	COP, WEP	NaDiVeG
Economic success	<p>... <u>positive impact</u>: to pursue our simple and transparent business model, which is focused on low risk, high efficiency and regionally oriented towards Austria, Germany and developed markets.</p> <p>... create value for stakeholders across the value chain, leading to a favorable impact on the economy.</p> <p>... contribute to the success of our stakeholders by consistently driving strategic initiatives.</p> <p>... to set clear financial targets and be transparent regarding progress.</p> <p>... <u>potential negative impact</u>: economic risks, negative effects on various stakeholders, loss of confidence among relevant stakeholders, declining share price and customer base, depletion of capital reserves.</p> <p>... <u>due diligence</u>: regular auditing, controlling.</p> <p>... <u>effectiveness of actions taken</u>: tracking of key metrics, mitigating changes in macroeconomic backdrop, maintaining a low risk profile, external performance rankings, benchmarkings, external audits, strong internal audit function</p> <p>... <u>engagement with stakeholders</u>: various feedback and interaction formats, with a main focus on investors, analysts, rating agencies, regulators, employees and customers</p>	201-1, 201-2, 201-3, 201-4, 202-1, 202-2	1, 8, 9	No assignment	No assignment
Ethics and integrity	<p>... <u>positive impact</u>: create a positive environment for legally compliant behavior, inside and outside of the company.</p> <p>... to act in accordance with the ethical values of the Code of Conduct, the ten principles of the UN Global Compact and the seven principles of the UN Global Compact Women's Empowerment Program.</p> <p>... to be guided by the 17 Sustainable Development Goals of the UN as a target framework for sustainable action.</p> <p>... to ensure that taxes follow transactions and thus profits are taxable in the countries where value is created.</p> <p>... to ensure that all employees act ethically and with integrity through appropriate policies and guidelines.</p> <p>... to give special priority to the topics of anti-corruption and data protection in compliance management.</p> <p>... to set clear targets and show progress in key areas</p> <p>... <u>potential negative impact</u>: non-compliance with laws and requirements may result in a sustained loss of confidence and reputation.</p> <p>... <u>due diligence</u>: employee training, control systems</p> <p>... <u>effectiveness of actions taken</u>: tracking of key processes, making sure geopolitical changes are accompanied by corresponding measures (e.g. changes in legislation, sanctions etc.), integration of feedback from different regulators, strong internal audit function</p> <p>... <u>engagement with stakeholders</u>: various feedback loops with a broad range of internal (employees) and external (main focus: regulators) stakeholders.</p>	205-1, 205-2, 205-3, 206-1, 415-1, 207-1, 207-2, 207-3, 207-4, 418-1, 419-1	8, 16	COP 1, COP 2, COP 10	Respect for human rights, fight against corruption and bribery

<p>Responsibility towards customers</p>	<p>... <u>positive impact</u>: to give our customers the opportunity to conduct their banking transactions according to their individual wishes, whenever and wherever they want, via our digital and physical distribution channels.</p> <p>... to give access to finance, easy to understand, accessible 24/7 via digital devices.</p> <p>... successful and long-term business relationships with customers across all sales channels and platforms.</p> <p>... to set clear targets and show progress in key areas.</p> <p>... <u>potential negative impact</u>: loss of trust and customers, loss of market share, economic and financial risk.</p> <p>... <u>due diligence</u>: customers' feedback, surveys, market shares, product implementation process, control systems, complaints process.</p> <p>... <u>effectiveness of actions taken</u>: tracking of prioritized initiatives, granting access to finance, collecting feedback from employees and customers, focusing on steady enhancement of product range, strong internal audit function</p> <p>... <u>engagement with stakeholders</u>: various feedback opportunities for customers.</p>	<p>417-1, 417-2, 417-3, FS 13, FS 14</p>	<p>1, 8</p>	<p>COP 1, COP 8</p>	<p>No assign- ment</p>
<p>Sustainability in core business</p>	<p>... <u>positive impact</u>: to promote the development of sustainable business areas and to provide a diverse range of products and services that are geared towards ecological, economic and social requirements.</p> <p>... to be a reliable partner for companies and the regional economy and to assume ecological and social responsibility.</p> <p>... to support products and services with a sustainable focus and financing of projects with added value for the regional economy.</p> <p>... to execute on policies designed to create steady and positive developments in key areas relevant to sustainable business.</p> <p>... to set clear targets and show progress in key areas (e.g. regular updates related to green finance framework)</p> <p>... <u>effectiveness of actions taken</u>: tracking of key ESG related numbers in core business, mitigating ongoing changes in overarching macroeconomic backdrop and sustainable business development (e.g. higher inflation rates and lower level of disposable income) and prioritizing access to housing loans to customers who can afford loans, strong internal audit function</p> <p>... <u>potential negative impact</u>: reputational risk, economic risk, climate change.</p> <p>... <u>due diligence</u>: product implementation process, screening of regulatory changes, internal review processes.</p> <p>... <u>engagement with stakeholders</u>: various feedback loops with a broad range of internal (e.g. sales employees and managers) and external stakeholders</p>	<p>FS 1, FS 2, FS 11, FS 6, FS 7, FS 8, 203-1, 412-1 412-2 412-3</p>	<p>1, 7, 8, 9, 12, 13</p>	<p>COP 1, COP 2, COP 7- 9</p>	<p>Environ- mental and social concerns, respect for human rights</p>
<p>Social responsibility and personal commitment</p>	<p>... <u>positive impact</u>: to promote civic engagement and the social commitment of employees</p> <p>... increased awareness of social issues</p> <p>... reduction of inequality and poverty</p> <p>... strengthening civil society</p> <p>... (potential) <u>negative impact</u>: reputational risk, loss of trust</p>	<p>No assign- ment</p>	<p>1, 4</p>	<p>No assign- ment</p>	<p>Social issues</p>

	<p>... <u>due diligence</u>: review process for non-profit crowdfunding.at projects, approval process for employee volunteering, review of donation projects and NGOs.</p> <p>... to set clear targets for key metrics (e.g. corporate volunteering days and participating employees).</p> <p>... <u>effectiveness of actions taken</u>: tracking of key social engagement activities (e.g. such as number of volunteering hours), collecting feedback from employees and NGOs, focusing on steadily increasing support of people in need, measuring of responses and interaction rates, mix of measures (e.g. topic wise: financial literacy, social engagement – format wise: corporate volunteering, fund raising and donation campaigns).</p> <p>... <u>engagement with stakeholders</u>: various feedback and interaction formats (e.g. internal: clicks intranet, attendees of workshops, townhall meetings etc.).</p>				
<p>Employee promotion and development, diversity and equal opportunities</p>	<p>... <u>positive impact</u>: to provide employees with a healthy and career-enhancing work environment.</p> <p>... to maintain an open, appreciative relationship with employees and to promote their potential.</p> <p>... to actively put equal opportunities and diversity into practice in the company.</p> <p>... to create opportunities by increasing the level of education.</p> <p>... to actively steer new working environment, promote “flex-office” opportunities and mitigate challenges.</p> <p>... to set clear targets for key metrics, both managing positive impacts and mitigating potential negative impacts.</p> <p>... <u>(potential) negative impact</u>: high attrition, increased sick leave, loss of trust, shortage of skilled workers.</p> <p>... <u>due diligence</u>: evaluation platforms, sustainability ratings, employee feedback on various programs, Women’s Advancement Plan</p> <p>... <u>effectiveness of actions taken</u>: tracking of key HR numbers, mitigating changes in workforce development, integration of employees in M&A processes, target evaluation, feedback loops, strong internal audit function.</p> <p>... <u>engagement with stakeholders</u>: various feedback and interaction formats</p>	<p>401-1, 401-2, 401-3, 404-1, 404-2, 404-3, 405-1, 405-2, 406-1, FS 4, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10</p>	<p>4, 5, 8</p>	<p>COP 3-6, WEP 1-7</p>	<p>Social and labor issues, respect for human rights</p>

Environmental and climate protection	... <u>(potential) positive impact</u> : to preserve the natural basis of human life.				
	... to keep the direct impact on the environment in everyday work and the indirect impact through products and services as low as possible, thus ensuring an environment worth living in for future generations	204-1,			
	... to mitigate climate change and promote a circular economy	302-1,			
	... to set clear targets for key metrics, both promoting positive impacts (e.g. increasing green lending) and mitigating potential negative impacts (such as reducing own CO2 emissions).	302-2,			
	... <u>(potential) negative impact</u> : climate change risks, financial risks and reputational risks	305-1,	1, 7,	COP 1-	Environmental
	... <u>due diligence</u> : environmental and resource management, Group-wide processes and standards for business relationships.	305-2,	8, 13,	8	
	... <u>effectiveness of actions taken</u> : tracking of key numbers, target evaluation, feedback loops, strong internal audit function.	305-3,	16		
	... <u>engagement with stakeholders</u> : regular feedback with key stakeholders related to the topic (both internally and externally).	305-4,			
		305-5,			
	305-6,				
	305-7				

The following table shows a high-level overview of key actions that are being addressed throughout the organization and the current status of each initiative.

Area of action	Measure	Current status¹⁾
ESG strategy	Goal: Strengthening ESG/CSR activities and awareness	
	... Continuous enhancement of ESG strategy	Ongoing
	... Integration of ESG risks in ESG strategy and business model	Ongoing
	... Enhancement of ESG training	Ongoing
	... Assessment of green lending and further identification of potential opportunities	Ongoing
	... Assessment of transition pathway for mortgages and CRE portfolio	2024
	... Continuous assessment of upcoming regulatory requirements	Ongoing
	... Improvement in sustainability rating agency rankings (focus: MSCI, ISS-ESG, Sustainalytics, Vigeo Eiris, DJ Sustainability Index)	Ongoing
Ethics & Integrity	Goal: Ensuring compliance with all guidelines and policies	
	... Assessment of international labour standards for supply chain	Ongoing
	... Expansion of the training program for employees on the subject of information security	Ongoing
	... Launch of revised, mandatory anti-corruption self-learning program for employees	Done
	... Conducting annual risk analyses and audits and, based on these, defining Group-wide control priorities	Ongoing
	... Integration of the assessment of potential sustainability risks into the annual risk control self-assessment process for divisions and subsidiaries	Ongoing
	... Establishment of a clear governance to address climate risks and to address supervisory expectations and regulations	Ongoing

Responsibility towards customers	Goal: Appropriate products and services for every life circumstance and every stage of life	
	... Continuous evaluation of processes and implementation of measures to simplify access to finance and increase the use of digital services	Ongoing
Sustainability in our core business	Goal: Being a reliable financial partner for retail and commercial customers and for the regional economy	
	... Annual new green lending business of over € 1.6 billion	2025
	... Expansion of the sustainable/ESG offerings (e.g. BAWAG's residential and consumer lending business)	Ongoing
	... Continuation of the "New Chance" account for the financial inclusion of disadvantaged population groups	Ongoing
	... Expansion of the range of paperless, purely digital product application processes for customers	Ongoing
	... Integrating ESG risk in credit application	Ongoing
Social responsibility and personal commitment	Goal: Further focus on volunteer days, social engagement and measures to improve financial education	
	... Continuation of commitment to financial education	Ongoing
	... Increasing the number of corporate volunteering hours among BAWAG Group employees	Ongoing
	... continuation of support to underprivileged communities	Ongoing
	... Development and publication of a Group-wide Social Engagement Strategy	Ongoing
	... Support for financing of regional social projects	Ongoing
Human Resources: Employee promotion and development, diversity and equal opportunity	Goal: Appreciation and advancement of employees	
	... Increase in the proportion of women in management positions in the Senior Leadership Team and Supervisory Board to 33%	2025
	... Simplification of application processes through the use of innovative recruiting technologies	Ongoing
	... Expansion of employee offerings for individualized learning through new online platforms and BAWAG Academy	Ongoing
	... Harmonization of employee benefits for all subsidiaries	Ongoing
	... Expansion of BAWAG's Women's Mentoring Program	Ongoing
Environmental and climate protection	Goal: Reducing our environmental impact so as not to endanger the basis of life for future generations	
	... Reduction of own Scope 1 and Scope 2 CO2 emissions by >50% vs. 2020	2025
	... Maintaining of low exposure to moderate to high ESG risk sectors in Corporates portfolio	Ongoing
	... Implementation of measures to optimize energy consumption during branch conversions in Austria (for example, replacement of lighting with LED lamps and replacement of air conditioning and heating systems)	Ongoing
	... Continuous evaluation of business travel policy	Ongoing
	... Full transition of car fleet to electric cars	2025
	... Digitalization measures to reduce paper use	Ongoing
	... Continuation of the replacement of existing IT equipment with equipment with higher energy efficiency	Ongoing

1) Explanation of current status:

- 2025: Target to be reached in 2025
- Ongoing = measure has been decided and will be updated on a regular basis OR measure has been decided and will be implemented in 2024
- Done = measure has been finalized and successfully executed in 2023

ECONOMIC SUCCESS

201-1 Having a profitable franchise allows us to create value and to support all our stakeholders. Economic success enables us to take into account stakeholder interests, such as those of customers, employees, shareholders, society in general and the environment. It also increases the stability of the economy and the financial sector in particular. Our financial stability as a bank positively influences our lending capacity, which contributes to the building and renovation of homes and the implementation of sustainable infrastructure projects, as well as to corporate financing. This promotes the distribution of wealth and stimulation of the economy, as well as the growth of products and services to benefit customers and businesses through all economic cycles.

Economic success requires responsible, qualified and transparent management and control geared to long-term value enhancement. The Accounting and Financial Planning & Analysis units perform key tasks in this area. Established processes in Accounting ensure the implementation of changes to Austrian GAAP, IFRS and regulatory guidelines and rules, and the division is thus the point of contact for auditors. Key is also to ensure an adequate capitalization. Details regarding BAWAG's financial performance is available in our annual report on page 32.

Table: Direct economic value generated and distributed

in € million	2023	2022
Direct economic value generated		
Interest income	2,649.6	1,309.4
Dividend income	2.4	16.0
Fee and commission income	393.0	389.0
Gains and losses on financial assets and liabilities	(16.6)	(13.2)
Other operating income	69.2	87.7
Share of the profit or loss of associates accounted for using the equity method	2.5	2.7
Write-off of City of Linz receivable	-	(254.0)
ECL management overlay	20.0	(39.0)
Total direct economic value generated	3,120.1	1,498.6
Economic value distributed		
Fee and commission expenses	85.8	79.7
Other operating expenses	90.4	117.5
Operating expenses excl. employee excl. community investment	190.5	192.1
Risk costs	113.2	83.3
Employee wages and benefits	299.7	286.9
Staff costs	299.7	286.9
Payments to providers of capital	1,750.3	595.3
Interest expense	1,421.8	304.3
AT1 coupon	24.0	24.0
Dividends	304.5	267.0
Payments to government ¹⁾	76.3	182.0
Current income taxes	200.5	90.3
Bank levy	8.3	8.0
Community investments	1.1	0.2
Total economic value distributed	2,739.8	1,433.3
Economic value retained	380.3	(45.3)
Economic value retained w/o City of Linz	-	235.3

1) Country reporting see annual report notes section

In 2022, the economic value retained was marked by the write-off of the City of Linz receivable, which impacted the economic value generated by € 254 million.

RATINGS

BAWAG P.S.K., the most relevant operating subsidiary of BAWAG Group AG, is rated by Moody's Investors Service. In 2023, the issuer rating was upgraded from A2 to A1 with a positive outlook. The upgrade follows a change in Moody's assumption of the likelihood of the Government of Austria providing support from "low" to "moderate", and is now in line with other banking systems in the EU. This is also considered for other Austrian banks as outlined in Moody's release. The full ratings are available under www.bawaggroup.com.

BAWAG	2023
Long-term senior unsecured / issuer rating	A1 (positive outlook)
Long-term bank deposits rating	A1 (positive outlook)
Short-term issuer / bank deposits rating	P-1

Our sustainability performance is assessed by ESG rating providers on a regular basis. We use their assessment to identify further areas of improvement and disclosure gaps in order to also enhance transparency for investors. We further integrated ESG in our communication and also provide regular updates on our ESG website at bawaggroup.com for our stakeholders. During 2023, we received upgrades by MSCI and Sustainalytics. The current ESG ratings are published on our ESG website at www.bawaggroup.com.

201-2 FINANCIAL IMPLICATIONS AND RISKS DUE TO CLIMATE CHANGE

Climate change has consequences for the planet and environment, as well as for the economy and financial system. It will change customer behaviors, customer selection and consequently impact the profitability of certain asset classes. This may result in stranded assets and challenged business models in the event companies do not transition to a more sustainable business model. We are committed to addressing the immediate need to combat climate change across our business. However, the reality is today's actions will take time to have real impact on our climate. As a Retail- & SME-focused bank, we will support our customers as they look to reduce their carbon footprint. We are also committed to keeping our exposure to high-emitting GHG sectors low across our corporates portfolio.

The Paris Agreement which was signed in 2015 and came into force in 2016 has the aim to limit global warming to well below 2 degrees by 2050 – and preferably to 1.5 degrees. In order to achieve this goal, the member countries need to have plans to achieve this goal on a national level. The European Union has defined measures with its member states that cover a broad range of initiatives. These measures became the central element of the European Green Deal, the European Climate Act, and the Fit for 55 package, with a binding target to reduce net greenhouse gas emissions by at least 55% compared to 1990 levels by 2030 and to achieve climate neutrality by 2050. Austria has set more ambitious targets with a goal of climate neutrality targeted by 2040 and renewable electricity by 2030.

A client and portfolio based risk materiality assessment was conducted in 2023 as part of the annual risk identification process with a systematic approach to the judgement of the level of risk taking into account the following considerations:

- Business environment and strategy addressing impacts on the banks business model and strategic risk profile,
- The impact of climate & environmental risks on other risk types,
- Inclusion of environmental risks beyond climate (biodiversity, air, water and soil pollution, land use, etc.).

The results inform the ICAAP process and trigger management actions (if required). These can include changes to strategy and risk appetite, underwriting standards, and limits (e.g., concentrations in sectors or climate-sensitive regions).

Furthermore BAWAG committed to the Partnership for Carbon Accounting Financials (PCAF) in 2023 and implemented the calculation of financed emissions following the PCAF standard. In 2024, we will assess a transition plan for our mortgage portfolio as well as our CRE portfolio.

201-3 DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS

The post-employment benefit rights of the majority of employees are defined contribution plans. The contributions that are made to these pension funds are recognized as expenses in the current period; there are no further obligations. Payments to pension funds for defined contribution plans amounted to € 7 million in 2023. Post-employment benefit plans in BAWAG Group that qualify as defined benefit obligations amount to € 150 million. Pension payments to beneficiaries amounted to € 14 million in 2023.

For further details we refer to the notes to the consolidated annual financial statements (Note 1 and 28).

ETHICS AND INTEGRITY

RISK CULTURE AND COMPLIANCE

2-23 The Group has robust governance arrangements in place. The Management Board and Supervisory Board ensure a suitable and transparent corporate structure that promotes and demonstrates effective and prudent management on an individual basis and at the Group level. On the Group level, the Management Board and Supervisory Board have the overall responsibility for adequate governance across the Group. The Management Board and Supervisory Board fully know and understand the operational structure of the Group and ensure that it is in line with its approved business strategy and risk profile.

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The governance framework is transparent as it presents the current position and future prospects of the Group in a clear, balanced, accurate and timely way. The Group provides all relevant stakeholders (including shareholders, employees, customers and the general public) with key information necessary to enable them to judge the effectiveness of the Management Board in governing the Group. The Management Board informs and updates employees about the strategies and policies in a clear and consistent way. Strategies and policies are communicated to all employees throughout the Group via intranet. Employees understand and adhere to policies and procedures pertaining to their duties and responsibilities. All relevant types of documents are included in the hierarchy of documents, where policy commitments are embedded and respective areas of responsibilities are clearly defined. Furthermore, the commitments are integrated into organizational strategies, operational policies and operational procedures. Hence, commitments and policies refer to the full range of material topics. Policies are available in German and English.

All employees of the Group, whether full-time or part-time, are to be treated fairly and equally, regardless of age, gender, disabilities, sexual orientation, origins (national and ethnic), religion and -beliefs. The Group rejects all forms of discrimination and sees diversity and equal opportunities as a strength and competitive advantage. The Group takes a strong stance against all forms of mobbing, sexual harassment, intimidation and violence. The Management Board develops and promotes high ethical and professional standards, which are described in the Code of Conduct.

We operate in a highly regulated environment and are directly supervised by the European Central Bank (ECB) under the Single Supervisory Mechanism (SSM). We are thus subject to and compliant with the regulatory framework which applies to the governance of significant credit institutions. On top of this, we have adopted internal policies which go beyond the regulatory framework and shall ensure that we stay committed to the highest standards with respect to our risk culture and compliance.

We believe that effective compliance and risk management is a crucial aspect of a bank's success. In addition to the conventional risk types, we appreciate that the management of non-financial risks is becoming increasingly important. Group-wide compliance and non-financial risk management sets the framework under which laws, requirements and standards are observed and aims to provide comprehensive protection for investors, customers and the company. In addition to the management of operational risks, the tasks include the prevention of money laundering, combating terrorist financing, monitoring compliance with sanctions, fraud prevention, anti-corruption, data protection, information security, securities compliance and the prevention of insider trading, market abuse and conflicts of interest. The term "compliance" refers to the sum of all measures that obligate a company, its management and employees to adhere to applicable regulatory and legal requirements. Beyond this, the aim is also to ensure that business conduct complies with all social guidelines and values. A modern compliance structure pays attention to suspicious circumstances, takes them seriously, reacts, acts and implements preventive measures through the sound preparation of risk analysis and intensive training of all employees.

All risk units in BAWAG Group report to the Chief Risk Officer. The separation between risk origination and risk management functions is strictly adhered to. The full Management Board is informed proactively and at least monthly about the relevant risk KPIs. In 2021, BAWAG Group consolidated and functionally centralized compliance themes under the lead of a designated Management Board member to foster independence and awareness and support businesses and stakeholders. All compliance units are under joint management responsibility and report to the Chief Administration Officer (CAO). Non-financial risks are discussed in the Non-Financial Risk and ESG Committee and assessed as part of the mandatory product implementation processes. Quarterly risk and compliance reports are submitted to the respective committees of the Supervisory Board. The risk policy guidelines are continuously reviewed with regard to adjustments to the business strategy, changes in regulatory requirements and changing market conditions. Violations of legal requirements and internal rules of conduct can lead to reputational risks and serious consequences such as penalties, fines and negative impacts for BAWAG Group. Individual employees involved in such violations face fines or imprisonment as well as disciplinary measures under labor law, up to and including dismissal. Any attempt to commit a financial crime is considered a serious violation of BAWAG Group's business principles and integrity and is investigated accordingly. BAWAG Group applies a zero tolerance policy with respect to such matters.

Risk control self-assessments (RCSA)

Other non-financial risks associated with effects from business activities or business relationships (as defined in Section 267a [3] UGB) are identified annually in the specialist areas as part of the risk control self-assessments (RCSAs). All divisions and subsidiaries are involved in the process. Operational risk includes various subcategories, such as violation of health and safety regulations, discrimination, violations of guidelines and violations of privacy. All organizational units are asked to identify and assess their respective risk, as well as the effectiveness of controls and measures that are put into place.

In 2023, potential sustainability risks were assessed on a quantitative and qualitative level: All divisions and subsidiaries were required to assess whether potential risks could arise from environmental topics or social changes in their areas of activity and business via a questionnaire. In terms of environmental topics, a distinction was made between physical risks (arising directly from the consequences of climate change) and transition risks (arising from the transition to a low-carbon economy). Physical risks included climate change/weather extremes/natural disasters and resource scarcity. Transition risks were differentiated into supply chain changes/disruptions, potential carbon taxation/levies, the impact on existing business lines and the development of new business lines/industries. With respect to social factors, the pandemic/health crisis, an aging society, the widening gap between rich and poor, a lack of access to banking infrastructure/products, a lack of skilled labor, high turnover and new work models and discrimination in terms of gender, age and/or other factors were taken into consideration.

All operational risks were assessed for their ESG relevance and evaluated on a percentage basis. This new method allows us to raise awareness and emphasize awareness for ESG-related topics among our Group.

The collected risk assessments are reported to the Management Board as part of the RCSA process. Additionally a risk materiality assessment was conducted in 2023.

Self-learning programs

Regular and comprehensive training and communication of legal requirements and internal guidelines is key to ensuring that employees are up-to-date with requirements applicable to their area of responsibility. As a part of the onboarding process, all new employees are obligated to successfully complete the key topics through self-learning programs within 30 days of the start of their employment. These initial self-learning programs are linked to conduct and securities compliance, AML (various modules e.g. KYC, ultimate beneficial owner), operational risk, security/data protection, and anti-corruption. Other training courses are conducted throughout the year as part of BAWAG's ongoing training programs.

Code of Conduct

COP 1 BAWAG Group’s Code of Conduct sets forth the understanding of banking and conduct ethics that BAWAG Group applies. It is
COP 2 important that employees internalize these rules and values. Therefore, corresponding training on this matter is conducted
COP 6 (bi-)annually. As part of this training, employees are familiarized with aspects of business ethics and anti-corruption rules, all aspects of compliance and the general principles of conduct that apply in day-to-day business. The Code of Conduct also applies to members of the Management Board and the Supervisory Board. Our Code of Conduct is regularly reviewed to determine any need for revision and is published on the BAWAG Group website in German and English.

2-6 Supplier Code of Conduct

205-2

SDG 8 While the Code of Conduct (described above) represents the values BAWAG Group stands for, the Supplier Code of Conduct
SDG 13 defines our expectations towards business partners. These expectations cover, in particular, ethically correct and legally
SDG 16 compliant behavior, environmental protection and human rights. Among other things, counterparties undertake that they:

- COP 1**
- COP 2** ▶ comply with applicable laws of the respective jurisdiction;
- COP 4** ▶ refrain from actions that could unlawfully influence the decisions of government representatives and public bodies or authorities;
- COP 5** ▶ prohibit the acceptance of gifts and gratuities from employees in connection with their work and duties in excess of customary gifts or other benefits;
- COP 6** ▶ respect fundamental rights, health and safety of employees; and
- COP 10** ▶ respect environmental protection by complying with applicable laws, regulations and international standards

Each supplier is obligated to commit to these principles before entering into a business relationship with BAWAG Group. The requirement to sign the Supplier Code of Conduct is stipulated in the Group-wide Corporate Procurement Policy and accordingly applies to all entities of BAWAG Group.

204-1 Table: Expenditures to local suppliers¹⁾

COP 4

	2023	2022
Expenditures to local suppliers	80%	72%

1) Suppliers with their main location in Austria, Germany, Switzerland or Great Britain are considered “local”. International companies whose branches are located in the aforementioned countries and act as billers to BAWAG Group are also classified as “local” in the presentation. Due to the data situation, it was only possible to report the expenses of BAWAG and partially subsidiaries (incl. BAWAG P.S.K., easybank, start:bausparkasse Austria, start:bausparkasse Germany, SÜDWESTBANK, Health AG, DEPFA). An expansion of the presentation to include the remaining subsidiaries Zahnärztekasse, easyleasing and BFL Leasing is planned.

Prevention of money laundering and terrorism financing (AML / CTF)

BAWAG Group’s focus is on low-risk business in its core markets Austria, Germany, Switzerland, the Netherlands (DACH/NL region), Western Europe and the United States. BAWAG Group is committed to combating financial crime and ensuring that accounts held at its organization are not misused for illegal activities like money laundering or terrorism financing. Accordingly, BAWAG Group has implemented Group-wide policies, processes and controls with respect to anti-money laundering (“AML”) and counter terrorism financing (“CTF”) which, combined with other comprehensive measures and procedures, aim at applying a risk-based approach. These policies implemented the applicable legal framework, such as the Austrian Financial Market Money Laundering Act (FM-GwG) and applicable EU regulations. In terms of AML and CTF, the following principles apply:

- ▶ BAWAG Group's AML/CTF strategy is closely aligned with the defined ESG risk appetite of BAWAG Group and aims for customers with a low AML/CTF risk profile. Accordingly, prohibited and restricted countries, customers, industries and products have been defined.
- ▶ BAWAG Group's AML/CTF strategy defines minimum standards in respect of know your customer (KYC), customer due diligence (CDD) and enhanced due diligence (EDD) requirements. The defined KYC processes ask for proof of origin, usage, domicile and residence, and industry risk and define regular risk-based customer updates. The onboarding processes of new customers demand the identification and verification of private customers, corporates, trustees and trustors, and their ultimate beneficial owner before account opening or executing a single transaction outside a permanent business relationship in a risk-based manner and following defined CDD or EDD requirements.
- ▶ AML/CTF prevention is technically supported by various applications which ensure risk classification as well as customer transaction screening. During the onboarding process, customer screening (PEP and embargo) is performed before the client is onboarded as well as on a regular basis to identify PEPs (weekly), sanctioned persons and terrorists (daily). This is supported by an automated monitoring system which screens customers against internationally recognized lists. Transactions are monitored in real-time (sanctions and CTF) and ex post via specific AML/CTF scenarios and defined thresholds depending on the risk class of customers.
- ▶ Additionally, BAWAG Group has defined, implemented and documented internal control systems (ICS) in line with applicable laws. The ICS are intended to ensure efficient and high-quality processes. Findings are reported on a regular basis, with out-of-the-ordinary findings being reported immediately. The ICS comprises, among others, KYC onboarding processes, transaction screenings and various business field reviews. They are continuously updated, especially in the case of the implementation of new products, sales channels, lines of business or business sectors.
- ▶ BAWAG Group reports to and supports international and national authorities in combating illicit activities (including terrorism financing, tax fraud and other illegal activities).
- ▶ BAWAG Group's AML/CTF policies have clear guidance for its employees and define mandatory, designated AML/CTF training sessions (AML/CTF module, KYC module, ultimate beneficial ownership module, cash module) for all employees which are conducted via computer-based self-learning programs and via face-to-face training by Compliance Officers or external companies.
- ▶ Adherence to the guidelines is reviewed by the AML Office in so-called compliance reviews, which are conducted in line with a risk-analysis-based annual plan approved by the Audit and Compliance Committee of the Supervisory Board. These reviews also include subsidiaries of BAWAG Group.

Further details on BAWAG Group's approach towards AML and CTF can be found in the Anti-Money Laundering Policy, which is published on our ESG website (<https://www.bawaggroup.com/BAWAGGROUP/IR/EN/ESG>).

Securities compliance

Compliant conduct regarding internal and external provisions pertaining to all securities-related business, such as advisory business for customers, personal trading obligations of employees and directors, and rules to prevent market abuse and conflicts of interest is of primary concern to BAWAG. BAWAG Group aims to identify possible risks at an early stage and to communicate appropriate measures in a transparent way.

BAWAG Group has implemented Group-wide policies, processes and controls with respect to securities compliance which, combined with other comprehensive measures and procedures, aim at applying a risk-based approach. Therefore, BAWAG Group's securities compliance strategy is based on a regular risk assessment considering securities related data and processes throughout the Group.

The policies implemented stem from the applicable legal framework, such as the Austrian Securities Act (WAG 2018), the Stock Exchange Act (BörseG 2018) and applicable EU regulations such as MiFID II and the Market Abuse Regulation (MAR).

- ▶ Group-wide guidelines govern employees' personal securities transactions as well as the handling of compliance-relevant information, the avoidance of conflicts of interest and market abuse including a daily technically supported screening of clients' and employees securities transactions. Additionally, BAWAG Group has defined, implemented and documented internal control systems in line with applicable laws.
- ▶ Employee training on securities compliance is conducted at the latest two years, based on an assessment of the individual risk associated with relevant employees (e.g., annual training for securities advisors).
- ▶ BAWAG Group's Securities Compliance Policies have clear guidance for its employees and define mandatory, designated and tailored securities compliance training sessions for all employees, which are conducted via computer-based self-learning programs and via face-to-face training by Compliance Officers (e.g. at BAWAG Academy or Regulatory Updates). The mandatory "Compliance and employee obligations" self-learning program covers aspects of the Group Compliance Policy and the Group Conflicts of Interest Policy.
- ▶ Adherence to the guidelines is reviewed by the Compliance Office in so-called compliance reviews, which are conducted in line with a risk-analysis-based annual plan as approved by the Audit and Compliance Committee of the Supervisory Board. This also includes reviews at selected subsidiaries of BAWAG Group.
- ▶ Daily securities transaction monitoring is technically supported by various applications within the Group that ensure high standards in order to prevent market abuse and insider trading.
- ▶ Employees of the Securities Compliance Office receive ongoing internal and external training throughout the year that is particularly focused on but not limited to regulatory developments in the fields of securities compliance, ethics and conduct to continuously improve and maintain high standards of expertise in these fields.

Anti-corruption and ethics

205-2
SDG 16
COP 10 BAWAG Group does not tolerate any financial crime and applies a zero-tolerance policy in this respect. Any abuse of power, position or resources to gain a personal advantage or an advantage for third parties and to influence the behavior of the recipient in a certain way is prohibited. We therefore expressly prohibit any form of bribery or corruption. Any attempt to bribe or gain other unlawful advantages must be rejected and reported immediately to the Compliance Office, and the relevant place must be informed. We take decisive action against attempts at corruption in all our business areas.

The Anti-Corruption Policy defines among other the terms allowances, corruption and public officials and regulates the handling of gifts as well as sponsorships and charitable donations. The Anti-Corruption Policy provides for a broad definition of benefits to cover all types of gratuities. The policy is available in German and English to all employees in addition to a compact guide that summarizes employees' key anti-corruption obligations in an easy-to-understand manner.

The policy provides for levels of specific benefits that can be accepted up to certain thresholds and are subject to documentation/approval and reporting requirements, while at the same time defining benefits that are prohibited under all circumstances (e.g. benefits that violate applicable law, ethical principles and/or are discriminatory in nature or benefits to and from public officials). All business areas of BAWAG Group are monitored within a very narrow framework as part of a risk assessment. The monitoring processes take place on a regular, individual basis and are structured according to the size of a business unit, its tasks, its relationship with external parties, its self-assessment of operational risks and, if applicable, previous incidents. Depending on the individual classification, certain preventive measures are implemented. These measures include a higher frequency of training and compliance audits for high-risk units.

All employees (including part-time) and members of the governance body of BAWAG Group receive tailored training on ethics and anti-corruption. For training purposes, a mandatory e-self-learning program has been established that covers all topics related to the Code of Conduct and the Anti-Corruption Policy. New employees must complete this self-learning program at the beginning of their employment. The program is constantly updated in line with evolving legal requirements and current incidents and is rolled out to all employees on a regular basis, at least every two years. Each training session ends with a mandatory test in which a minimum score must be achieved in order to complete the training. In addition to these regular training initiatives, ad hoc training measures are also conducted following specific incidents and the results of the regular anti-corruption risk assessment. These ad hoc training measures can take the form of specific training for individual employees, training for specific departments or information for the entire organization via an article on the company's intranet.

Departments that are particularly at risk are regularly informed of obligations during compliance audits. In addition, compliance SPOCs (single point of contacts) across the organization help to raise awareness of the need to handle benefits in accordance with the rules. Based on the training that every employee receives, BAWAG Group expects its employees to act responsibly with regard to anti-corruption and bribery. For this purpose, a self-assessment is carried out by the respective employee in the first control level. In addition to the self-assessment, a control and, if necessary, approval process takes place for the receipt and granting of benefits, which essentially depends on the type and value of the benefit. All benefits are recorded in a gift register to enable retrospective review.

The Compliance Office reviews the gift register annually and evaluates individual cases as part of the grant approval process. Regular audits are conducted in the individual areas at least once a year. These audits address anti-corruption and ethics issues. In the course of BAWAG Group's approach, all provision set in the anti-corruption policy apply to every division within BAWAG Group, including subsidiaries and branches in Germany, Switzerland, the United Kingdom, Irland, the Netherland and the United States of America.

205-3 BAWAG Group also observes anti-corruption regulations that are anchored in the Supplier Code of Conduct in our business relationships with suppliers. Adherence to the anti-corruption guideline is checked, for example, during "compliance reviews", which always include the topic of anti-corruption. Further details on BAWAG Group's approach towards ethics and anti-corruption can be found in the Anti-Corruption Policy and Business Ethics Guidelines, which are published on our ESG website (<https://www.bawaggroup.com/BAWAGGROUP/IR/EN/ESG>).

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All members of the Supervisory Board of BAWAG Group were informed about compliance topics as part of the annual report during the reporting year. No cases of corruption were reported in BAWAG Group in 2023.

CYBERSECURITY

SDG 16 **Information and IT security**

BAWAG Group's Chief Information Security Office and the IT Security Operations Team are committed to protecting the information, ICT systems and interests of customers, employees and other stakeholders in terms of confidentiality, integrity and availability. BAWAG Group has implemented a comprehensive set of security policies and controls covering both general and specific security topics such as identification and access management.

The security policy document set is regularly adapted to current challenges (e.g. regarding increasing social media and collaboration tool usage) and comprehensively expanded. State-of-the-art technologies and services are used to achieve the expected high level of internal and external security. A set of state-of-the-art tools is deployed to detect and mitigate vulnerabilities. For detection, the experts utilize AI supported monitoring tools to identify anomalies across the entire technical estate. For mitigation, the experts are deploying an automated framework for quick problem detection and resolution. In addition, organizational measures are implemented such as regular security awareness training for employees, security training on demand, security information blogs and security alerts for employees and customers (on our public BAWAG security portal).

The security measures defined in collaboration between the CISO Office and technical experts are executed by certified security experts – both in the CISO Office and in the Security Operations Center Team. A special security focus has been placed on the development, implementation, operation, use and maintenance of ICT solutions in order to identify emerging security risks at an early stage and achieve compliance with new regulatory requirements.

In addition to dedicated organizational security units, BAWAG Group has established interdisciplinary committees and working groups to ensure comprehensive and consistent implementation of organizational and technical security measures, such as the IT Security Roadmap Workshop, the Technical Risk Committee (TRC) and the Committee Fraud and Information Security (CFIS). The engagement between executives and technical experts in these forums facilitates accelerated decision making and execution. Information / cyber security trends and status is regularly reported to the Non-Financial Risk and ESG Committee.

For all internal systems, BAWAG Group performs ongoing vulnerability scans to identify inadequacies in the internal IT landscape. Detected vulnerabilities are dealt with in a timely manner according to their criticality. In addition BAWAG Group regularly performs penetration tests for all systems, especially for customer facing and Internet-connected systems (such as our digital banking solutions). The regular performance of penetration tests is required in BAWAG Group not only by financial market regulations, but also by the internal Penetration Testing Standard policy. The results of the penetration tests are used to further strengthen the security of the tested systems.

To validate our comprehensive cybersecurity approach, we use a renowned cybersecurity rating service, to check the security status of all our Internet connected systems and services. The rating reflects a strong cybersecurity posture of BAWAG Group (including all subsidiaries) in the financial sector.

DATA PROTECTION

Since we manage sensitive data about the financial lives of our customers, a seamless data protection concept is of particular importance to us. BAWAG Group is therefore committed to implementing high data protection standards in accordance with the legal provisions of the General Data Protection Regulation and the data protection laws in the countries where it operates, as well as taking human rights into account. The Group Data Protection Officer advises relevant stakeholders within BAWAG Group. The Data Protection department is integrated into the General Counsel Office and reports to the Chief Administrative Officer. In addition, data protection and information security topics are dealt with in the Non-Financial Risk and ESG Committee. Projects focusing on data privacy were also implemented in the reporting year, including the review of the IT system catalog regarding data privacy compliance (e.g. data deletion routines). In addition, the procedure directory was updated.

Further details on data protection can be found in BAWAG's Data Protection Guidelines, which are published on our ESG website (<https://www.bawaggroup.com/BAWAGGROUP/IR/EN/ESG>).

Responsible handling of data

BAWAG Group is obligated to comply with the rights of its customers and employees to information and access to their data as well as to rectification, deletion, restriction of processing, data portability and the right to object. Customers are informed about the collection, use, disclosure and storage of data (including data transfer to third parties). Third parties to whom data is to be transferred must comply with company policies and enter into agreements on commissioned processing and confidentiality. An online inquiry form for customers and detailed information relating to data processing are available on the websites of the Group companies. In addition, customers are informed of the possibility of contacting the data protection team directly via online contact forms on the respective websites, via e-mail or letter.

Procedure in the event of suspected data privacy violations

Data protection violations are reported to the data protection authority in accordance with the General Data Protection Regulation. Any potential breach reported by customers or employees is thoroughly investigated and followed up on. Once the results of the analysis are available, measures are taken to prevent a new incident if an actual breach is identified. Measures include changing process flows, introducing another audit measure, making any necessary technical adjustments and retraining employees. Customers are provided with a data protection information document pursuant to Articles 13 and 14 of the GDPR when products are opened, which contains, among other things, the contact options for the data protection authority for suspected cases of data protection violations. The notification is free of charge for customers. After the notification of a customer, the data protection authority examines the suspicion in the company. BAWAG Group is obligated to submit a statement on the individual case to the data protection authority within 14 days.

Employee training

A comprehensive data protection guideline applies to all employees. A mandatory SLP has been introduced for training purposes and is updated on a regular basis. The SLP must be completed by all employees every two years. In addition, contact persons in the Group help raise awareness for the confidential treatment of the personal data of our customers and employees.

Whistleblowing

Open dialog between managers and employees is very important to us. Employees can report information about suspicious circumstances to their managers at any time. If they wish, employees can also submit such reports anonymously and confidentially via a whistleblowing system, because well-founded tips help us improve as a company and as a team. The web-based whistleblowing system is operated by an external, independent provider and is certified in accordance with European data protection law. The whistleblowing system can be accessed by employees 24/7 and is available in German and English. The employee can choose whether the report is made anonymously or not. If the whistleblower wishes to remain anonymous, a protected multi-stage login procedure with a self-selected pseudonym and password is used to ensure the whistleblower's anonymity. With the help of individual encryption, message data, mailbox data and processing data are protected from access by third parties. Only the administrators and selected, specially trained employees of BAWAG Group who are authorized as "legitimate recipients" can process the data. The security system denies unauthorized third parties any access. All employees with access rights to the reporting system are bound by a mandatory duty of confidentiality by accepting the authorization. This special duty of confidentiality continues to apply indefinitely after the authorization has been deleted. The whistleblowing process is part of the "Compliance and Conduct" self-learning program for employees.

Detailed information on the process can be found in the Group-wide whistleblowing policy, which is available to employees in German and English on the intranet. It sets out rules for the careful handling of reported cases and provides guidelines on how to protect the reporting person from disadvantages and negative consequences. All whistleblower reports are handled in accordance with the specified matrix, documented in detail and reported to the management board in specific cases.

TAXES

207-1 Tax concept

207-2

207-3

In 2022, a Group tax strategy was introduced and approved by the Management Board. A summary of the main points of this tax strategy is published on the BAWAG Group website. The tax strategy is reviewed at least annually and updated as appropriate. The responsibility for compliance with the tax strategy lies within the accounting division, which includes the tax department. Relevant tax issues are reported to the CFO on a quarterly basis. BAWAG Group recognizes the principle that taxes follow transactions and thus profits are taxable in the countries where the value creation takes place. Compliance with applicable tax obligations in the countries in which we operate plays an important role for us. This applies equally to our own agendas as well as to our employees, customers, and business partners. BAWAG Group is committed to complying with applicable tax laws, guidelines, and reporting obligations according to its business activities. Both own employees as well as consulting companies of the respective country are involved, as appropriate. BAWAG Group does not use non-transparent jurisdictions or tax havens for tax avoidance. Transactions within the Group are structured in accordance with the applicable transfer pricing regulations in accordance with the arm's length principle. We consider the economic and social impact of relevant tax decisions on business and sustainable development in the countries in which we operate.

Tax governance, control and risk management

Our tax compliance culture reflects the attitude and behavior of our company's governing bodies and management regarding tax compliance. It is important to us that there is a perception at every level of the company that compliance with tax regulations is necessary and important and that every employee must contribute to this. In our company, every action must comply with the legally binding regulations at the national and international level as well as all voluntarily entered obligations. Internal training courses for employees are held on tax topics relevant to BAWAG Group. The employees of the tax department take part in various internal and external tax-relevant training courses. When introducing new products, a tax classification is always carried out in advance. As in previous years, tax risk management is part of BAWAG Group's Group-wide ICS and risk management. BAWAG Group plans to gradually implement an additional tax risk management system in the future. In 2023, we started a project to gradually implement additional tax controls in the future. The remuneration of employees is completely independent of factors such as achieving tax savings or lowering the tax rate. BAWAG Group does not provide tax advice to customers and, to the best of our knowledge and belief, does not offer (its own) tax-optimized models or financial instruments.

Stakeholder engagement and management of concerns regarding taxes

Balancing the interests of all stakeholders is part of the decision-making process on any relevant tax issue. In addition to the possibility to use the whistleblowing hotline, employees also can address questions and concerns regarding the tax implications of the (planned) business activity or positioning of BAWAG Group directly to the tax department and ask for an opinion. External stakeholders, such as suppliers and business partners, have the possibility to express concerns about business conduct and tax implications via the email address csr@bawaggroup.com. This contact option is referred to on the website www.bawaggroup.com. Supervisory Board members may raise issues at quarterly Supervisory Board meetings, and shareholders can exercise their right to information at the Annual General Meeting within the scope provided for by law.

BAWAG Group strives to maintain an open and constructive dialogue with all tax authorities, based on transparency and mutual trust. The aim is to create legal certainty and financial planning certainty. Our stance on political influence is governed by the Political Involvement Policy, which is available on the website (<https://www.bawaggroup.com/BAWAGGROUP/IR/EN/ESG>).

RESPONSIBILITY TOWARDS CUSTOMERS

As part of our strategic pillar BAWAG Group focuses on growth with focus on serving our customer. We continuously enhance access to banking services and products that fit our customers' individual circumstances and support their financial objectives as well as enhance our distribution channels. Customer behavior and needs are constantly evolving, due in part to the increasing digitalization of everyday life and the changing economic and financial conditions impacting their circumstances. Accordingly, customers' expectations of a bank's products and services are also changing rapidly, and BAWAG Group aims to meet these expectations with innovative strength across all sales channels.

RESPONSIBLE INTERACTION WITH CUSTOMERS

A respectful dialog and proactive communication with our customers are particularly important to us. As part of a continuous improvement culture, we are working to capture the voices of our stakeholders and therefore, our customers have the opportunity to submit inquiries and feedback via various channels. In addition to the employees who work directly with customers at the branches, the customer service center, complaints department and social media are key feedback platforms.

Access to finance

As defined in our business strategy, we want to provide our customers 24/7 banking access through a multi-channel and multi-brand commercial banking platform. Over the last couple of years, we diversified our Retail & SME originations away from branches, thereby increasing the accessibility of our products and services. While our branch footprint was reduced as a response to changing customer behavior, we entered into partnerships, worked with brokers, and continuously enhanced our online/digital access. One key element is the digitization of products: Today, 75% of Retail & SME products are digitized with fully automated on-boarding and we target a 100% fully automated onboarding offering by 2025.

Today, over 80% of originations come by way of non-branch channels as we have invested in digital channels, partnerships and platforms. More than 90% of our transactional banking is done digitally, whether it is via our mobile or web banking functions or self-service devices. And today we have over 900,000 online customers. In addition to the transactional banking, more than 45% of our retail customer loan sales are originated through non-traditional channels.

For all questions about products, services, etc., we have implemented a dedicated section on the website (<https://www.bawag.at/bawag/faq>) where customers can acquire knowledge in "self-service." In Austria, 95% of households have access to the Internet: Providing the information online increased the number of customers who are able to access the content 24/7 at home. As the Austrian banking market is underpenetrated with securities and investment funds, we held a first webinar for customers to provide easy access to securities investment knowledge and to increase financial literacy. In addition, customers can get access to virtual training materials and receive a "stock market driving license" – free of charge.

Our infrastructure in the region ensures access to banking services

Within the Austrian market, BAWAG provides its customers with access to banking services via various access points. In addition to its branch network, there are 1,220 ATMs outside the branches. Also, BAWAG customers can withdraw cash from any of the about 8,500 ATMs in Austria within the broader network. For the majority of our customers, the usage of ATMs inside and outside of the BAWAG Group network is free of charge. Telephone customer services and 24/7 online offerings complete our service portfolio. By maintaining this infrastructure, we also enable residents in sparsely populated regions to access banking services. In the following provinces, the number of inhabitants per square kilometer is below the Austrian average (106.1*):

FS 13 Table: Access to banking services in sparsely populated provinces in Austria

2023	Inhabitants per square kilometer*	Branches (outside of branches)	ATMs
Lower Austria	89.5	8	228
Salzburg	79.4	3	81
Styria	77.1	12	227
Burgenland	76.0	3	58
Tyrol	60.8	3	93
Carinthia	59.7	4	101

Source: Statistik Austria

BAWAG branch network

As a bank, BAWAG helps to provide access to banking services in Austria's rural regions. As of 31 December 2023, our physical branch network in Austria consisted of 59 branches and 9 additional self-service branches that are accessible 24/7. The branch network enables 85% of BAWAG P.S.K. customers to reach a branch within a driving distance of 25 km or less, and 89% of customers up to a maximum of 30 km. Under the Südwestbank brand in Germany, we have 11 branches and Idaho First Bank has 7 branches in the United States.

Barrier-free access to branches and app

FS 14
SDG 1 As of 31 December 2023, BAWAG had equipped 68 locations with self-service zones in Austria. All of these self-service zones are barrier-free for the hearing and visually impaired. The functions required for this were implemented in accordance with the criteria of the Austrian Association for the Blind and Visually Impaired. The visually impaired can operate the devices according to their needs, including increasing the screen contrast, selecting larger fonts and switching off images and animations. Account balance inquiries, withdrawals and PIN management can be completed with the help of the audio function. Barrier-free access to BAWAG locations with self-service zones is possible during opening hours at 100% of the branches, and at 96% of the locations outside opening hours. Barrier-free access to safes is possible during opening hours at 74% of branches that have a safe. In 38% of the self-service zones, it is also possible for wheelchair users to position the front of their chair under the ATMs, which makes it much easier for this customer group to operate the machine. All Südwestbank locations offer wheelchair-accessible facilities. In addition, the BAWAG klar app and easybank app are taken into consideration for providing access to our services online 24/7. In the United States there are 7 ATMs under the Idaho First Bank branch, which are compliant with the Americans with Disabilities Act.

Cash service

BAWAG customers who find it difficult to get to the nearest branch or ATM can have cash delivered personally to their home on a day of their choosing. Any customer residing in Austria can order a "domestic cash order" for their account.

Retail customers

In 2023, BAWAG's digital customer engagement channels were again continuously expanded and improved. Amongst various improvements, this year, Google Pay and Apple Pay were rolled out for remaining card portfolios, offering a seamless digital payment for our mobile customers. For enhanced security and convenience additional device pairing options like QR code scanning and digital identification through selfie and ID scan were added. To increase privacy, customers can now hide account balances while using the app in public spaces. Based on structured user feedback, more customer flows were streamlined, including payments and account unblocking.

Customers across all brands are supported through digital journeys, which were further enhanced and automated. A significant portion of customers is on-boarded and serviced through digital and self-service channels. Further building out digital channels remains a cornerstone of the technology strategy as an opportunity to streamline internal processes and as a response to customer expectations.

1) "Austrian resident population" is defined as the number of persons with their main place of residence in the country. Data as of 2016. Source: Statistics Austria.

Partnership and platform

BAWAG fosters partnerships with retailers in Austria (e.g. supermarkets) where people can withdraw cash as well, further easing access to finance. In addition, BAWAG offers its products through various platforms or via brokers, e.g. for mortgage loans. BAWAG strives for an omni-channel approach, which enables customers to take out products over the phone and through digital channels.

Business customers

BAWAG further expanded its digital business customer experience in 2023 and offers domestic one-person enterprises the opportunity to open a business account in a purely digital manner, without having to visit a branch. The online application process has been launched successfully which enables customers to have a fully digital experience. Meanwhile, the share of the online applications is 25% of overall sales. In addition, BAWAG will invest in further development of the tool to cover a larger target group (for example existing customers who are currently out of scope).

Outbound services

Furthermore, BAWAG outbound call center agents support customers at different touchpoints in the customer journey: During onboarding processes, customer service employees support customers who, for technical or other reasons, have not been able to get through our online application sections. Furthermore, customers are supported during various application processes (e.g. obtaining documents, explaining contract passages etc.). Regarding digital advisory and multi-touchpoint services, the outbound teams provide online consulting services to customers as an alternative to going to the branch office.

2-26**Complaint management**

We analyze our customers' feedback on a regular basis and initiate measures to improve products and processes where necessary. BAWAG's complaint management guideline defines how customer complaints are handled and how this is set up in an organizational and legally compliant manner. Our goal is to deal with complaints responsibly and in accordance with the regulations, to restore customer satisfaction and to improve our service quality through in-depth analysis of the issues presented. We strive to handle every customer complaint as quickly and efficiently as possible and to find satisfactory solutions. Complaints can be submitted through various channels (by phone, web forms, in person at the branches or by regular mail). Regardless of the method of submission, all complaints are registered and customers receive written confirmation of receipt with an individual complaint number if the matter is not resolved immediately. Complaint management handles the examination/coordination of the matter and, if necessary, contacts specialist departments to obtain additional documents.

The customer is contacted by complaint management or other qualified departments in order to find a mutually agreeable resolution. If no agreement can be reached with the customer, the customer is informed in writing of the result of the review. Customers also have the option of contacting arbitration bodies, which are official alternative dispute resolution (ADR) institutions under the Alternative Dispute Resolution Act (AStG). According to this law, businesses and consumers can avail themselves of an alternative dispute resolution procedure to court proceedings. Such a procedure can only be initiated by the consumer. Each of these independent bodies must ensure through its rules of procedure that disputes are resolved in a fair and practicable manner based on an objective assessment of the circumstances of the consumer's complaint and with due regard for the rights of the parties. The law also stipulates that proceedings must be conducted swiftly. The Joint Conciliation Board of the Austrian Banking Industry (bankenschlichtung.at) has been established for the out-of-court settlement of disputes relating to certain customer complaints in the banking industry.

For contracts concluded online, the consumer also has the option of contacting the dispute resolution platform set up by the European Commission (ec.europa.eu/odr). The Internet Ombudsman (ombudsmann.at) is responsible for the out-of-court settlement of disputes relating to contracts concluded over the Internet or other issues of e-commerce, Internet law, data protection, copyright and trademark law in connection with the Internet. Consumer Mediation Austria (www.verbraucherschlichtung.at) is the competent body for complaints relating to foreign currency loans. Consumers are already expressly informed of the possibility of appealing to these arbitration bodies in the contract documents. The Complaint Management department continuously analyzes the data and information received and, on the basis of this, formulates suggestions for improvements to products and internal processes. The evaluation results are submitted to the Non-Financial Risk and ESG Committee and discussed in the meeting.

Responsible customer management

- 417-1** Responsible and respectful dealings with our customers are priority to us and are laid down in various guidelines (including the Code of Conduct). We comply with the pertinent legal regulations and also set strict internal guidelines for ourselves. In this way, we want to ensure that at every point in the company, the needs of our customers are put at the forefront. In 2020, we introduced the Group-wide responsible marketing and sales policy and communicated it to the employees who are directly responsible for its implementation. The policy serves as a strategic code of conduct for responsible behavior in marketing and sales and to build trust with our customers. The guideline's fundamental principles include a commitment to legally compliant, respectful and ethical behavior, confidential handling of information, no discrimination, expanding analytical capabilities, removing barriers and profitable and responsible growth. The guidelines in marketing include a commitment to transparent and clear language in communication measures, fair pricing, diversity in advertising and a respectful approach to all customer groups. In sales, we are committed to appropriate recommendations for our customers, ongoing training for our sales staff, continuous quality controls and a focus on our core competencies.

The policy can be viewed at the following link: www.bawaggroup.com/BAWAGGROUP/IR/EN/ESG

Other cornerstones of responsible customer management

- ▶ Only those BAWAG customers are proactively addressed through marketing campaigns for whom we assume that their financial situation allows them to use the advertised financial services product.
- ▶ To counter the impact of rising rates, customers with variable rate mortgages were proactively contacted and offered a fixed rate alternative to better manage the predictability of their cash flows
- ▶ The use of overdraft facilities by BAWAG customers is subject to ongoing monitoring. If we notice that a customer is approaching the upper purchase limit and also remains there for a longer period of time, we contact the customer and, if necessary, offer an alternative to the overdraft. In this way, customers not only save debit interest, but also get the opportunity for clear, structured debt reduction. This service goes beyond the legal requirements, as eligible customers are proactively addressed and the criteria BAWAG uses to define the relevant customer group are more comprehensive than required by law.
- ▶ To counter long-term credit risk for customers, we offer special insurance packages in the event of illness and unemployment when a loan is taken out. This service is not required by law, but is provided by BAWAG for the benefit of its customers.
- ▶ Depending on the account model, BAWAG proactively notifies its current account customers of new fee statements via ePostbox message on a monthly or quarterly basis. In this way, the Bank strives to ensure that customers are always informed of the current terms. The law only requires this information to be provided once per year.

SUSTAINABILITY IN OUR CORE BUSINESS

By embedding responsible and profitable growth in consideration of ESG factors into our Group strategy, we ensure that the further development of our business activities is in line with environmental and social concerns. The work of the Regulatory Office ensures that EU-wide and national regulations and amendments are continuously monitored and forwarded to the relevant units for the adaptation of processes and guidelines. This also applies to statutory regulations relating to sustainable finance.

RISK-AVERSE ESG STRATEGY

We believe that ESG responsibilities underpin sustainable long-term profitability and are a critical part of managing our risk. We have historically considered environmental and social impact factors in our credit decisions, as they will impact our potential borrowers' repayment of loans over time. This supports our continued focus on ESG risk in order to strengthen our current business model.

FS 6 Table: BAWAG Group sector exposure (% of total exposure) ¹⁾

as of 31 December in %	2023	2022
Defense industry	0.0%	0.0%
Production and distribution of NBC weapons	0.0%	0.0%
Production and distribution of conventional weapons	0.0%	0.0%
Production and distribution of other military services	0.0%	0.0%
Nuclear energy	0.0%	0.0%
Production of electricity in nuclear power plants	0.0%	0.0%
Construction of nuclear technologies for nuclear power plants	0.0%	0.0%
Uranium mining and trading	0.0%	0.0%
Other ethical risks	0.3%	0.3%
Production of and trade in addictive substances (tobacco, alcohol >20% by volume)	0.0%	0.0%
Production, trade and application of green gene technology	0.0%	0.0%
Gambling and related services/facilities	0.3%	0.3%
Fossil fuels	0.0%	0.0%
Total fossil energy sector	0.0%	0.0%
Coal mining and power generation	0.0%	0.0%
Extraction of crude oil and natural gas by means of fracking or tar sands	0.0%	0.0%
Climate change	0.0%	0.2%
Renewable energy	0.0%	0.2%
Sustainable mobility	0.0%	0.0%
Sustainable construction	0.0%	0.0%
Other ethical opportunities	1.2%	1.4%
Socially oriented companies/projects	0.2%	0.1%
Social housing	1.1%	1.3%
Organic farming	0.0%	0.0%

1) Excluding car leasing and credit cards

PRODUCTS AND SERVICES

BAWAG Group's corporate strategy provides for an increased focus on ESG issues in the coming years. By broadly considering the value chain from an ESG perspective, BAWAG Group aims to expand its understanding of risk and seize business opportunities for the benefit of its shareholders, customers and other stakeholders. In addition to the ESG risk management approach, BAWAG Group also sees specific ESG-related trends as business opportunities. We aim to take advantage of specific growth opportunities associated with environmental and social developments. Examples include the transition to a resource-efficient economy and the need for greater environmental protection and social inclusion.

As a bank, we have the opportunity to contribute to all environmental objectives which are outlined in the EU Taxonomy Regulation:

- ▶ climate change mitigation;
- ▶ climate change adaptation;
- ▶ the sustainable use and protection of water and marine resources;
- ▶ the transition to a circular economy;
- ▶ pollution prevention and control;
- ▶ the protection and restoration of biodiversity and ecosystems.

As a bank, we contribute to those environmental objectives – through our core business activities which allocate towards sustainable investments through two primary objectives:

- ▶ increase the positive impact by “enabling activities” to support environmental objectives
- ▶ decrease the negative impact by reducing or cutting activities that do significant harm to environmental objectives

We ensure financial products and strategies that pursue environmentally sustainable objectives are available to our customers. Within our advisory and investment offering, BAWAG offers several mutual funds and exchange traded funds (ETFs) that feature environmental objectives, and are provided for our customers based on risk appropriateness and suitability with our cooperation partner Amundi Austria.

Furthermore, the assessment of sustainability goals is a vital part of our internal processes: The product implementation process (PIP) plays a central role in the development of new products and services, entering new markets, and making important changes to existing products, services and markets. All risks, such as credit risk, market risk and operational risk, must be taken into account during product development. Since the beginning of 2020, the inclusion of ESG criteria in the product implementation process has been mandatory.

In 2023 all newly launched products were also reviewed in view of CSR/ESG aspects. Prior to launching new products, positive environmental and social impacts of product implementation are assessed and confirmed. The impact is presented using a statement on sustainability aspects (CSR/ESG statement) which is an integrated part of the tool for product launches. Environmental targets such as the expansion of green energy or electromobility, increased energy efficiency and the reduced use of natural resources are rated positively.

An economic activity should qualify as contributing substantially to one or more of the environmental objectives where it directly enables other activities to make a substantial contribution to one or more of those objectives.

Processes are in place to ensure the mitigation of activities that do significant harm to environmental objectives. One example of this are our lending criteria, consisting of industry exclusions and restrictions in lending. They are accessible via <https://www.bawaggroup.com/BAWAGGROUP/IR/EN/ESG>

EU TAXONOMY DISCLOSURE

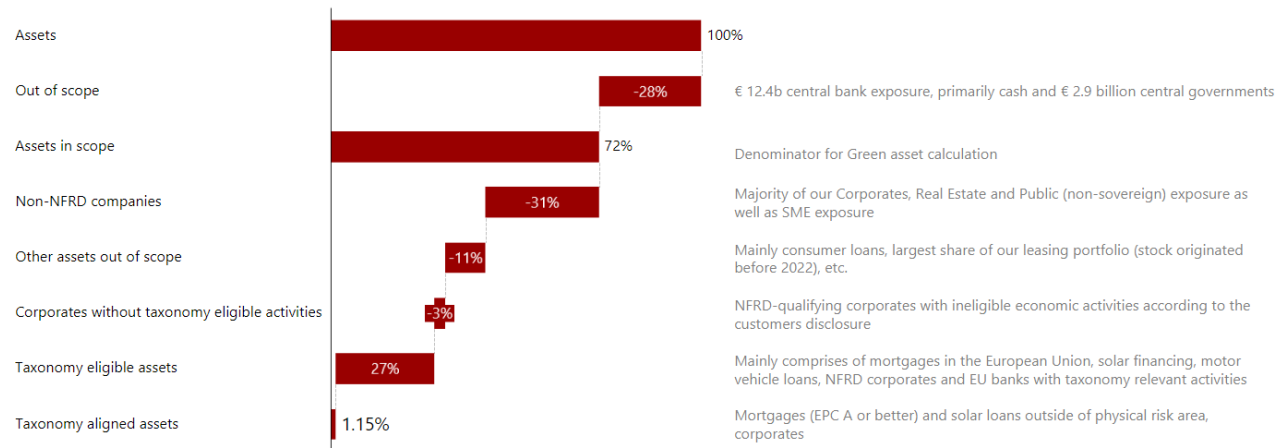
The EU Taxonomy Regulation sets out a framework that allows stakeholders to determine whether or to what part economic activities are environmentally sustainable. The Green Asset Ratio (GAR) indicates the proportion of taxonomy-compliant financial activities relative to all assets covered by the EU Taxonomy. It is designed as the central Key Performance Indicator (KPI) for disclosing a bank's green business. Starting from 2024 for the 2023 fiscal year, banks are required to disclose the GAR.

In the context of financial institutions, the GAR provides insights into how much of the portfolio aligns with sustainable and environmentally friendly activities. It reflects the bank's commitment to supporting the transition to a greener economy.

The GAR calculation considers the share of assets that meet the EU Taxonomy criteria, ensuring transparency and accountability in sustainable finance. By increasing funding for environmental and climate-related expenditures, we can support the collective progress towards sustainable development goals and emissions reductions.

The templates are published in the appendix.

Derivation of taxonomy-eligible and Taxonomy-aligned economic activities



HOW WE ADDRESS CLIMATE-RELATED RISKS IN OUR BUSINESS

The implemented risk management framework ensures the effective identification, measurement and management of risks across the Group and forms the basis for informed risk-based business decisions. It enables a quick and proactive response to market trends or other deteriorating developments and supports the Bank's sustainable organic and inorganic growth within the overall risk appetite.

In line with the regulatory expectations, ESG risks are identified as horizontal risks, i.e. they may materialize directly or indirectly through other risk types. In order to adequately reflect this approach, ESG aspects have been integrated into all important processes along the whole risk management cycle covering the following dimensions:

- ▶ Risk identification
- ▶ Risk assessment and risk appetite
- ▶ Treatment and mitigation
- ▶ Monitoring

Risk Materiality Assessment

In 2023, BAWAG Group conducted a top-down and bottom-up materiality assessment to assess the potential impact of physical, transition and environmental risk drivers on its credit risk, market risk, liquidity risk, non-financial risks (operational, compliance, legal, conduct, model and third-party risk) and other risks (strategic, reputational and business risk). All risk drivers and risk types were analyzed over the short-term (1-2 years), medium-term (2-10 years) and long-term (10 years and more) horizon.

Risk drivers in scope	Covered risks
Physical risk	Water stress, river flood, heatwave, coldwave, tropical cyclone/hurricane, wildfire, coastal flood/sea level rise
Transition risk	Policy and legal risks, technological developments, and market changes that occur from transitioning to a lower-carbon economy
Environmental risk	Overfishing, water stress and pollution, soil pollution, deforestation, animal welfare, invasive species and biodiversity loss

The goal of top-down approach is to achieve a holistic top-of-the-house view on the impact of physical, transition and environmental risks on BAWAG Group's environment, operations, business model and strategy. The bottom-up assessment aims at evaluating the exposition, vulnerability and (where possible) the financial impact of physical and transition risks on specific parts of BAWAG Group's business which have been identified as "key areas" for deep dives in the top-down assessment. This is achieved by evaluating physical and transition risks as a driver for internal risk categories (credit risk, market risk, liquidity risk, non-financial risk etc.).

Going forward, the materiality assessment will be performed as part of the risk identification process on an annual basis.

As BAWAG Group is operating predominantly in Austria, Germany, the Netherlands, and the US focusing mostly on service-related industries and secured lending, it is impacted by transitional risks in a very limited manner. In the short- and medium-term, transition risks are evaluated as low to medium. In the longer term, the risks are not expected to increase significantly.

An analysis of all of BAWAG Group's core countries in Europe (AT, DE and NL) showed that all of them have “high performance” CCPI rating regarding economy decarbonization. Governments started to act early (low risk of disorderly transition) and introduce ambitious climate protection laws accompanied by financial aid to support transformation (both corporates and vulnerable social groups). Financial capacity to support a socially just transition is high. Hence, overall risk in BAWAG Group's European core countries is rated as low.

Risk	Climate and Environmental risk	Materiality	Outlook	
Credit risk	Physical risk	Medium	Increasing	↑
	Transition risk	Medium	Stable	→
	Environmental risk	Low	Stable	→
Market risk	Physical risk	Low	Stable	→
	Transition risk	Low	Stable	→
	Environmental risk	Low	Stable	→
Liquidity risk	Physical risk	Low	Stable	→
	Transition risk	Low	Stable	→
Non-financial risks	Physical risk	Low	Stable	→
	Transition risk	Low	Stable	→
Other risks	Physical risk	Low	Stable	→
	Transition risk	Low	Stable	→

The assessment of physical and transition risks as a driver for internal risk categories (credit risk, market risk, liquidity risk, non-financial risk etc.) has shown that only credit risk is impacted by physical and transition risk in a material manner (medium risk). The potential impact of physical and transition risk on all remaining risk categories are currently assessed as low. Therefore, the impact on credit risk is examined more precisely in this paragraph.

Credit Risk

The Transition risk element of Credit risk is classified as medium primarily driven by the low coverage and relatively high share of low EPC labels in the residential and commercial real estate portfolios.

The analysis of BAWAG Group's portfolio and products showed that its corporate loan book is only marginally impacted by climate and environmental risks due to its low exposure to high emitting industries. Furthermore, this exposure to high emitting industries is composed of a few single customers and includes numerous state-affiliated companies in the energy sector which are presumably already working on making their business models climate and future proof and thus transition risk for those companies is expected to decrease over time. As of 31 December 2023, we had approximately € 400 million exposure classified as high and very high from transition risk perspective.

BAWAG Group's Retail & SME business (excluding mortgages) is also rated as low risk. Certain planned strategic actions (i.e., grow in the secured business), will further reduce impact of climate and environmental risks on BAWAG Group's portfolio.

Mortgages and commercial real estate (CRE) were the only products with medium physical and transition risk in the medium- to long-term.

The Physical risk element of Credit risk is classified as medium, primarily driven by the outcomes of sensitivity analyses and concentration measures of the corporate and real estate portfolios. The proportion of real estate (housing loans and CRE) exposures with a “high” physical risk rating stands at <20% resulting in a medium assessment for this driver.

The Environmental risk element of Credit risk is classified as low based on the ENCORE (Exploring Natural Capital Opportunities), Risks and Exposure methodology.

Market risk

The Physical, Transition and Environmental risk elements of Market risk is currently classified as low with stable outlooks due to the relatively low riskiness of BAWAG’s bond, FX, and commodities portfolios.

Liquidity risk

On the funding and liquidity side BAWAG is resilient to C&E risks. Liquidity buffer consists of high-quality bonds.

Non-financial risk

Same applies to non-financial risks (in particular, OpRisk). Physical risks evaluated for all locations of BAWAG’s operations incl. outsourcing are low (not material).

Lending criteria

BAWAG Group has defined lending criteria for the Corporate, Real Estate & Public Sector segment according to which all customers are screened. If a company is involved in one of these areas and can be held responsible for its involvement, it can be excluded or restricted in lending. The restricted/prohibited criteria are reviewed on a regular basis and may change. The currently applicable list of lending criteria is published and accessible via <https://www.bawaggroup.com/BAWAGGROUP/IR/EN/ESG>.

Internal ICAAP and stress test framework

ESG risk is also considered within BAWAG Group’s ICAAP and stress test framework. A separate scenario has been implemented comprising the following components:

- ▶ Macroeconomic effects
- ▶ Idiosyncratic shocks for transition and physical risk
- ▶ Operational risk effects

As a result of the annual risk assessment, a quantification and usage of internal capital is maintained for ESG risks to ensure sufficient buffer and is monitored monthly versus allocated limits.

Product implementation process

The product implementation process (PIP) plays a central role in the development of new products and services, entering new markets and making important changes to existing products, services and markets. All risks, such as credit risk, market risk and operational risk, must be taken into account during product development. Since the beginning of 2020, the assessment of ESG criteria in the product implementation process has been mandatory.

3-3 In 2023, all newly launched products were reviewed for CSR/ESG aspects. Prior to launching new products, the responsible product managers were asked to assess and describe potential impacts of product implementation in respect of environmental, social and governance aspects. The impact is queried and presented using a statement on sustainability aspects (CSR/ESG statement), which is an integrated part of the tool for product launches:

FS 2
FS 11

- ▶ Environmental: Among other things, the expansion of green energy or electromobility, increased energy efficiency and the reduced use of natural resources such as paper are rated positively.
- ▶ Social: Factors such as the accessibility for people with special needs, the reduction of discrimination, the fight against poverty and the expansion of educational opportunities are rated positively.
- ▶ Governance: Compliance with internal guidelines such as the Code of Conduct, anti-corruption and data protection was defined as a mandatory requirement for a product launch.

A total of 14 PIPs were conducted, 4 of which met at least one environmental criteria, 5 of which met at least one social criteria and all met the governance criteria.

ESG Data Universe

BAWAG Group actively works on several activities to improve the identification, measurement and mitigation of climate-related risks. We believe that ESG related data is the key to a successful transition and therefore closely monitor and improve the already available information (i.e. sector, location data, etc.) and at the same time enhance the infrastructure to collect further ESG relevant information (i.e. energy performance certificates, CO2 emissions).

Data management is a fundamental element of BAWAG's business activities, decisions and governance. Based on the regulatory requirements of BCBS239 and the understanding that data is a corporate asset, we have built a robust data governance framework following consistent standards throughout the Group that apply to ESG data as well.

BAWAG's data is stored in a central data warehouse, which is the basis for data historization, aggregation, steering and reporting. ESG-relevant data consists of existing portfolio data (loan portfolio, industries, countries, etc.) as well as extended specific information that has become part of the regular data warehouse. ESG is a very wide-ranging, comprehensive topic thus the data related to ESG management encompass several dimensions.

Several initiatives are currently ongoing to ensure that further information and data quality will improve over time.

External data will be included into further process adaptations and enhancements for establishment of further ESG identification and assessment methodologies and therefore underlies the same quality requirements as internal data. The implemented risk management framework ensures an effective identification, measurement and management of risks across the Group and builds the basis to make informed risk-based business decisions. It allows to react quickly and proactively to market trends or other deteriorating developments as well as support the bank's sustainable organic and inorganic growth within the overall risk appetite. Sustainability risks are environmental, social or governance events or conditions, which if they occur have or may potentially have significant negative impacts on the assets, financial and earnings situation, or reputation of a supervised entity.

FS 1 PIP guideline

CSR/ESG information is part of the guideline on the product implementation process. It states that every product idea must be evaluated for ESG criteria before the product implementation process is started. In the tool used, CSR/ESG data related to product implementation is stored automatically in a centrally available database and can be used for reporting.

Furthermore, we determine the suitability of the product for certain customers, ensuring that customers are given products that are appropriate for risk tolerance, financial goals, etc., and this is incorporated into the sales process.

203-1 Financing

203-2

SDG 1 Corporates & Public Sector business

SDG 8 In the public sector segment, an in 2020 concluded refinancing loan with the EIB was extended at the end of 2023 (total volume: € 150 million). The focus is on investment projects by municipalities, municipal associations etc. in the areas of
SDG 9 climate, energy, education, water/waste recycling and health care. A large part of this urban development refinancing EIB
COP 9 loan has already been successfully deployed by supporting mainly investments in the educational and water supply/wastewater disposal segment. EIB urban development loan: <https://www.eib.org/de/projects/loans/all/20200238>

In addition, numerous companies, municipalities and the public sector place their trust in BAWAG when it comes to financing and implementing projects. Of the infrastructure projects that the Bank has (co-)financed in recent years, the majority were projects that accelerated the expansion and improvement of infrastructure in rural regions throughout Austria. The individual facilities mostly ranged from € 1.0 million to € 4.5 million in 2023 and were used for the following projects:

- ▶ Education: BAWAG finances numerous educational institutions in Austria. These include various properties, ranging from schools to day care centres
- ▶ Water management: Both water supply and wastewater disposal are financed
- ▶ Utilities: financing of green projects of energy suppliers
- ▶ Wood processing industry: financing of green projects

Beyond this, BAWAG is constantly working on broadening funding for German affordable/social housing companies. BAWAG's corporate customers also include companies that promote the expansion of alternative energy generation facilities, operate important health care facilities, contribute to the preservation of Austria's flora and fauna and provide further education and training for people with disabilities or who have difficulties in getting access to the labor market.

SME customers – corporate financing

SDG 1 The SME unit retained its ability to support companies with microfinancing. New business in microfinance under € 5,000
SDG 8 for SME customers amounted to € 29,000 in 2023 (overdraft facilities and one-time loans). The SME upload function that was implemented in 2020 (i.e. business documents can be uploaded and branch visits or printouts can be reduced) has been extended again and offers customers the possibility to upload their documents 24/7, thus making it accessible to even more customers.

COP 7 Retail customers – consumer and housing financing and leasing

SDG 12 Below are examples of our financing activities:

- SDG 13**
- ▶ Mortgage loans: The data of the energy certificate can be read out automatically. The energy performance certificate enables the customer to take measures on energy efficiency.
 - ▶ Debt collection policy: In 2021, BAWAG Group implemented a debt collection policy. We strive to provide sustainable financial assistance solutions, tailored to customers' individual circumstances, that consistently deliver the right outcomes. The solution offered is always based on an individual assessment of customer circumstances, in which we look to ascertain (a) the reasons for and nature of financial difficulties, and (b) current and future affordability levels. The debt collection policy is accessible via <https://www.bawaggroup.com/BAWAGGROUP/IR/EN/ESG>.
 - ▶ Building society loan: start:bausparkasse is the only building society in Austria offering a building society loan for financing housing measures with a 30-year fixed interest rate.
 - ▶ Dutch mortgages with state guarantees: In the Netherlands, we offer access to state-guaranteed mortgages, thereby providing a broader range of customers access to affordable mortgage loans.
 - ▶ Car leasing: easyleasing is fully focused on the automotive business with about 90% of business volume coming from this area. Besides car leasing, an installment model called "easykauf" is offered to customers to finance used cars. A significant difference versus a consumer loan is the risk proposition – "easykauf" is a secured loan where the credentials for approval are significantly lower compared to an unsecured consumer loan. Therefore, easyleasing provides prospective borrowers even easier access to finance their vehicle. By signing such a contract, customers agree to keep the car in good condition – which is often a "natural" incentive for customers to do so as the majority of customers buy the used car after the end of the financing period.

Investments

FS 7 Amundi: broad range of investment funds with an ESG approach

FS 8
SDG 13 It is particularly important for a bank to assume social and ecological responsibility with regard to investments. BAWAG predominantly distributes funds of other providers. Within the offered funds – Amundi Ethik Fonds, Amundi Ethik Fonds ausgewogen, Amundi Ethik Fonds Evolution, Amundi Öko Sozial Euro Short Term Bond, Amundi Öko Sozial Euro Aggregate Bond, Amundi Öko Sozial Dollar Bond, Amundi Öko Sozial Euro Corporate Bond, Amundi Öko Sozial Net Zero Ambition Bond, Amundi Öko Sozial Global High Yield Bond, Amundi Öko Sozial Stock and Amundi CPR Climate Action and four Amundi ETFs from our cooperation partner Amundi Austria, as well as AXA WF Framlington Sustainable Europe, BGF ESG Multi-Asset, Robeco Sustainable Global Stars Equities Fund and Schroder ISF Global Climate Change from our cooperation partners within BAWAG Best In Class – BAWAG offers 15 mutual investment funds and four ETFs that focus on ESG aspects. The individual securities and international issuers of funds are selected according to strict ethical and ecological exclusion criteria (decided by Amundi and the respective fund company) so that the sustainable, ecological and social orientation of the investment is ensured. All Amundi funds have been awarded the EUROSIF transparency logo for sustainability funds, and the Amundi funds from Austria have also been awarded the Austrian Ecolabel for sustainable financial products. BAWAG does not manufacture or issue funds. BAWAG has only a limited product offering for portfolio management under the Südwestbank and easybank brand.

Accounts and cards

Social inclusion accounts at BAWAG

SDG 1 BAWAG's "**New Chance**" account, which was introduced in 2009, is designed for people who would otherwise be excluded from payment transactions. Neither the account number nor the sort code indicate that a customer has such an account. This prevents customers from being directly or indirectly stigmatized in the course of carrying out their financial transactions. In addition, our **consumer payment account**, which is in line with the Consumer Payment Account Act, offers all people very affordable access to a bank account.

Especially people experiencing financial difficulty can get this flat rate account including an account card for € 40 per year. Beihilfenkonten (budget accounts) enable specific target groups (such as asylum seekers) to participate in financial life and carry out financial transactions.

Around 6% of total current accounts are social inclusion accounts. Taking into account the allocation of social inclusion accounts, the current split is 60% for “New Chance” accounts, 40% Beihilfenkonten (budget accounts) and <1% for customer payment accounts.

COP 8 KontoBoxes – simple and paperless

The KontoBoxes S and L offer maximum convenience and are focused on customers who would like to conduct their account transactions online and offline. The application process and the opening of the account take place completely online. The paperless account opening application was rolled out to more channels in 2021. We went live with our full online application on the easybank and BAWAG website: As a result, we can offer a fully digital and paperless application process from home to all new customers, not only for private customers, but also for SMEs with the legal forms of “non-prot. EU,” “prot. EU” and “GmbH”.

Debit Mastercard

Customers can use the Debit Mastercard to make online purchases without a credit card. This makes it possible for customers who do not want a credit card or who are not eligible (e.g. due to creditworthiness reasons) to make purchases from online merchants without being disadvantaged by lower security standards. It uses the internationally standardized 3D Secure for Mastercard products procedure, which simply requires free registration.

Credit cards

All our BAWAG, easybank and PayLife credit card customers have the option of retrieving their PIN for payment approval directly in the app, the easybank app or myPayLife, thus eliminating the sending of a PIN letter by regular mail.

Mobile payments

Apple Pay and Google Pay is provided for all debit cards and credit cards, which offers contactless payments.

Instant payments

We offer real-time instant payments to our clients, leading to an indirect economic and social impact with even higher future potential: Technology-wise, we implemented a real-time infrastructure that is capable of doing transactions across Europe as fast as a chat message. This means that our customers can send and receive payments within a maximum of 20 seconds from all over Europe – senders receive a confirmation message, also within these 20 seconds, that the funds have arrived in the beneficiary account – all after having done a couple of security checks. This technology enables customers to use more functionalities, easing their daily financial lives and supporting real-time flexibility.

SOCIAL RESPONSIBILITY AND PERSONAL COMMITMENT

At BAWAG Group, we recognize our social responsibility in contributing to sustainable development. Our commitment to social engagement is an integral part of our identity and extends beyond traditional banking services to actively engaging in initiatives that foster financial education, support underprivileged communities, promote environmental sustainability, and empower individuals to climb the social ladder.

By following this, we aim to contribute positively to society, create long-term value, and achieve an impact that reflect our dedication to sustainable and responsible banking practices.

We believe in supporting projects with a social purpose across all age groups, mainly in the markets we are operating in. We focus on projects on a long-term basis. Therefore, many of our campaigns and measures have a long tradition, which is important for the financial structure of projects with a social purpose. Moreover, we see contributions to a good cause as an important factor to help people in need. We continue to support this outreach through both financial support and volunteerism. Therefore, we are committed to intensifying our measures: One target area, for example, will be focused on increasing corporate volunteering activities. BAWAG Group accepts its social responsibility and is committed to socially relevant issues. We see education as one of the most important cornerstones to keep the partnership of our industry with society at eye level. With a higher level of (financial) education and accessibility of education opportunities, we strive to help people to increase their knowledge and well-being, where we play an active role in creating partnerships and developing projects. Education should never be a question of the origin or education level of one's parents.

We accept our social responsibility and are committed to socially relevant issues. Basically, there are two pillars in this area:

- (i) Corporate Volunteering with “matching” by the Bank via financial support to the organizations and
- (ii) Donations with “matching” by the Bank.

Corporate Volunteering

At BAWAG Group, we understand that our responsibility to society extends beyond financial contributions, and we recognize the invaluable impact of human capital. To encourage and amplify the positive influence of our dedicated employees, we are committed to extending the number of corporate volunteering hours on a regular basis. Our team members have the flexibility to choose the number of hours they wish to dedicate to serving the greater good, participating in a range of community-focused activities aligned with our social engagement pillars. This initiative not only empowers our employees to actively contribute to the causes they are passionate about but also strengthens our collective commitment to making a meaningful difference in the communities we serve. By fostering a culture of volunteerism, we aim to harness the diverse skills and talents of our staff to address societal challenges and create lasting positive change.

We focus on community involvement and collaboration with NGOs, actively engaging with stakeholders, including employees, clients, and community leaders, to incorporate their feedback and ensure our social engagement efforts remain relevant and impactful. As a bank, we are fully committed to offering employees a broad variety of opportunities for corporate volunteerism. Employees can use a couple of working days per year to volunteer for charitable organizations and projects without having to take vacation days. Furthermore, the Bank supports these organizations with donations.

Serving people in need**Samariterbund Wien**

In November 2022, the "Suppentopf" project of the Samariterbund Vienna was launched. BAWAG started to contribute to regular kitchen soup drives in January 2023 by corporate volunteering and donations. Teams of (on average) up to 6 participants cooked together for a good cause and handed out food to those in need – hot meals were distributed to people affected by poverty in Samariterbund's social markets, homeless and refugee facilities. The food is cooked in a fully equipped gastro kitchen in the 20th district of Vienna and the hot meals are served together after cooking. The soup kitchen thus creates a place that satisfies hunger - and is also a place of encounter and cohesion. Planning, purchasing and logistics are handled by the Samariterbund Wien. During 2023, a total of 87 BAWAG teams participated, with a total of 442 participants – people in need were served with more than 25,000 meals. BAWAG also supported the Samariterbund with additional measures.

Haus Jaro

Haus Jaro provides accommodation for homeless women and men who are not covered by health insurance and who require all-day accommodation after medical treatment and/or during the recovery process. A group of 2023 year's trainees organized a barbecue for the ~70 residents of Haus Jaro.

Financial Education

We collaborate with educational institutions, non-profits, and community organizations to develop and implement financial education programs for diverse demographics. We actively promote financial literacy through workshops, seminars, and online resources to empower individuals with the knowledge needed for sound financial decision-making. We work on establishing scholarship programs to support students from low-income backgrounds in pursuing higher education.

We collaborate with educational institutions to enhance access to quality education.

Kinderuni

Furthermore, BAWAG intensified its social commitment to financial education with the Children's Office at the University of Vienna. The Children's Office at the University of Vienna brings together children from all social backgrounds and motivates them to be curious throughout their lives. In doing so, it conveys a very important message to the next generation, which is also close to our heart as a bank: Education is the best investment for the future! Education helps people to make self-determined decisions and also has a positive influence on the way they handle money, for example. As a bank, it is important to us to support outstanding projects in the field of education.

A couple of milestones were achieved in 2023: Following up on the volunteer day in December 2021 where numerous colleagues participated in a virtual CoCreation Workshop dedicated to building the foundation for developing financial workshops for children, the next corporate volunteering day took place in April 2022. The representatives of Kinderuni facilitated a workshop in which our employees contributed their time and knowledge during a couple of brainstorming sessions (e.g. answering children's questions, giving feedback on ideas for workshop sequences etc.). The results of this workshop formed the basis for the development of lectures that were kicked off at KinderUni in June 2022 and have been held on a regular basis ever since. During the workshops (~3 hours each), volunteers accompany the different workshop methods and serve as banking experts, mainly focusing on answering the children's questions during the "Special Guest" part of the program. Their experience as someone who deals with money on a daily basis has been in demand, and practical insights into working life have been a very valuable contribution for the students. A couple of workshops were held in which BAWAG employees participated as well during the course of 2023. In December 2023, BAWAG participated

in the first virtual workshops, which are targeted at extending the outreach to children. Regarding demographics, children participating are – on average – between 8 and 10 years old.

2023 BAWAG sponsored – for the fourth time – “one day-tickets” transportation and supervision of a group of children during the Vienna Children's University in July 2023. This time, a group of 15 refugee children from Ukraine was supported who spent an entire week developing and presenting a fantastic program on the topic of climate and the future.

Furthermore, BAWAG is committed to supporting a new project where BAWAG will support in 2024: Kinderuni – First Generation Program Target is to support 180 teenagers on their way to the Matura (A level exam) who are the first one in their families making it to Matura level in Austria which will allow them to continue their education and access university or to start their professional career (“First Generation”). These are typically teenagers from underserved communities and refugee families. For this group, the way to university is presumably harder as they often lack support, knowledge or experience within their families on how to tackle the challenges to graduate from school. Support for these teenagers will be multifold: By way of private tutoring, coaching, supporting with their readings & presentations, providing them with dedicated space for studying and providing them insights to the working atmosphere so that they get motivated to follow the educational path towards university.

Three Coins

To promote the development of financial literacy at an early age, BAWAG continued to use a financial quiz for children aged 6 and older to help them get started in their financial lives that was developed by Three Coins in 2020: Each child can complete the Safe&Cool check on the BAWAG website free of charge, either independently or together with their parents. The check with its ten questions teaches the fundamentals of sensible consumption and saving, and also how to handle personal bank data safely. The check is also designed as an introductory quiz for all Safe&Cool allowance accounts at BAWAG, in order to establish a foundation for the safe handling of money in the digital world.

Volkshilfe Tirol

Support of clients of Volkshilfe Tirol (people in need) regarding financial education: BAWAG advisors supported Volkshilfe Tirol clients in "dealing with money" and coach individuals and families at risk of poverty either in individual coaching sessions or in presentations. Coaching for women focuses on the topic of "self-empowerment", from managing one's own money to handling an account. For young people at risk of poverty, the main focus is on comparing income and expenditure. The consultations take place in various Volkshilfe offices in Innsbruck and Wörgl.

Ocean Blue

BAWAG is also committed to participate in and to support initiatives aimed at cleaning oceans and preserving marine ecosystems. In 2023, BAWAG continued its support for Ocean Blue. The organization offers companies the opportunity to make their individual contribution to conserving and cleaning the oceans, BAWAG offers its employees the opportunity to participate in BAWAG Community Days, dedicated to corporate volunteering and saving the environment. Partnering with Oceanblue, an organization offering companies the opportunity to make their individual contribution to conserving and cleaning the oceans, BAWAG offered its employees the opportunity to participate in two BAWAG Community Days, dedicated to corporate volunteering and saving the environment. In June 2023, 95 employees participated in the BAWAG Community Day to make a meaningful contribution to a better and healthier environment. The participants formed groups and were equipped with the appropriate tools – gloves, dip nets, grabbers and garbage bags – to clear the banks of the Danube side waters and the green areas in the Floridsdorf water park. The collected garbage weighed 260 kg. In October 2023, 64 employees made a contribution to a better and healthier environment. This time, the BAWAG Beach Cleaning day took place on Danube Island. The participants cleared the section between the Reichsbrücke and Brigittenauer Brücke bridges, resulting in a haul of about 220 kg of garbage.

Donations

Our commitment should bring benefits and added value to people. We regularly donate to initiatives and social projects as a company. In 2023, we increased the amount of our donations. To further develop our community outreach programs in 2023, the Management Board and Extended Management Board collectively donated € 1 million to fund the various social programs BAWAG is supporting. Furthermore, donations were made by employees and contributions were made by the Bank.

Donations to Communities and Disaster Relief

In line with our commitment to social responsibility, BAWAG Group recognizes the importance of direct contributions to communities and rapid response during catastrophic events. We allocate a portion of our resources to charitable donations aimed at addressing the immediate needs of communities facing economic hardships. Additionally, we pledge to provide swift financial support in the aftermath of natural disasters such as floods, earthquakes, or other crises. This commitment involves collaborating with reputable humanitarian organizations and disaster relief agencies to ensure that our donations are strategically deployed to provide timely assistance, aiding in the recovery and rebuilding efforts of affected regions.

Our dedication to supporting communities during both regular economic challenges and unforeseen disasters underscores our holistic approach to social engagement.

SDG 4 Examples & type of activity:

- ▶ Floods in Corinthia/Styria: € 80,000
- ▶ Earthquake Syria/Turkey: € 100,000
- ▶ Licht ins Dunkel: BAWAG supports Licht ins Dunkel with donations which are usually allocated to the “Licht ins Dunkel” emergency aid fund and organizations with a social purpose. This is a long-standing partner of ours and the cooperation dates back to the 1970s.
- ▶ BAWAG “Wichtelchallenge”: Many families were not able to celebrate Christmas in their home country this year because they had to flee the war in Ukraine. For this reason, the Samariterbund asked children and young people of the families in care about their Christmas wishes. The result was a list of individual and personalized wishes of 90 children that employees fulfilled. The children’s and young people’s wishes included toys, sports equipment and vouchers for clothing, winter shoes, etc.
- ▶ Mödling Women’s Shelter: BAWAG provided bedding and linens to provide more comfort and support to the shelter’s residents. Social institutions such as the Mödling Women’s Shelter play a crucial role in our society by offering

protection and refuge to women and children who have been victims of domestic violence. They create a safe environment in which those affected can recover and rebuild and restructure their lives. However, such facilities often face financial challenges as public support is limited and the demand for their services is constantly increasing.

- ▶ **CARITAS:** In Q2 2023, old clothes were collected at ICON and in the Vienna branches Simmering, Pilgramgasse and Wipplingerstraße. The clothes (345 kilograms) were handed over to the Caritas facility "Garderob 137" in Landstraßer Hauptstraße, where they were distributed free of charge to people in need.

Corporate volunteering

Table: Corporate volunteering (hours)

Name of organization	# hours 2023
Samariterbund Wien	2,652
Ocean Blue	954
Kinderuni	29
Other (Haus Jaro/CARITAS)	77.0
TOTAL	3,712

SDG 1 BAWAG has been the main bank of numerous charitable organizations in Austria for decades.

HUMAN RESOURCES: EMPLOYEE PROMOTION AND DEVELOPMENT, DIVERSITY AND EQUAL OPPORTUNITY

COP 6 Our employees are the foundation for delivering on our strategy and building the BAWAG Group of tomorrow. Technology has not only changed customer behavior, but also the way we work together. Besides the traditional banking expertise, the capabilities and skillset of financial institutions' employees have been and will continue to be enhanced to adapt to these changes. Attracting, developing and retaining excellent employees is key and therefore our responsibility is to create a working environment where people are given the space for their development. An active equality policy and the promotion of diversity among employees are synonymous with being a modern employer and a customer-oriented company.

WEP 1
WEP 2
WEP 4

Our culture and values are defined by accountability, humility and embracing change. We value leaders who are dynamic, lead with uncompromising integrity, have a strong work ethic and do not shy away from taking hard decisions. Our Senior Leadership Team, which has led our transformation over the past decade, have an average of 14 years of working experience at BAWAG. We do our best to maintain a simple Group structure and flat organization. We encourage all team members to focus on the work at hand, cut out the noise and always challenge the status quo for the betterment of the team.

We believe our diversity, inclusivity and meritocratic culture are a real source of strength. We are fully committed to gender equality and diversity. Our diversity and gender equality will be a byproduct of merit, integrity and work ethic. Our greatest asset is our human capital, so we are focused on developing and mentoring our team members across the ranks.

At BAWAG Group, people from 53 nations, from all age groups, with different sexual orientations, with limitations and in different faiths, work together every day. Diversity and equal opportunity for all employees are key success factors for the Group and are the responsibility of the management, implemented operationally by Human Resources and put into practice by all managers and employees of the company. All BAWAG Group employees, whether full-time or part-time, are to be treated equally and fairly. BAWAG Group does not tolerate any discrimination based on age, gender, disability, sexual orientation, origin or religion. BAWAG Group also firmly rejects any form of bullying, sexual harassment, threats and violence.

We support our employees in developing their talents and skills at different levels of their career. While offering specific programs, we also provide a wide range of training opportunities to help develop their personal as well as professional skills.

PROMOTING DIVERSITY AND EQUAL OPPORTUNITY

ESG targets

Promoting and embracing a true culture of meritocracy enables us to attract, develop and motivate our team members, which underpins our success. Most importantly, our meritocracy allows us to guard against complacency. In 2021, we embedded HR-related ESG targets into our operating plans: In terms of diversity, we have established a female gender quota of 33%, for both the Supervisory Board as well as the Senior Leadership Team, by 2025. The Supervisory Board's female quota is at 44% already today.

Attracting and retaining the right mix of employees is challenging. We have made great progress over the last few years with the initiatives set. One key aspect of our women's promotion plan has been to encourage women to participate in personnel development programs. We encourage women to take on leadership roles, in full time or part time and in particular after maternity leave that they come back in a leadership role.

Women's Advancement Plan

The Women's Advancement Plan, which has been in place since 2012, serves as a binding framework for promoting equality and ensuring equal opportunity for women and men in the company. The plan is based on four principles and concrete measures: sensitization, equal career opportunities, financial equality and promoting a better work-life balance for women and men.

Women's Initiative

- WEP 6** The BAWAG Women's Initiative is a network of female experts and female managers from all areas of the Bank supported by the Management Board of BAWAG Group. The goal of the initiative is to promote equality for women in BAWAG Group in the form of achieving career goals in management or expert positions, monetary equality and the compatibility of family and career.
- WEP 7**

Women's Mentoring Program

- SDG 5** The Women's Mentoring Program is aimed at female employees who would like to benefit from internal or external top managers from the business world as mentees and broaden their horizons. The goal of the Women's Mentoring Program is to give female employees the opportunity to deal intensively with the topic of women and careers, to have an in-depth personal exchange with their mentors and to build a network within the Bank. In this program, top executives from BAWAG Group make themselves available to the female mentors to share their experience in joint discussions and to provide advice to the mentees.
- WEP 5**
- WEP 6**

During the mentoring year, the mentees are offered professional and personal development content in workshops, networking events and extensive further training as part of the BAWAG Academy. Participants have the opportunity to talk to internal experts on the topics of finance, risk and retail, as well as to exchange ideas with members of BAWAG Group's Management Board in a very personal setting during business talks. The 9th Women's Mentoring Program will be finished in Q1 2024.

2-7 DIVERSITY FIGURES

405-1

Table: Change in the number of employees

	2023	2022
Number of employees (including Idaho First Bank)	3,173	3,305
Number of employees (excluding Idaho First Bank)	3,093	3,305
Fluctuation rate (in %) ¹⁾	7%	11%

1) Not including employee departures under the social plan. The calculation was performed on the basis of headcount.

401-1 Table: Extent of employment

	2023	2022
Full-time	2,106	2,364
Female	980	1,088
Male	1,126	1,276
Part-time	1,067	1,307
Female	866	1,025
Male	201	282

Table: Type of employment relationship by gender

	2023	2022
Permanent	3,091	3,213
Female	1,799	1,852
Male	1,292	1,361
Temporary	82	92
Female	47	54
Male	35	38

Table: Type of employment relationship by country

	2023	2022
Permanent	3,091	3,213
Austria	2,605	2,784
Germany	322	359
Other	164	70
Temporary	82	92
Austria	80	84
Germany	0	6
Other	2	2

WEP 1 Table: Gender breakdown (in %)
WEP 7

	2023	2022
Female	58%	58%
Male	42%	42%
Proportion of women in management positions	35%	35%

Note: Excluding Idaho First Bank.

Tables: Workforce/governing bodies by age group and gender¹⁾

		Age group			
2023		<30	30–50	>50	Number
Male	Senior Leadership Team (SLT) (incl. Management Board) ¹⁾	0	50	17	67
	Employees outside the SLT	239	522	499	1,260
Total (male)		239	572	516	1,327
Female	Senior Leadership Team (SLT) (incl. Management Board) ¹⁾	0	19	12	31
	Employees outside the SLT	379	877	559	1,815
Total (female)		379	896	571	1,846
Total		618	1,468	1,087	3,173

		Age group			
2022		<30	30–50	>50	Number
Male	Senior Leadership Team (SLT) (incl. Management Board) ¹⁾	0	50	13	63
	Employees outside the SLT	233	551	552	1,336
Total (male)		233	601	565	1,399
Female	Senior Leadership Team (SLT) (incl. Management Board) ¹⁾	0	15	10	25
	Employees outside the SLT	414	876	591	1,881
Total (female)		414	891	601	1,906
Total		647	1,492	1,166	3,305

1) We reconstituted our Senior Leadership Team (SLT), which is currently made up of 98 team members, including our core markets (DACH, Western Europe and the US). 2023 Numbers including Idaho First Bank.

405-1

	2023	2022
Supervisory Board (number of members)	9	9
thereof male	5	5
thereof female	4	4

	2023	2022
Supervisory Board by age group	9	9
30-50	1	2
>50	8	7

RECRUITING

COP 6 BAWAG Group stands for equal opportunity and diversity. All employees of BAWAG Group, whether in full-time or part-time
WEP 2 employment, shall be treated fairly and equally, regardless of age, gender, disability, sexual orientation, origin (national and ethnic), religion or belief.

As multipliers, our recruiters have transferred this knowledge to the managers of BAWAG Group in the introductory workshops on the recruiting tool. BAWAG Group's recruiting workflow tool is successfully in use and continues to support the recruiting process.

Applicants are approached on a wide variety of platforms and recruiting events, such as job fairs at universities, job postings on international job portals and self-organized BAWAG recruiting events for students such as the BAWAG Reception. In addition to traditional job postings, we offer special programs for students to gain their first work experience and to have a talent pipeline from young professionals. In order to get the best experts worldwide, we support applicants in obtaining a work visa and a residence permit. The recruiting policy defines key principles and rules of the internal and external recruiting process and is aligned with the strategic and cost-related corporate objectives. BAWAG Group generally promotes open-ended employment relationships. Leasing personnel are only taken on in exceptional cases.

404-2 EMPLOYEE DEVELOPMENT

Programs for new hires

Come & Learn internship

BAWAG Group offers students interesting insights into professional life in up to six-month internships. Interns can further develop the knowledge they have acquired during their studies. They actively work on bank-specific projects and tasks and not only gain valuable practical experience in various specialist areas, but also learn about the Bank's processes. Internships at BAWAG Group offer ideal entry-level opportunities for a successful career at the company.

Trainee program

The trainee program is targeted at university graduates. As part of the one-year program, trainees gain comprehensive insight into the company supported by job rotations, work on bank-related projects and can build up an initial internal network. In addition, they receive in-depth training in their assigned area and within the scope of the BAWAG Academy and can continuously expand their capabilities.

Programs for existing employees

Promoting talents, (new) leaders and experts is a key pillar of our people development strategy at BAWAG Group. When selecting program participants and specific training opportunities for employees, a balanced ratio of women and men is considered. When assessing and creating individual development programs for employees, we partner with external educational institutions to develop or deliver joint training programs for our staff. The leadership training for new managers is carried out as soon as there is a corresponding number of participants.: It supports new leaders in their tasks and provides answers to daily professional challenges within the framework of the program, such as teamwork and leading in remote working situations. As preparation for the program, the PCM (Process Communication Model) methodology is used, with the help of an online-based analysis that describes human personality and communication behavior. A new cohort has already started in Q4 2023.

Targeted, Group-specific use of the wide range of online training courses offered by the GoodHabitZ learning platform has been a major success. These trainings courses promote continuing education for every employee across the entire Group.

With over 100 online training courses, this tool enables employees to develop a wide range of personal, leadership, teamwork and technical skills.

The focus continues to be on expanding social, professional and methodological skills. The BAWAG Academy (founded in 2020) consisting of webinars, impulse lectures and livetraining courses, offers enhancement of professional bank wide knowledge: The competences of our own experts are passed on to employees in a structured manner, thus actively stimulating knowledge transfer. Experienced executives and management teams are supported through individual (management) coaching and strategic team workshops to meet specific needs. A training academy (BAWAG Academy Technical Training) for all data analyst trainees was again executed successfully in fall 2023, broadening new content (Python & Data Stack Training, Data Scientist Training with focus on predictive models, data pipelines and model lifecycle management). The BAWAG Academy also provides in-depth internal hands-on training (e.g. banking expertise, technical and programming skills). Each webinar lasted between 1.5 to 3 hours.

Succession planning

BAWAG Group is proud to be an organization that makes promotions based on merit. Employees' potential, career progression and the corresponding promotion opportunities are determined based on talent, ambition and performance. Career opportunities and career paths are defined in line with strategic succession planning. A Group-wide leadership goal for the senior leadership team made leadership development, succession planning, talent development and talent improvement a top priority of leadership. Therefore, an integrated strategic workforce plan is in place: One part of an integrated bundle of measures is related to our recruiting strategy: In 2023, 55% of new hires were female. Furthermore, all of our training and development programs are assessed and re-calibrated on a regular basis.

The Extended Management Board has been in place since 2019 to provide senior managers with a broader platform for strategic discussions and know-how transfer with the Management Board.

BAWAG provides transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment. Examples are flexible agreements to reduce working hours (e.g. higher age) and partial retirement. When contracts are terminated, BAWAG offers support in case there is a need for retraining after termination (e.g. programs for further education like WAFF).

Growth Academy for sales managers

A one-year course, the Growth Academy, was created for both potential future managers and sales experts. The objective is to strengthen communication and cooperation across the team on the one hand, and to develop numerous predetermined social and sales skills in cooperation with external and internal trainer on the other. The involvement of the management of retail sales and the top management of the Bank also ensures that theory and practice are closely synchronized. Furthermore, this also gives sales employees the opportunity to actively exchange ideas with top management.

WEP 1 Leadership development for sales managers – Leader's Choice

In order to provide existing managers with the best possible training, various influencing factors are taken into account. Varied role profiles in sales, differentiated requirements and the strategic orientation of branch sales must be considered. Additionally, input from the results of potential analyses, current performance and sales surveys are required inputs. The aim is to offer sales managers a diverse and tailored range of courses in personal development, leadership and specialist topics to give them the tools they need to lead their teams to success. As the title also describes, topics for leadership and personality development are offered as elective modules. In selecting the topics, the wishes and suggestions of the sales

executives as well as trends in the banking industry were taken into account. Each manager will find the optimal training measures for him or her in order to be well equipped for day-to-day management.

Training for all employees: Tailor-made approaches to mitigate retention risks

In general, training measures are accessible to all employees (full-time or part-time) of the entire Group. During feedback process, specific areas for the further development of employees can be identified and corresponding measures can be agreed. The executed training measures vary between a tailor-made concept (e.g. individual coaching), broadening of bank know-how (e.g. job-specific development) and individual development programs, especially targeted at talents and high performers.

FS 4

The onboarding pages are continuously reviewed and revised and are posted on the Bank’s intranet to serve as support for new employees during their first days at BAWAG Group. In the first few weeks, employees get to know the Bank through mandatory self-learning programs (see the Ethics and integrity section) and individual training sessions in their teams. The increasing significance of sustainability issues is a topic of high importance for us: ESG Officers steer projects and processes as a decentralized body. Example: After a first step in which risk officers attended a special workshop on ESG risk management with an external expert, particularly ESG risks, instruments and methods as well as related challenges were discussed. In a second step, all employees received an overview of sustainability topics in a mandatory self-learning program. In a third step, all employees in the Retail and Business Customers division, employees who offer securities advice, employees in the Corporate Banking division and employees in the Risk division were given in-depth training on the topics of sustainable business and ESG and their application in day-to-day business in a mandatory self-learning program in 2021.

With these measures, BAWAG Group is pursuing the goal of creating company-wide awareness of sustainability, promoting product innovations in the long term and integrating ESG considerations into the Bank’s business processes. In addition to self-learning programs and training offered by BAWAG Group, employees also have the opportunity to develop their professional skills through external training and workshops. The specific requirements and prerequisites are determined in regular personal discussions with the direct supervisor. The content and scope of training is tailored to the needs of our employees and the business requirements. BAWAG Group also supports specific training needs (e.g. CFA, MBA, external training) through additional study time, reimbursement of costs or annual membership coverage (e.g. CEFA, CRM, CIIA, CISSP, CISA). BAWAG Group supports employees in Austria in their professional reorientation through a work foundation in cooperation with WAFF. The work foundation helps employees plan their return to work, provides for financial security during this time and arranges training and further education as well as internships. If desired, the work foundation also provides support in the active search for a job.

Table: Training days by gender

404-1	2023	Total days	Average days	Hours
	Female	4,530	3.0	36,238
	Male	4,264	3.6	34,111
	Total	8,794	3.2	70,349

2022	Total days	Average days	Hours
Female	5,949	4.3	47,592
Male	5,692	5.3	45,536
Total	11,641	4.8	93,128

Tables: Training days by position

2023 ¹⁾	Total days	Average days	Hours
Managers			
Female	443	3.5	3,542
Male	914	3.7	7,314
Sales employees			
Female	2,430	6.9	19,441
Male	2,006	9.1	16,044
Employees in central functions			
Female	1,657	1.6	13,255
Male	1,344	1.9	10,753

2022 ¹⁾	Total days	Average days	Hours
Managers			
Female	663	6.0	5,304
Male	971	5.0	7,768
Sales employees			
Female	2,609	8.6	20,872
Male	2,491	11.1	19,928
Employees in central functions			
Female	2,677	2.8	21,416
Male	2,230	3.4	17,840

1) A training day is defined as eight hours, 2023 data excluding Idaho First Bank

Special training for headquarters employees

New employees start their banking career with a “welcome day” workshop and a follow up workshop shortly after. These workshops provide initial insights into the Bank and its strategy, followed by presentations related to risk management, information security and internal audit. In addition, the risk department is presented to all new employees, with a focus on the risk strategy and risk governance. New hires also receive insights on the Group Data Warehouse and the importance of data for our operations. In the presentation on information security, practical examples are used to sensitize new employees and to share guidelines and advice on individual precautionary measures.

Special training for sales staff

Sales Camp: training new sales employees

New employees start off their branch assignment with a welcome day. The sales staff then start their basic training, the Sales Camp. All new employees are supported and guided by their own supervisor. In the Sales Camp, new branch employees go through versatile training modules – technical knowledge and personal skills (such as sales training) are taught. BAWAG takes the blended learning approach into account when training its employees, i.e., versatile and varied training approaches. In addition to classroom training, there are numerous online training courses, with (mandatory) self-study programs (SLPs) that employees work through independently – completed between training sessions and practice days.

Professional development in sales

After the Sales Camp, employees can continue their professional training in securities or housing loans. For both specializations, the training courses are structured similarly and consist of four modules: preparation tasks, training, follow-up tasks and examination/certification.

After the training, we offer employees the chance to take part in a workshop. This allows them to discuss their initial experiences, clarify any questions and consolidate the knowledge they have gained. We also employ a mentoring system: Every new employee is assigned to an experienced mentor. Several self-learning programs as well as online and face-to-face training are available for all sales staff to keep their knowledge up-to-date while meeting the legal further training requirements.

Competencies and sales training

Special topics are offered annually for the further development of competencies, customer orientation or sales techniques – depending on the current strategy and focus. The training methods are varied and range from on-the-job training in the branches to online courses and classroom training over several days. At Südwestbank, employees have the opportunity to complete internal and external seminars on a variety of topics such as personality training, technical training and specialist and sales seminars. Satisfaction with the respective training measure is evaluated after the sessions. Südwestbank attaches great importance to needs-oriented personnel development. The Personnel Development department plans measures for the personal and professional development of employees in close coordination with management and the department heads. In addition to internal Bank opportunities for further training, there are also external courses and bachelor's and master's programs in which Südwestbank participates through targeted support measures.

Branch coaching

To support sales employees regarding branch-specific individual challenges, topic-specific coaching tailored to the respective needs has been offered by professionally trained internal trainers on-site in the branches.

EMPLOYEE EXPERIENCE

WEP 2

Flexible work

At BAWAG Group, there are many benefits available that are accessible to full- and part-time employees, across all entities and countries. Working in a flexible environment with hybrid teams will remain an important pillar of the culture at BAWAG Group in the future. The experience of the past two years has shown that working flexibly from different locations works well for many areas and brings benefits for employees and the Bank. A survey conducted in 2022 showed that the majority of our employees would like to continue using flexible working. BAWAG Group has worked with the BAWAG Works Council to develop appropriate regulations and recommendations. The respective flex-office guide for employees and managers is still in use and is part of the new leaders' program, for example.

In most organizational units, variable working hours with defined function times apply. Individual time models can be agreed upon, including a reduced daily working time or an aggregate number of hours during a certain number of days per week. We offer a variety of models and options for employees who wish to take time off from work or reduce their working hours due to personal commitments. These include:

- ▶ Educational leave for 2–12 months
- ▶ Part-time work for education for 4–24 months
- ▶ Sabbatical: a combination of a savings phase in which the employee receives only a portion of the usual monthly salary, and a time-off phase
- ▶ Part-time reintegration: reintegration on a part-time basis after a long period of sick leave for an agreed period of 1–6 months, with the additional option of extending for three months.
- ▶ Family hospice leave for three months with extension options and special conditions for seriously ill children
- ▶ Caregiver leave for one week per year, a second week for the necessary care of a sick child under 12 years of age
- ▶ Nursing leave/part-time care leave for 1–3 months
- ▶ Flex-office – flexible working locations

Working in a flexible environment with hybrid teams will remain an important pillar of the culture at BAWAG Group. The experience of the past few months has shown that working flexibly from different locations functions well for many areas and brings benefits for employees and the Bank.

Balance between work and family

- SDG 4** BAWAG Group works continuously to offer its employees a flexible and family-friendly working environment. As a responsible employer, it is important to BAWAG Group that the various phases of its employees' lives can be reconciled with their work,
- SDG 5** their families and their free time. At the employee's request, BAWAG Group in Austria offers the option of remaining in
- WEP 2** marginal employment during parental leave. This model is intended to make it easier for those on parental leave to return to
- WEP 3** work. The Group also offers employees flexible working hours and part-time models after paternal leave. Depending on the management position, this option is also offered to executives. Human Resources supports them in agreeing individual part-time models, clearly defined structures and responsibilities.

Table: Parental part-time work

Note: excluding Idaho First Bank		2023	2022
401-3	Total number of employees who took parental leave in the reporting period	244	261
	Female	223	230
	Male	21	31
	Total number of employees who returned to work after taking parental leave in the reporting period	78	84
	Female	67	67
	Male	11	17
	Total number of employees who returned after parental leave and were still employed 12 months later	74	86
	Female	62	72
	Male	12	14
	Return rate		
	Female	84%	92%
	Male	73%	85%
	Retention rate		
	Female	94%	91%
Male	71%	82%	

Certification

In 2013, BAWAG committed itself to the compatibility of work and family as part of a structured auditing process and received certification as a family-friendly company, which is valid for three years. BAWAG most recently received the certificate in 2020 and this is still valid. At the same time, we also participated in the new “Home Office/Mobile Working” certification for the first time and successfully received this certificate. The application for re-auditing was submitted at the end of 2023, thus starting the new process for the next 3 years.

Dad month and special leave days

We are pleased to support fathers at BAWAG in taking parental leave or taking advantage of the so-called dad month. Since 2014, all fathers at BAWAG have also received two additional special leave days immediately after the birth of their child on top of the two special leave days to which they are entitled under the collective agreement. This gives fathers an additional four days to spend with their family.

Company day care center at central location

BAWAG Group offers childcare at the company day care center at the central location (headquarter) in Vienna. Part-time employees, single parents and employees with special working time arrangements are given priority in the allocation of open slots.

Support for the care of family members

BAWAG Group offers employees the opportunity to provide emergency care and/or elderly care. The access is given upon request and dealt with on the basis of special situations. Since 1 January 2014, it has been possible to take caregiver leave or part-time caregiver leave after prior agreement with the respective manager. Employees can take care leave for one month up to a maximum of three months or reduce the working hours to a minimum of ten hours per week. The entire process is handled by the Federal Ministry of Social Affairs. Since 1st January, 2020 there is also a legally entitled care leave/part-time care leave for up to a maximum of four weeks.

Information event for expectant parents and welcome back event

All expectant mothers and fathers at BAWAG Group are invited to online information events held twice a year on the topic of parental leave management and re-entry into the Bank. Since 2009, Human Resources and the Works Council have organized a welcome back event which allows a smooth transition for employees returning from parental leave.

2-25 Communications

Information is disseminated to employees via communication platforms. A special SharePoint platform has been implemented to cover the additional information requirements in sales. In 2023, town hall meetings with the Management Board were held online and offline. All employees were invited to participate in these events. Management Board members also used this form of online meetings to pass on updates and important information directly to their teams.

BAWAG Employee Survey 2023 – “Voice of the Employees”

In Q4 2023 we rolled out our group-wide employee survey. The aim of the employee survey was to collect feedback from employees regarding BAWAG Group as an employer, measure employee satisfaction, and identify areas for improvement. The employee survey was developed together with an external consultant who ensured that the survey was conducted in an anonymous and confidential manner.

Over 71% (~2,000 employees) of our employee base across all jurisdictions participated in the employee survey, with an employee satisfaction rate of ~75% of the respondents. In Q1 2024 the results will be further analyzed and presented to our employees. This will be accompanied with tangible actions which will be defined and prioritized to address areas for improvement and to enhance measurable progress in such areas. More information on our employee survey will follow in further disclosures during 2024.

Grievances

BAWAG Group promotes open dialogue between managers and employees. Employees can address concerns or complaints directly to their supervisor. Human Resources follows a structured procedure to investigate justified complaints and takes appropriate action when an employee grievance is substantiated. Further details on grievance procedures can be found in BAWAG's Grievance Procedure Principles, which are published on our ESG website (<https://www.bawaggroup.com/BAWAGGROUP/IR/EN/ESG>).

Occupational Health and Safety

- 403-1** BAWAG has a comprehensive management system for occupational health and safety that applies to all employees of
403-2 BAWAG Group. The internal requirements are derived, among other things, from external guidelines and laws, such as the
403-3 EBA Guideline, ASchG, OIB guidelines and construction notices. The implementation of and compliance with the guidelines
403-4 are regularly checked by internal inspections and audits. BAWAG's safety manual summarizes key aspects of this - these
403-5 include the following topics: Dealing with environmental hazards, fire protection regulations, conduct in hazardous
403-6 situations, security technology in branches, access regulations for office buildings, house rules and key management.
403-7 BAWAG's preventive specialists advise the employer, employees and the Works Council on workplace design based on the
403-8 applicable legal provisions. As part of this activity, workplace inspections are carried out at BAWAG's branches and office
 buildings in cooperation with occupational health specialists. One measure involves information and instruction regarding
 ergonomic computer workstations.

A separate Security group deals with the topic of physical security. The aim is to ensure the highest possible level of safety in the company through mutual exchange with employees and technical solutions. The potential options for how employees can report work-related hazards and dangerous situations are set out in the various work manuals. In addition to the safety manual, there are various work instructions that regulate, for example, how to deal with fire-hazardous activities, controls safety technology and how to deal with dangerous threats. In addition, there is a telephone contact facility at BAWAG's security center that employees can turn to at any time if such situations arise. The handling of emergencies are also clearly regulated, as are the handling of first aid and the topic of fire protection. In addition to the work manuals, a separate section on the topic has been set up on the intranet. Employees do not have to fear reprisals if they report work-related hazards or dangerous situations – this is laid down by general employee protection and internal processes.

The prevention of work-related psychological stress is carried out for each subsidiary or department in the form of an online survey by the external occupational psychologist from the occupational health service. The services offered by BAWAG Group are available to all employees (both part-time and full-time employees are entitled to them). All employees are covered by the measures. The framework conditions are presented comprehensively on the intranet. Employees can find everything they need to know about bank security, employee protection, information security and cybersecurity, and business continuity management. Physical security includes access regulations, training and manuals for different situations and contact situations. In the area of employee protection, employees will find comprehensive information on occupational medicine, occupational psychology, computer workstations, first aid and other topics.

Business continuity management (BCM) is the establishment and ongoing maintenance and development of an effective emergency and crisis management system. Due to legal regulations (§39 of the Austrian Banking Act – duty of care) and a Management Board mandate, BCM must be provided for all areas. The aim is to ensure that important business processes are not interrupted, or only temporarily interrupted, in critical situations and in emergencies, and to safeguard the economic existence of the company despite loss events.

To raise awareness, the mandatory self-learning program Employee Protection was offered in 2022. The content included additions to the existing SLPs Display Screen Workplace and SLP Fire Protection: employee protection at BAWAG Group, safety and health protection, protection of use, working materials, safety data sheet, safety and health protection labeling, personal protective equipment, dangers in the office, work design and employees' duties.

Occupational health services

Occupational medicine is a preventive discipline within the framework of employee protection, which deals with the relationship between work-related influencing factors and the health of employees. It influences the design of the workplace and work processes in order to improve working conditions and prevent health hazards. The tasks of occupational medicine include: ergonomic consultations, workplace inspections, work environment (room climate, noise), advice on the selection of new work equipment, reintegration after long periods of sick leave, advice on physical and mental impairments, individual consultations by appointment, eye tests, organization of first aid, non-smoker protection, maternity protection evaluation and advice, cooperation with occupational psychologists, safety specialists and safety confidants, advice and support for the employer and the Works Council. Information on this is transparently accessible on the intranet. The services of the company coordination include: occupational medical examinations and assessments, treatment of acute illnesses, vaccinations, medical first aid and physical therapy. It is possible to take advantage of a free annual preventive medical check-up from the age of 19. Employees can also obtain all the information they need about the reimbursement of therapy costs (subsidies for psychotherapeutic treatment) at the company office.

In addition to occupational medicine, employees can also regularly contact the occupational psychology department of the AMD (Occupational Medicine Service), which offers a wide range of services for employees and managers of BAWAG Group on a variety of issues. In addition to dealing with topics related to workplace health promotion and evaluating workplaces for psychological stress, the occupational psychologists continue to offer regular occupational and health psychology consultation hours. The appointments can be made individually and take place either directly on-site at the company office or digitally or by telephone. During these personal consultations (confidentiality is mandatory!), topics such as dealing with stressful working conditions and conflicts, sleep problems, ways of coping with stress, and the promotion of relaxation can be addressed and worked on. On the one hand, the occupational psychologists try to provide orientation, point out new perspectives and, if necessary, further points of contact, and on the other hand, existing resources and health skills are to be strengthened. In addition, extensive information on nutrition and exercise tips as well as relaxation exercises is available on the intranet.

Employee participation, consultation and communication on occupational health and safety

BAWAG's preventive specialists for employee protection advise the employer, employees and the Works Council on workplace design based on the applicable legal provisions. As part of this activity, workplace inspections are carried out at BAWAG's branches and office buildings in cooperation with occupational health specialists. The Occupational Safety Committee (ASA) meets at least once a year: Participants include employees/preventive specialists and safety experts from the Bank, decision-makers from EF, HR, the Works Council, occupational physicians, occupational psychologists and safety officers from the Bank. All topics and measures relevant in this context are evaluated here in retrospect for the past year and looking ahead to the coming year, requirements are checked, focal points are defined and measures are discussed.

All employees are covered by the measures. The framework conditions are comprehensively presented on the intranet: In this area, employees can find everything about bank security, employee protection, information security and cybersecurity, and BCM.

Employee training on occupational safety and health protection

Regular training sessions on occupational health and safety are held – either in the form of on-site seminars or as part of self-learning programs, such as the Employee Protection self-learning program, which was primarily aimed at raising awareness about how to deal with dangerous situations in the workplace. In addition, first aid courses were held in 2022 to ensure that sufficient first aiders are available. Participants each completed half of the required training hours online and then attended a practical day at ICON. Six first aid courses were held at ICON, with a total of 97 employees attending. In addition, training courses for safety officers and fire safety officers were again held in 2022 on behalf of EF. The training courses were held in cooperation with an external consultant.

Promoting employee health

In 2023, the focus has been continued on eye examinations in accordance with the Display Screen Equipment Ordinance by the occupational physicians of the AMD/Occupational Medical Service (medical history, eye test, advice on display screen glasses, information on eye [muscle] relaxation exercises, advice on working in a home office). In addition, new webinars were offered on the topic of "Eye health when working with computer screens".

The measures also include inspections and advice for employees at ICON on ergonomics in the workplace. Health talks on topics such as ergonomics in the home office, mental, psychological and social challenges, and back health at computer workstations are also taken into account. In connection with part-time reintegration, employees from HR draw up plans for reintegration and support. In addition, webinars were continued by occupational psychologists on the topics of "Strengthening strengths – mastering challenges positively" and the , eight-part webinar series on the topic of "Resilience" has been continued as well. In addition, broad-based information on nutrition and exercise tips as well as relaxation exercises is available on the intranet. In principle, the above-mentioned measures (despite different requirements) apply to all BAWAG Group operating sites in Austria and Germany and thus to the relevant employees. In order to avoid or mitigate potential negative effects on occupational health and safety, the continuous deployment of trained (in-house) preventive specialists (from the EF area as well as AMD occupational physicians), the safety specialists, the first-aiders, the evacuation officers and the safety confidants is ensured.

Other company social benefits

Table: Other company social benefits

401-2	in € thousand	2023	2022
	Travel allowances	243	197
	Pension fund contributions	8,126	7,155
	Anniversary bonus payments	2,339	2,380
	Allowances (especially for marriage/birth/death, WAFF)	145	295
	Health insurance	187	181
	Accident insurance	396	385
	Subsidy for supplementary health insurance	266	150
	Corporate food allowance	1,351	1,433
	Company physician and health programs	124	171
	Company day care center	190	185
	Employee events (especially Christmas vouchers/Christmas dinner/excursions)	398	251
	Subsidy for the Works Council (vaccination campaigns, vacation rooms, sports club etc.)	363	295
	Total	14,128	13,078

Benefits

The benefits offered by BAWAG Group are available to all employees across all regions, both full-time and part-time. Some benefits are, in general, granted from the first day of employment, while some benefits apply only after switching to an unlimited employment relationship or fulfilling the respective waiting period.

To help alleviate the effects of high inflation on so many of our team members in an equitable manner, we rolled out two separate inflation bonuses over 2023, representing additional voluntary payments by the Group. These various programs are based on creating progressive and equitable employee benefits with employees each owning a stake in the company.

Updated Employee Benefits Program

The Management Board, Supervisory Board and Workers Council provide each team member with an opportunity to also be an owner of the company. Therefore, BAWAG Group launched two employee participation programs in 2022: In the first program – the “BAWAG Employee Participation Program 2022” – all employees received 25 BAWAG Group AG shares as recognition of their dedication and commitment, a total of 64,875 shares. Under the second program – the BAWAG Matching Program 2022 – employees received one additional BAWAG Group AG matching share for every three shares they acquired, up to a maximum value of € 2,000 of matching shares. The total number of granted matching shares was 19,427.

As it is our goal to provide an equitable employee benefits program that works for every employee of the Group, promotes employee ownership, and increases our attractiveness as an employer, the Management Board decided to introduce a modern and equitable benefits program in 2023. The key pillars of the new employee benefits are the following:

- Direct participation in the company's success: Employees will participate more directly in BAWAG's success by way of both share programs and cash profit share participation.
- Sooner & more frequent: Modern employee benefit system that works for all employees and across all countries providing benefits to employees sooner and more frequently. The benefits not only continue to build on an annual basis, but certain benefits also accumulate in value as BAWAG continues to be successful.
- Almost everyone will receive new benefits: Harmonized program on a groupwide basis (including subsidiaries and branches), pursuant to which almost 100% of the employee base will receive new benefits. This is contrast to the prior system which provided benefits to approximately 15% of the employee base.

The framework for these changes was negotiated with the Works Council. The new model of employee benefits consists of the following three elements:

- € 1 per € 1 million net profit of BAWAG Group (annually): Annual payment of an amount which equals € 1 per € 1 million net profit of BAWAG Group.
- BAWAG Employee Participation Program – 1 share per 1 month employment: Employees “save” 1 share per each month of employment and will receive the saved amount of shares on their securities account every three years. The first premium will be paid with the July 2024 salary with reference to the results of the 2023 financial year.
- BAWAG “3+1” Matching Program: In years, in which no stocks pursuant to the BAWAG Employee Participation Program are transferred, we will offer our BAWAG “3+1” Matching Program with an investment period which will span over almost the entire year. Further, we will increase the maximum value of Matching Shares to € 3,000.

In addition to the new employee benefits introduced above, we have also decided to provide an extraordinary stock grant in September 2023 with immediate effect. In the “BAWAG Employee Participation Program 2023” – all eligible employees received 24 BAWAG Group AG shares as recognition of their dedication and commitment, a total of 56,554 shares.

Additional tables on employee promotion and development, diversity and equal opportunity

401-1 Table: Exits
 Note: excluding Idaho First Bank

	2023	2022
By country		
Austria	400	392
Germany	68	82
Other	9	11
By age group		
<30	130	204
30–50	166	197
>50	181	84
By gender		
Female	252	246
Male	225	239

Table: Exits in %

	2023	2022
By country		
Austria	84%	81%
Germany	14%	17%
Other	2%	2%
By age group		
<30	27%	42%
30–50	35%	41%
>50	38%	17%
By gender		
Women	53%	51%
Men	47%	49%

202-1 Table: Ratios of standard entry level wage by gender compared to local minimum wage

	2023	2022
Female		
Austria	1,22	1,22
Germany	1,22	1,22
Other	N/A	N/A
Male		
Austria	1,22	1,22
Germany	1,22	1,22
Other	N/A	N/A

Starting salaries for new employees are mostly above the minimum wage stipulated in the collective bargaining agreement.

405-2

Table: Ratio of basic salary of women to men 2023

2023	Ratio Average	Ratio Median	Gap Average	Gap Median
Group	61	81	39%	19%
Excl. Management Board	73	82	27%	18%
Austria (excl. MB)	79	83	21%	17%
SLT	67		33%	
Manager	83		17%	
Staff	88		12%	
Germany (excl. MB)	75	76	25%	24%
SLT	N/A		N/A	
Manager	80		20%	
Staff	79		21%	

Table: Ratio of total Remuneration of women to men 2023

2023	Ratio Average	Ratio Median	Gap Average	Gap Median
Group	51	81	49%	19%
Excl. Management Board	66	81	34%	19%
Austria (excl. MB)	75	82	25%	18%
SLT	60		40%	
Manager	80		20%	
Staff	86		14%	
Germany (excl. MB)	70	73	30%	27%
SLT	N/A		N/A	
Manager	72		28%	
Staff	75		25%	

405-2 **Table: Ratio of basic salary of women to men 2022**

2022	Ratio Average	Ratio Median	Gap Average	Gap Median
Group	60	81	40%	19%
Excl. Management Board	72	81	28%	19%
Austria (excl. MB)	78	81	22%	19%
SLT	61		39%	
Manager	82		18%	
Staff	86		14%	
Germany (excl. MB)	72		28%	
SLT	N/A		N/A	N/A
Manager	78		22%	
Staff	77		23%	

Table: Ratio of total Remuneration of women to men 2022

2022	Ratio Average	Ratio Median	Gap Average	Gap Median
Group	49	79	51%	21%
Excl. Management Board	66	80	34%	20%
Austria (excl. MB)	74	81	26%	19%
SLT	50		50%	
Manager	82		18%	
Staff	85		15%	
Germany (excl. MB)	69	76	31%	24%
SLT	N/A		N/A	N/A
Manager	73		27%	
Staff	75		25%	

The gender pay gap is a reflection of BAWAG Group's structure. The Bank has a share of ~55% female hiring, however less female representation in management functions. Therefore, BAWAG Group aims to tackle this structural issue by offering women-specific trainings, workshops as well as mentoring. In addition, we have set ourselves a target of 33% women in the Senior Leadership Team. We also set up a reporting of gender pay gap to our Management Board in 2023.

Table: New hires

401-1	Note: excluding Idaho First Bank	2023	2022
By country			
	Austria	260	295
	Germany	25	62
	Other	22	22
By age group			
	<30	179	196
	30–50	110	137
	>50	18	46
By gender			
	Women	170	210
	Men	137	169

Table: New hires

in %		2023	2022
By country			
	Austria	85%	78%
	Germany	8%	16%
	Other	7%	6%
By age group			
	<30	58%	2%
	30–50	36%	36%
	>50	6%	12%
By gender			
	Female	55%	55%
	Male	45%	45%

ENVIRONMENTAL AND CLIMATE PROTECTION

ENVIRONMENTAL FIGURES

SDG 13 Table: Environmental indicators¹⁾

	Unit	2023	2022
Material consumption			
Paper use	kg	140,708	180,701
Bank statement envelopes	Piece	3,216,291	3,547,364
302-1 Energy consumption			
302-2 Total electricity consumption	kWh	6,510,896	7,253,705
Space heating			
Gas	kWh	3,604,507	3,717,691
District heating	kWh	3,929,038	4,456,934
Total space heating	kWh	7,533,546	8,259,488
District cooling ³⁾	kWh	611,098	616,005
Heating oil ⁴⁾	kWh	-	84,863
Fleet/mobility			
Fleet gasoline	kWh	339,865	418,681
Fleet diesel	kWh	952,687	1,074,144
Fleet electric ³⁾	kWh	21,647	768
Air travel	kWh	1,489,441	1,000,259
305-1 Total energy consumption	kWh	17,437,533	18,622,282
305-2 CO₂ emissions²⁾			
305-3 Scope 1 – direct emissions			
Vehicle fleet	t CO ₂ -e	428	480
Space heating (gas)	t CO ₂ -e	903	996
Heating oil	t CO ₂ -e	-	28
Subtotal Scope 1	t CO ₂ -e	1,331	1,504
Scope 2 – indirect emissions from energy purchases (market-based)			
Electricity ⁵⁾	t CO ₂ -e	6.3	0.5
District heating/cooling ⁴⁾	t CO ₂ -e	1,003	1,081
Subtotal Scope 2	t CO ₂ -e	1,009	1,082
Scope 2 – indirect emissions from energy purchases (location-based)			
Electricity	t CO ₂ -e	1,878	2,070
District heating/cooling	t CO ₂ -e	1,003	1,081
Subtotal Scope 2	t CO ₂ -e	2,881	3,151
Scope 3 – other indirect emissions			
Air travel	t CO ₂ -e	284	182
Subtotal Scope 3	t CO ₂ -e	284	182
Total CO ₂ emissions (Scope 1–3, market-based)	t CO ₂ -e	2,624	2,768
302-3 Total CO ₂ emissions (Scope 1–3, location-based)	t CO ₂ -e	4,495	4,837
305-4			
Energy intensity (total energy consumption / average FTE)	kWh/FTE	6,320	7,269
Energy intensity (total energy consumption / core revenues in €m)	kWh/€m	11,342	13,998
GHG intensity (Scope 1-3, market based / average FTE)	t CO ₂ -e/FTE	0.95	0.93
GHG intensity (Scope 1-3, market based / core revenues)	t CO ₂ -e/€m	1.71	2.08

1) The energy consumption data is shown on the basis of current billing information. Due to different billing periods, it is not possible to present the data as of the reporting date. Data excludes Idaho First Bank, as the acquisition was closed on November 30, 2023.

2) Minor deviations may occur due to rounding of decimal places. The calculation method of the CO₂ balance is carried out in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and for each year refers to the latest emission factors published by the Austrian and German Environment Agencies. For district cooling the same emission factor as for district heating was used.

3) Electric Car Charging: Only values of charging stations that invoice by kWh (and not by charging time) could be included.

4) For district heating, the conversion factor of location-based was used. For district cooling the same emission factor as for District heating was used.

5) Electric Car Charging: As there is no information on origin of electricity available for individual charging stations the emission factor for "Austrian electricity" was used.

MEASURES AND INITIATIVES

Even though the environmental impact caused directly by banks is very limited, BAWAG Group is aware of its indirect responsibility and pays attention to the environmental hazards that may arise from its financing business. We aim to minimize impacts on the environment with products, services and in the daily work of all employees. By regularly optimizing energy consumption at our sites and in our IT infrastructure and by focusing on local suppliers, we aim to contribute to reducing the environmental impact of our business activities. Environmental and climate protection create the foundations for the long-term existence of our company. Through our commitment, we position ourselves as a responsible partner and employer that helps create a future worth living in. As a bank, we contribute to sustainable change by providing loans for innovative, resource-conserving business activities. By cooperating with local suppliers and service providers in the DACH region, we contribute to short transport routes and CO₂ savings, as well as to increasing value creation in the countries where we do business. Furthermore, we support the protection and continued existence of our sites through climate protection measures.

ESG targets

ESG is a thread that runs through our business strategy – therefore, we have committed ourselves to tangible ESG targets, which we are embedding into our operating plans: To further reduce our carbon footprint, we are planning to reduce our CO₂ emissions (Scope 1 and Scope 2) by >50% by 2025. We will achieve this through investments in efficient and sustainable space heating and cooling, efficiency measures regarding space requirements and a complete conversion of our fleet to electric cars.

Supplier management

- 2-6** The Supplier Code of Conduct defines our expectations towards suppliers with regard to environmental protection. As
- 204-1** already mentioned, each supplier is obligated to commit to these principles before entering into a business relationship with
- SDG 8** BAWAG Group. In the course of the supplier onboarding process, commercial, professional/technical, legal and general
- SDG 13** parameters surrounding the future cooperation are comprehensively examined and evaluated. As part of the harmonization
- SDG 16** of procurement processes, a single policy is used across the entire Group, which ensures a uniform approach towards
- COP 1** purchasing. Additional internal guidelines govern all topics relating to the organization, procedures and systems in the
- COP 2** procurement process. These processes stipulate that, in the case of multiple offers with the same price/performance ratio,
- COP 4** the more sustainable company shall be preferred.
- COP 5**
- COP 6** Around 80% of all spending by BAWAG (incl. easybank, SWB, helloBank) went to local suppliers¹⁾ in 2023. Procurement
- COP 8** consists primarily of software and information services, marketing, rent, insurance and facility management/business
- COP 10** equipment.

Operations management

- SDG 7** **100% green electricity and energy efficiency**
- SDG 13** BAWAG Group supplies all of its sites with green electricity. This had already been achieved in 2020 to a large extent and was also driven forward in recent years. THE ICON VIENNA building continues to hold the highest Leadership in Energy and Environmental Design certification of “Platinum” and the Building Research Establishment Environmental Assessment Method certification of “Excellent.” Work continued on the submissions for certification. In 2023, BAWAG continued its branch consolidation program.

Using green electricity is one step, however for us it is also important to generally reduce the amount of electricity consumed. Therefore we have established light sensors in our offices. In our branches we invest in LED lights and sustainable and low energy consuming products. In addition to the light sensors our outdoor signage utilize automated timers.

¹⁾ Suppliers with their main location in Austria, Germany or Switzerland are considered “local.” International companies whose branches are located in the aforementioned countries and who submit invoices to BAWAG Group are also classified as “local” in the presentation.

Green postal and courier services

In 2020, an electric vehicle was purchased for the internal logistics of BAWAG Group's central locations in Austria. Südwestbank has already been using an electric vehicle to carry out inner-city courier services for several years. Österreichische Post AG continued to deliver all BAWAG items in a CO₂-neutral manner. Südwestbank sent letters and parcels in a climate-neutral manner using GOGREEN. With the help of an independent measurement system, the CO₂ emissions of all shipments are precisely assessed. Greenhouse gases are offset by supporting various climate protection projects.

Fleet management

As one of the measures to reduce our own Scope 1 and 2 emissions over 50% by 2025, BAWAG Group started to switch to electric cars for our fleet of company cars. We plan to have no conventional cars in the fleet by 2025.

Digitization of processes

Various initiatives are in place to digitalize our processes and reduce our application and therefore server infrastructure footprint. On the process side, we reduced paper- and letter-based interactions across our front, mid and back offices. A number of products are opened and processes are completed leveraging paperless branch and digital signature technologies. Unless customers specifically request it, payment transaction slips and documents for product closings are not printed out but transmitted electronically. On the infrastructure side, we are streamlining our architecture and decommissioned our own data centers. We partner with technology leaders who are committed to achieving net zero carbon footprint by 2030.

In addition, BAWAG Group employs energy-efficient and resource-saving devices for its IT infrastructure. More than 6,000 laptop and desktop computers, tablets, monitors and workstations in use at BAWAG Group in Austria have Energy Star certification and are thus more resource-efficient than standard devices.

Biodiversity

BAWAG does not own, lease or manage operational sites in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

Scope 3 emissions

The most relevant scope 3 emissions outside of the financed emissions are purchased goods & services, capital goods, business travel and employee commuting. We will report these categories from 2024 onwards.

Financed emissions calculation

As a financial institution, our biggest emissions are related to our lending and investment book. In 2023, BAWAG Group became a signatory of the Partnership for Carbon Accounting Financials (PCAF) and discloses the financed emissions the first time. PCAF provides a framework for financial institutions to assess and disclose greenhouse gas (GHG) emissions. This enables financial institutions to make transparent climate disclosures on their GHG emissions, to identify climate-related transition risks and opportunities, and to set the baseline emissions for target-setting in alignment with the Paris Agreement.

The PCAF Standard provides detailed methodological calculation guidance for seven asset classes (listed equity & corporate bonds, business loans & unlisted equity, project finance, commercial real estate, mortgages, motor vehicle loans and sovereign debt). BAWAG Group primarily used the NACE codes of its customers to classify them into the appropriate PCAF class. Altogether, the portfolio's financed emissions totaled 2.7 million tCO₂e, with emission intensity of 93 tCO₂e/EUR million. The weighted average data quality of the quantified portfolio was 4.1.

Asset Class/CO2 Financials	Gross carrying amount in € million	Financed GHG emissions (kt CO2)	Financed GHG emissions (in tCO2e/EUR millions)	Blended data quality score
Mortgages	14.575	388	27	4.0
CRE	5.199	241	46	4.3
Listed Equity & Corporate Bonds	4.825	1.601	332	3.75
Business Loans & Unlisted Equity	3.755	364	97	5.0
Motor Vehicle Loans	957	133	139	2.5
Sovereigns	11	3	271	4.0
Total	29.327	2.731	93	4.1

The quantified value of our portfolio covers € 29.3 billion or nearly 55% of the total asset base. After excluding cash and equivalent reserves stored at central banks, it represents a substantial >70% of assets on our balance sheet. The remaining asset value that is not covered is in asset classes such as consumer lending and credit cards whereby emissions calculations are not possible. Therefore, the emissions quantification of our balance sheet covers all relevant assets. Financed emissions for the asset classes 'Residential Mortgages', 'Commercial Real Estate', 'Listed Equity & Corporate Bonds', 'Business Loans & Unlisted Equity', 'Motor Vehicle Loans' and 'Sovereigns' were calculated as of end of 2023.

Several asset categories, including cash and money market, current accounts, credit cards and consumer loans – are out of scope of the PCAF standard and therefore not taken into account for the calculation of financed emissions.

The aggregate level of financed emissions benefited from a favorable balance between the lower financed emission intensity of real estate and the lower share of corporate exposure overall and further the marginal share of high-emission heavy industry and energy sectors. Within the asset class 'Listed Equity & Corporate Bonds', energy providers mostly under the control of public authorities account for the majority of CO2 emissions. To a lesser extent this also applies to the asset class 'Business Loans & Unlisted Equity'.

The high emission sectors comprise less than 10% of our total business loans (listed equity and unlisted business loan categories) and approximately 1% of our total asset base. This minimal exposure is primarily in the electricity distribution sector (~€ 500 million) through a small number of customers that serve as public service entities (or publicly supported). With a low exposure and concentrated customer base, the transition focus here is tactical and on a customer-by-customer basis that will be assessed in an ongoing manner.

The material balance sheet exposures are comprised of residential real estate mortgages as well as commercial real estate collateralized lending. **Residential retail mortgages** represent with € 14,575 million assets the biggest asset class. Financed GHG emissions amount to 27 tCO2e/€m for this portfolio with a blended data quality score of 4. Initiatives to increase the EPC coverage also for the Austrian portfolio have been implemented, which should enhance reporting in 2024. Despite the low intensity of emissions, mortgages are a substantial contributor of absolute emissions financed due to the materiality of the lending volume. Therefore, this is a focus of our assessment for a transition plan in 2024.

Commercial real estate covers € 5,199 million of assets and a total of 241 kt financed CO₂ emissions. Buildings and construction tend to be high contributors of absolute emissions, and represent a material exposure of BAWAG customer loans, and therefore despite the low intensity is a focus of our assessment for a transition plan in 2024.

Listed equity and corporate bonds: Financings provided to corporates with listed equity or corporate bonds are the biggest contributor in terms of absolute GHG emissions (1,601 kt). The high emissions are driven primarily by a small number of public sector customers in the electricity industry implying a case-by-case strategy in terms of decarbonization pathways. The total exposure of these public electricity-sector customers represents 8% of assets in this category, yet nearly ~80% of total emissions of this sub-group. The transition plans and progress with this concentrated set of customers will be assessed further in 2024. Execution of these plans is dependent on public or governmental requirements and support, which form the baseline for our expectations and financing strategy. The remainder of the sub-group (excluding the electricity sector) remains at a low level (92% of exposure represents 20% of total emissions) which is due to our risk appetite which avoids significant transition or environmental risks. Listed equity and corporate bonds is comprised of securities of and loans to international corporate entities that are publicly listed and typically provide higher quality of sustainability reporting.

Business loans: Business loans and unlisted equity covers € 3,755 million assets and a total of 364 kt CO₂ emissions. Business loans represents financing to international and national corporate entities as well as small business enterprises that are not publicly listed.

Motor vehicle loans cover the relevant car leasing portfolio of € 957 million assets with a total of 133kt CO₂ emissions. The data quality score in this asset class is considered satisfactory with 2.5 and is based on individual asset details.

Sovereigns builds the smallest asset class of € 11million assets and 3kt CO₂ emissions completing the calculation according to PCAF.

ANNEX

Template 0 – Summary of KPIs

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets	KPI****	KPI*****	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	463.50	1.15%	1.21%	30.14%	42.23%	27.62%
		Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	164.73	1.45%	1.47%	NA	NA	NA
	<i>Trading book*</i>	N/A	N/A	N/A			
	<i>Financial guarantees</i>	-	-	-			
	<i>Assets under management</i>	6.20	1.53%	1.81%			
	<i>Fees and commissions income**</i>	N/A	N/A	N/A			

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR

**Fees and commissions income from services other than lending and AuM

Institutions shall disclose forward-looking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

*** % of assets covered by the KPI over banks' total assets

****based on the Turnover KPI of the counterparty

*****based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

Note 1: Across the reporting templates: cells shaded in black should not be reported.

Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs' inclusion in these KPI will only apply subject to a positive result of an impact assessment.

Template 1a – Assets for the calculation of GAR (revenue)

The table is a detailed financial statement with multiple columns and rows. It contains various data points, likely representing assets and their contributions to the calculation of GAR (revenue). A large black redaction block covers a significant portion of the table, obscuring the underlying data. The table is oriented vertically on the page.

Template 1b – Assets for the calculation of GAR (capex)

The image shows a large, complex grid table with multiple columns and rows. The table is mostly obscured by black redaction bars. There are several horizontal red lines visible, likely indicating specific rows of interest. The table appears to be a detailed financial or operational data table, possibly related to the calculation of GAR (capex) as mentioned in the section header above.

Template 2a – GAR sector information (revenue)

Table 1: GAR sector information (revenue) - Data for 2022 and 2023. The table is oriented vertically on the page.

Geographical Area	2022		2023		Revenue split by sub-sector
	Revenue	% of Total Revenue	Revenue	% of Total Revenue	
Central Europe	15.2	14.5	15.5	14.8	100%
Eastern Europe	12.1	11.5	12.8	12.2	100%
Central Asia	3.5	3.3	3.8	3.6	100%
South East Europe	8.7	8.2	9.1	8.7	100%
North Africa	2.9	2.8	3.2	3.0	100%
South East Asia	1.8	1.7	1.9	1.8	100%
West Africa	1.2	1.1	1.3	1.2	100%
Latin America	0.5	0.5	0.6	0.6	100%
Other	0.3	0.3	0.4	0.4	100%
Total	45.5	43.6	50.6	48.6	

Template 3a – GAR KPI stock (revenue)

KPI	Description	Unit	2022		2023		2023 vs 2022	2023 vs 2022 %	2023 vs 2022	2023 vs 2022 %
			Actual	Target	Actual	Target				
ENVIRONMENTAL	Greenhouse Gas Emissions (Scope 1 & 2)	tCO ₂ e	10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
SOCIAL	Employee Turnover Rate	%	10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
GOVERNANCE	Board Diversity	%	10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		
			10000	10000	10000	10000	0	0%		

Template 4a – GAR KPI flow (revenue)

4 GAR KPI flow based on the income KPI of the counterpart

%	31.12.2023																																	
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PFC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PFC + BIO)									
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)									
	Of which use of proceeds	Of which transitional	Of which enabling	Of which use of proceeds	Of which transitional	Of which enabling	Of which use of proceeds	Of which transitional	Of which enabling	Of which use of proceeds	Of which transitional	Of which enabling	Of which use of proceeds	Of which transitional	Of which enabling	Of which use of proceeds	Of which transitional	Of which enabling	Of which use of proceeds	Of which transitional	Of which enabling	Of which use of proceeds	Of which transitional	Of which enabling	Of which use of proceeds	Of which transitional	Of which enabling							
SMB - Covered assets in both numerator and denominator																																		
1	Loans and advances, debt securities and equity instruments not eligible for GRI calculations	30.27	1.45	1.45	-	1.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30.27	1.45	-	-	1.20	100	
2	Financial undertakings	0.30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.30	-	-	-	0.30	1.31	
3	Debt instruments	0.30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.30	-	-	-	0.30	1.31	
4	Loans and advances	0.30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.30	-	-	-	0.30	1.31	
5	Debt instruments, including LSF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Debt instruments, including LSF of which transitional	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	Equity instruments of which transitional	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Debt instruments, including LSF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Of which: management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt instruments, including LSF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Of which: transitional undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt instruments, including LSF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Non-financial undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including LSF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Residential	8.50	1.01	1.01	-	1.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.50	1.01	1.01	-	1.20	83.35	
25	Of which: from operations of residential immovable properties	5.27	0.25	0.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.27	0.25	0.25	-	-	51.51	
26	Of which: from acquisition deals	3.23	0.76	0.76	-	0.95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.23	0.76	0.76	-	0.25	31.84		
27	Of which: from lease loans	1.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.01	-	-	-	-	-	0.45	
28	Local government financing	1.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.01	-	-	-	-	-	0.45	
29	Non-financial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
30	Other local government financing	1.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.01	-	-	-	-	-	0.45	
31	Collateral obtained by taking possession: residential and commercial immovable properties	1.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.20	-	-	-	-	-	0.30	
32	Total	30.27	1.45	1.45	-	1.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30.27	1.45	-	-	1.20	100		

Template 4b – GAR KPI flow (capex)

		31.12.2023																					
		Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			Water and marine resources (WTR)			Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
% (compared to flow of total eligible assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		of which	of which	of which	of which	of which	of which	of which	of which	of which	of which	of which	of which	of which	of which	of which	of which	of which	of which	of which	of which		
		of proceeds	of transitional	of enabling	of proceeds	of transitional	of enabling	of proceeds	of transitional	of enabling	of proceeds	of transitional	of enabling	of proceeds	of transitional	of enabling	of proceeds	of transitional	of enabling	of proceeds	of transitional	of enabling	
GAR - Covered assets in both numerator and denominator																							
1	Loans and advances, debt securities and equity instruments not self-financed (see table 1)	10.11	1.47	-	1.21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.20	100
2	Financial undertakings	0.15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.15	1.48
3	Credit institutions	0.15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.15	1.48
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including LMP	0.15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.15	1.48
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including LMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including LMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including LMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Non-financial undertakings	0.02	0.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.02	0.49
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including LMP	0.02	0.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.02	0.49
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Mortgages	8.55	1.56	-	1.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.20	100
25	of which loans collateralized by residential immovable property	4.19	0.30	-	0.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.25	13.00
26	of which building renovation loans	1.31	1.20	-	1.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.20	13.00
27	of which motor vehicle loans	1.87	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.87	29.85
28	Local governments financing	1.21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.21	13.51
29	Other local governments financing	1.21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.21	13.51
30	Collateral obtained by taking possession: residential and commercial immovable properties	10.14	1.47	-	1.21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.21	100

DISCLOSURES ACCORDING TO ANNEX XII - NUCLEAR ENERGY AND FOSSIL GAS RELATED ACTIVITIES

Economic activities based on KPI Turnover

Template 1: Nuclear and fossil gas related activities

Row	Nuclear energy related activities	Stock	Flow
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES	NO
Fossil gas related activities			
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES	NO

Template 2: Taxonomy-aligned economic activities (denominator)

Row	Economic activities based on KPI Turnover in EUR million	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5.77	0.01%	5.77	0.01%	-	-
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.19	0.00%	0.19	0.00%	-	-
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	457.54	1.14%	457.54	1.14%	-	-
8.	Total applicable KPI	463.50	1.15%	463.50	1.15%	-	-

Template 3: Taxonomy-aligned economic activities (numerator)

Row	Economic activities based on KPI Turnover in EUR million	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.0%	0.00	0.0%	-	-
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.0%	0.00	0.0%	-	-
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	5.77	1.2%	5.77	1.2%	-	-
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.0%	0.00	0.0%	-	-
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.19	0.0%	0.19	0.0%	-	-
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.0%	0.00	0.0%	-	-
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	457.54	98.7%	457.54	98.7%	-	-
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	463.50	100.0%	463.50	100.0%	-	-

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities

Row	Economic activities based on KPI Turnover in EUR million	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount t	%	Amount t	%	Amount t	%
1.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.0%	0.00	0.0%	-	-
2.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.0%	0.00	0.0%	-	-
3.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.0%	0.00	0.0%	-	-
4.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.24	0.0%	2.24	0.0%	-	-
5.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.52	0.0%	0.52	0.0%	-	-
6.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.25	0.0%	0.25	0.0%	-	-
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	14,650.7 2	36.3%	14,650.72	36.3%	-	-
8.	Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	14,653.7 3	36.3%	14,653.73	36.3%	-	-

In agreement with our auditor, template 5 is not reported, as the included activities are taxonomy-eligible by definition.

Economic activities based on KPI CAPEX

Template 1: Nuclear and fossil gas related activities

Row	Nuclear energy related activities	Stock	Flow
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES	NO
Fossil gas related activities			
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES	NO

Template 2: Taxonomy-aligned economic activities (denominator)

Row	Economic activities based on KPI CAPEX in EUR million	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.31	0.00%	1.31	0.00%	-	-
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	9.70	0.02%	9.70	0.02%	-	-
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.79	0.00%	0.79	0.00%	-	-
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3.86	0.01%	3.86	0.01%	-	-
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	468.94	1.17%	468.94	1.17%	-	-
8.	Total applicable KPI	484.61	1.21%	484.61	1.21%	-	-

Template 3: Taxonomy-aligned economic activities (numerator)

Row	Economic activities based on KPI CAPEX in EUR million	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount t	%	Amount t	%	Amount t	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.0%	0.00	0.0%	-	-
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1.31	0.3%	1.31	0.3%	-	-
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	9.70	2.0%	9.70	2.0%	-	-
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.0%	0.00	0.0%	-	-
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.79	0.2%	0.79	0.2%	-	-
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	3.86	0.8%	3.86	0.8%	-	-
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	468.94	96.8%	468.94	96.8%	-	-
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	484.61	100.0%	484.61	100.0%	-	-

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities

Row	Economic activities based on KPI CAPEX in EUR million	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount t	%	Amount t	%	Amount t	%
1.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.0%	0.00	0.0%	-	-
2.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.0%	0.00	0.0%	-	-
3.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.0%	0.00	0.0%	-	-
4.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.14	0.0%	1.14	0.0%	-	-
5.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.23	0.0%	0.23	0.0%	-	-
6.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.57	0.0%	0.57	0.0%	-	-
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	14,554.1 1	36.5%	14,554.11	36.5%	-	-
8.	Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	14,556.0 5	36.5%	14,556.05	36.5%	-	-

In agreement with our auditor, template 5 is not reported, as the included activities are taxonomy-eligible by definition.

Assets under Management

Template 1: Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

GRI INDEX

This GRI Index was prepared in accordance with the Global Reporting Initiative 2021 guidelines (GRI Standards, application level “in accordance with GRI Standards,” option industry-specific indicator set for financial services). Unless otherwise stated, all data refer to the year 2023 or 31 December 2023. In the course of the materiality process, BAWAG Group identified its key areas for action. These were assigned to the individual GRI topics. The following table provides an overview of the material topics and the corresponding GRI indicators according to the GRI Standards. In addition, GRI codes have been provided alongside the text content in the sections of this report.

Areas of action	GRI codes
Economic success	201-1, 201-2, 201-3, 201-4, 202-1, 202-2
Ethics and integrity	205-1, 205-2, 205-3, 206-1, 207-1, 207-2, 207-3, 207-4, 415-1, 418-1, 419-1
Responsibility towards customers	417-1, 417-2, 417-3, FS 13, FS 14
Sustainability in our core business	203-1, 412-1, 412-2, 412-3, FS 1, FS 2, FS 6, FS 7, FS 8, FS 11
Social responsibility and personal commitment	
Employee promotion and development, diversity and equal opportunity	401-1, 401-2, 401-3, 404-1, 404-2, 404-3, 405-1, 405-2, 406-1, FS 4, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10
Environmental and climate protection	204-1, 302-1, 302-2, 302-3, 302-4, 302-5, 305-1, 305-2, 305-3, 305-4, 305-5

GENERAL DISCLOSURES

GRI code	Content according to GRI Standards (core)	Reference	Notes
The organization and its reporting processes	2-1		Consolidated Annual Report 2023, p. 3-5; p 11
	2-2		Consolidated Annual Report 2023, p. 189 (Note 48)
	2-3		Reporting period: 1 January 2023 – 31 December 2023 (in line with Consolidated Annual Report 2023) Reporting date: 8 March 2024 Frequency: annually Contact point for questions regarding the report: csr@bawaggroup.com
	2-4		If figures have been adjusted for 2023, we have indicated this with footnotes under the respective tables. The effects of all changes was not material. Table Economic success: Change from “Income taxes paid” to “Current income taxes” Environmental 2020 base: We have enhanced the scope for missing data. Table Environmental figures: for calculation of energy intensity base was change to total energy consumption.
	2-5	p. 366 et seq.	
Activities and workers	2-6		Consolidated Annual Report 2023, p. 190. As of 31 December 2023, BAWAG Group had one headquarters location, three other locations and 70 branches in the DACH/NL region as well as 7 branches in the United States.
	2-7	p. 313 et seq.	BAWAG does not employ non-guaranteed hours employees.
	2-8		BAWAG does not have any workers who are not employees.
Governance	2-9		See Governance Report section, p. 259-266.
	2-10		See Governance Report section, p. 259-266.

	2-11	Chair of the highest governance body		See Governance Report section, p. 259-266.
	2-12	Role of the highest governance body in overseeing the management of impacts	p. 271	See Governance Report section, p. 259-266.
	2-13	Delegation of responsibility for managing impacts	p.271	See Governance Report section, p. 259-266; 271. The NFR & ESG Committee is chaired by the Chief Risk Officer (deputy: Chief Executive Officer; deputy: Chief Financial Officer). He reports directly to the BAWAG Group Supervisory Board.
	2-14	Role of the highest governance body in sustainability reporting		See Governance Report section, p. 259-266.
	2-15	Conflicts of interest		See Governance Report section, p. 259-266.
	2-16	Communication of critical concerns		See Governance Report section, p. 259-266.
	2-17	Collective knowledge of the highest governance body		See Governance Report section, p. 259-266.
	2-18	Evaluation of the performance of the highest governance body		See Governance Report section, p. 259-266.
	2-19	Remuneration policies		See Remuneration Report.
	2-20	Process to determine remuneration		See Remuneration Report.
	2-21	Annual total compensation ratio		For BAWAG Group, the ratio of the total annual remuneration of the highest-paid individual compared to the median total annual remuneration of all employees (excluding the highest-paid individual) for the year 2023 is 132 to 1. For the purposes of the calculation, BAWAG Group takes into account all fully consolidated Group companies (except Idaho First Bank). The total annual remuneration includes the basic salary, function-related allowances, contributions to pension funds, employee participation programs and one-time payments as well as – if applicable – the annual variable remuneration granted. For part-time employees, total annual compensation was extrapolated to a full-time equivalent; compensation for employees hired during 2023 was annualized. The percentage change in the annual total compensation of the highest-paid individual in BAWAG Group from 2022 to 2023 is minus 4%, while the percentage change in the median annual total compensation of all employees (excluding the highest-paid individual) from 2022 to 2023 is plus 7%.
Strategy, policies and practices	2-22	Statement on sustainable development strategy		Consolidated Annual Report 2023, p. 14.
	2-23	Policy commitments	p. 282	Furthermore, please see our Human Rights Policy: https://www.bawaggroup.com/linkableblob/BAWAGGROUP/536278/530f6d00de2575d79e69e48a034485e3/human-rights-policy-data.pdf and Code of Conduct: https://www.bawaggroup.com/linkableblob/-/443748/d19eec87be5bc747787e2ab13d1404d5/code-of-conduct-data.pdf . The policy commitments apply to all of the organization's activities and business relationships equally.
	2-24	Embedding policy commitments	p. 282	
	2-25	Processes to remediate negative impacts	p. 322	
	2-26	Mechanisms for seeking advice and raising concerns	p. 294	Furthermore, please see our Grievance Procedure Principles: https://www.bawaggroup.com/linkableblob/BAWAGGROUP/523118/53a89bfa8498b04f6be6280501475ec9/grievance-policy-principles-data.pdf
	2-27	Compliance with laws and regulations		There were no significant instances of non-compliance with laws and regulations in the reporting period. When determining the significance of instances of non-compliance we took into account the severity of reputational, organizational and financial impacts on BAWAG resulting therefrom.

	2-28	Memberships of associations	UN Global Compact, UN Global Compact WEP, Austrian Banking Association (Bankenverband), Austrian Federal Economic Chamber (WKO).
Stakeholder Engagement	2-29	Approach to stakeholder engagement	Ten stakeholder groups were defined in 2018 as part of the materiality process through an analysis by the CSR team and external consultants (CSR Report 2018, p. 9). This selection was also used for discussions in 2021 when the materiality matrix was redefined. The stakeholders comprise all material internal and external stakeholder groups and were determined in consultation with sustainability experts who were entrusted with implementing the stakeholder analysis (Consolidated Annual Report 2021, p. 289 et seq)
	2-30	Collective bargaining agreements	Around 90% of BAWAG Group's employees are covered by collective bargaining agreements. (The working conditions and terms of employment of employees who are not covered by collective bargaining agreements are not influenced or determined based on other collective bargaining agreements.)

MANAGEMENT APPROACHES AND PERFORMANCE INDICATORS

GRI code		Content according to GRI Standards (core)	Reference	Remarks
Disclosures on material topics	3-1	Process to determine material topics	p. 272	
	3-2	List of material topics	p. 274 et seq.	

Area of action 1: Economic success

GRI code		Content according to GRI Standards (core)	Reference	Remarks
Management Approach	3.3	Management of material topics	p. 273 et seq.	
Economic Performance	201-1	Direct economic value generated and distributed	p. 279	
	201-2	Financial implications and other risks and opportunities due to climate change	p. 280	The management of risks and opportunities related to climate change is integrated into BAWAG Group's robust governance framework. However, data availability remains one of the biggest challenges in this regard. We are continuously implementation of enhancements to our existing infrastructure to improve the quantification methods.
	201-3	Defined benefit plan obligations and other retirement plans	p. 281	
	201-4	Financial assistance received from government		No financial assistance received from the government.
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	p. 327	
	202-2	Proportion of senior management hired from the local community		The origin of 100% of the members of the Senior Leadership Team (table "Workforce/Governing bodies by age group and gender") is our core markets (DACH, Western Europe and the US).

Area of action 2: Ethics and integrity

GRI code		Content according to GRI Standards (core)	Reference	Remarks
Management Approach	3.3 (extended)	Management of material topics	p. 273 et seq.	
Anti-corruption	205-1	Operations assessed for risks related to corruption		During the risk assessment, no significant risks were identified.
	205-2	Communication and training about anti-corruption policies and procedures	p. 284, 286, 287	
	205-3	Confirmed incidents of corruption and actions taken	p. 287	
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		No incidents in the reporting period.
	415-1	Political contributions		Political donations are prohibited throughout the Group by the Anti-Corruption Policy.
Taxes	207-1	Approach to tax	p. 291	

	207-2	Tax governance, control and risk management	p. 291	
	207-3	Stakeholder engagement and management of concerns related to tax	p. 291	
	207-4	Country-by-country reporting		Consolidated Annual report 2023, note 66. p.243
Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples		There were no identified incidents of violations of the rights of indigenous peoples. In general, there are grievance mechanisms in place where any stakeholder can provide feedback.
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		There were 42 substantiated complaints regarding erasure or rectification of data. Besides these complaints we had 50 data breaches, all of which were solved.

Area of action 3: Responsibility towards customers

GRI code	Content according to GRI Standards (core)	Reference	Remarks
Management Approach	3.3 (extended) Management of material topics	p. 273 et seq.	
Marketing and Labeling	417-1 Requirements for product and service information and labeling	p. 295	
	417-2 Incidents of non-compliance concerning product and service information and labeling		There were no violations during the reporting period.
	417-3 Incidents of non-compliance concerning marketing communications		There were no violations during the reporting period.
Community	FS 13 Access points in low-populated or economically disadvantaged areas by type	p. 293	
	FS 14 Initiatives to improve access to financial services for disadvantaged people	p. 293	

Area of action 4: Sustainability in our core business

GRI code	Content according to GRI Standards (core)	Reference	Remarks
Management Approach	3.3 (extended) Management of material topics	p. 273 et seq	Example: By focusing on the essential topic of “sustainability in core business,” we are responding to changing customer requirements, which increasingly emphasize the use of sustainable products and services. At the same time, BAWAG Group wants to live up to its responsibility for sustainability – as opposed to achieving its economic goals at the expense of ecology and social contributions. Examples of its green finance methodology can be found here: https://www.bawaggroup.com/linkableblob/-/534994/289e2407a9b6106a0284e8347c942112/202203-technical-summary-data.pdf
	FS 6 Percentage of the portfolio for business lines by specific region,		In addition to the table on overall sector exposure in the CSR Report, the risk concentration by sector for Corporates, Real Estate & Public Sector is also presented in the Consolidated Annual Report 2023 (p.

		size (e.g. micro/SME/ large) and by sector		215). The distribution of the credit portfolio by size cannot be applied in accordance with GRI requirements based on the available data.
Sector-specific disclosure: Product Portfolio	FS 1	Policies with specific environmental and social components applied to our core business	p. 303	
	FS 2	Procedures for assessing and screening environmental and social risks in our core business	p. 302	
	FS 7	Monetary value of products and services, designed to deliver a specific social benefit for each business line broken down by purpose	p. 304	
	FS 8	Monetary value of products and services, designed to deliver a specific environmental benefit, for each business line, broken down by purpose	p. 304	
	203-1	Infrastructure investments and services supported	p. 303	
Sector-specific disclosure: Active Ownership	FS 11	Percentage of assets subject to positive and negative environmental or social screening	p. 302	BAWAG Group predominantly distributes funds issued by third party manufacturers. BAWAG does not manufacture or issue funds. BAWAG has only a limited product offering for portfolio management under the Südwestbank and easybank brand.
Indirect Economic Impacts	203-2	Significant indirect economic impacts	p. 303	

Area of action 5: Social responsibility and personal commitment

GRI code		Content according to GRI Standards (core)	Reference	Remarks
Management Approach	3.3 (extended)	Management of material topics	p. 276-277	
		Volunteer hours completed by employees	p. 310	

Area of action 6: Employee promotion and development, diversity and equal opportunity

GRI code		Content according to GRI Standards (core)	Reference	Remarks
Management Approach	3.3 (extended)	Management of material topics	p. 277	
Sector-specific disclosure: Product Portfolio	FS 4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to our core business	p. 317	
Employment	401-1	New employee hires and employee turnover	p. 327	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 325	

	401-3	Parental leave	p. 321	
Training and Education	404-1	Average hours of training per year per employee	p. 317	
	404-2	Programs for upgrading employee skills and transition assistance programs	p. 325	
	404-3	Percentage of employees receiving regular performance and career development reviews		The aim of the annual feedback process is to consolidate the feedback culture in the company and strengthen employee motivation. The focus of the feedback talk is on professional and personal assessment: this is discussed between the manager and employee using practical examples and important comments are recorded. 60% received the feedback as the process started with a delay in 2023
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	p. 313	
	405-2	Ratio of basic salary and remuneration of women to men	p. 328	
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken		No incidents during the reporting period.
Occupational Health and Safety	403-1	Occupational safety and health management system	p. 323 et seq.	
	403-2	Hazard identification, risk assessment and investigation of incidents	p. 334 et seq.	
	403-3	Occupational health services	p. 323 et seq.	
	403-4	Employee participation, consultation and communication on occupational health and safety	p. 323 et seq.	
	403-5	Employee training on occupational health and safety	p. 323 et seq.	
	403-6	Promotion of employee health	p. 323 et seq.	
	403-7	Prevention and mitigation of occupational safety and health impacts directly related to business relationships	p. 323 et seq.	
	403-8	Employees covered by occupational safety and health management system	p. 323 et seq.	
	403-9	Work-related injuries		There were a total of five occupational accidents at BAWAG in 2023 – four of which occurred on the way from home to the office and one in the office. There was one occupational accident at start:bausparkasse Germany and one at SÜDWESTBANK - BAWAG AG Niederlassung Deutschland. There were no work-related fatalities
	403-10	Work-related illnesses		There are no reliable data on work-related illnesses.

Area of action 7: Environmental and climate protection

GRI code		Content according to GRI Standards (core)	Reference	Remarks
Management Approach	3.3	Management of material topics	p. 273 et seq	
Procurement Practices	204-1	Proportion of spending on local suppliers	p. 284, 332	
Energy	302-1	Energy consumption within the organization	p. 331	
	302-2	Energy consumption outside of the organization	p. 331	
	302-3	Energy intensity	p. 331	
	302-4	Reduction of energy consumption		Not applicable. Reduction of energy consumption primarily through energy-saving measures and reduction of floor space.
	302-5	Reduction in energy requirements for products and services		Not applicable.
Emissions	305-1	Direct (Scope 1) GHG emissions	p. 331	
	305-2	Energy indirect (Scope 2) GHG emissions	p. 331	
	305-3	Other indirect (Scope 3) GHG emissions	p. 331	
	305-4	GHG emissions intensity	p. 331	
	305-5	Reduction of GHG emissions		Not applicable. Reduction of energy consumption primarily through energy-saving measures and reduction of floor space.
	305-6	Emissions of ozone-depleting substances (ODS)		Not applicable.
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		Not applicable.

28 February 2024



Anas Abuzaakouk
Chief Executive Officer



Enver Sirucic
Member of the Management Board



Sat Shah
Member of the Management Board



David O'Leary
Member of the Management Board



Andrew Wise
Member of the Management Board



Guido Jestädt
Member of the Management Board

INDEPENDENT ASSURANCE REPORT

2-5 We have performed an independent limited assurance engagement on the combined consolidated non-financial report according to §§ 243b and 267a UGB ("NFI report") for the financial year 2023, which has been published as (consolidated) Non-Financial Report of **BAWAG Group AG, Vienna** (referred to as "BAWAG" or "the Company").

Conclusion

Based on the procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the NFI report of the Company is not in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB), the provisions of Article 8 of the Regulation (EU) 2020/852 as amended and the supplementing delegated Regulation (EU) 2021/2178 (hereafter "EU Taxonomy Regulation") and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option "in accordance with" in all material respects.

Management's Responsibility

The Company's management is responsible for the proper preparation of the NFI report in accordance with the reporting criteria. The Company applies the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option "in accordance with" as reporting criteria. In addition, the company prepares disclosures in accordance with the EU Taxonomy Regulation, which are published as part of sustainability reporting.

The Company's management is responsible for the selection and application of appropriate methods for non-financial reporting (especially the selection of significant matters) as well as the use of appropriate assumptions and estimates for individual non-financial disclosures, given the circumstances. Furthermore, their responsibilities include the design, implementation and maintenance of systems, processes and internal controls that are relevant for the preparation of the sustainability report in a way that is free of material misstatements – whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to state whether, based on our procedures performed and the evidence we have obtained, anything has come to our attention that causes us to believe that the Company's NFI report is not in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB), the legal requirements of the EU Taxonomy Regulation and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option "in accordance with" in all material respects.

Our engagement was conducted in conformity with the International Standard on Assurance Engagements (ISAE 3000) applicable to such engagements. These standards require us to comply with our professional requirements including independence requirements, and to plan and perform the engagement to enable us to express a conclusion with limited assurance, taking into account materiality.

An independent assurance engagement with the purpose of expressing a conclusion with limited assurance ("limited assurance engagement") is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance ("reasonable assurance engagement"), thus providing reduced assurance. Despite diligent engagement planning and execution, it cannot be ruled out that material misstatements, illegal acts or irregularities within the non-financial report will remain undetected.

The procedures selected depend on the auditor's judgment and included the following procedures in particular:

- Inquiries of personnel at the group level, who are responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting thresholds of the Company;

- A risk assessment, including a media analysis, on relevant information on the Company's sustainability performance in the reporting period;
- Evaluation of the design and implementation of the systems and processes for the collection, processing and monitoring of disclosures on environmental, social and employees matters, respect for human rights, anti-corruption as well as bribery and also includes the consolidation of data;
- Inquiries of personnel at the group level, who are responsible for providing, consolidating and implementing internal control procedures relating to the disclosure of concepts, risks, due diligence processes, results and performance indicators;
- Inspection of selected internal and external documents, in order to determine whether qualitative and quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- Assessment of the processes for local data collection, validation and reporting, as well as the reliability of the reported data through a (remotely conducted) survey performed on a sample basis at a site or a subsidiary.
- Analytical evaluation of the data and trend of quantitative disclosures regarding the GRI Standards listed in the GRI-Index, submitted by all locations for consolidation at the group level;
- Evaluation of the consistency of the of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB), the EU Taxonomy Regulation and the GRI Standards, Option "in accordance with" to disclosures and indicators of the NFI report, which apply to the Company;
- Evaluation of the overall presentation of the disclosures by critically reading the NFI report.

The procedures that we performed do not constitute an audit or a review. Our engagement did not focus on revealing and clarifying of illegal acts (such as fraud), nor did it focus on assessing the efficiency of management. Furthermore, it is not part of our engagement to audit future-related disclosures, prior year figures, statements from external sources of information, expert opinions or references to more extensive external reporting formats of the Company.

Restriction on use

Because our report will be prepared solely on behalf of and for the benefit of the principal, its contents may not be relied upon by any third party, and consequently, we shall not be liable for any third party claims. We agree to the publication of our assurance certificate and NFI report. However, publication may only be performed in its entirety and as a version has been certified by us.

General Conditions of Contract

Our responsibility and liability towards the Company and any third party is subject to paragraph 7 of the General Conditions of Contract for the Public Accounting Professions.

Vienna, 29 February 2023

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
Mag. Georg Blazek

Wirtschaftsprüfer
(Austrian Chartered Accountant)

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS (COP)

COMMUNICATION ON PROGRESS (COP)

As a signatory to the UN Global Compact, BAWAG Group is committed to complying with the ten principles focusing on labor rights, human rights, environmental protection and anti-corruption and, since signing the UN Global Compact Women’s Empowerment Principles (WEP) in 2015, to complying with the seven WEP. This CSR Report 2022 is thus also a report in the sense of the annual “Communication on Progress” (COP). For each principle, examples have been given of how they have been and are being implemented at BAWAG Group.

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT AND EXAMPLES OF IMPLEMENTATION

The ten principles	Examples of implementation
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence. (COP 1)	p. 284, 332 General/principles/guidelines: Code of Conduct, Supplier Code of Conduct, Human Rights Policy
Principle 2: Businesses should make sure that they are not complicit in human rights abuses. (COP 2)	p. 284, 332 General/principles/guidelines: Code of Conduct, Supplier Code of Conduct, Human Rights Policy
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. (COP 3)	General/principles/guidelines: Freedom of association and the registration of trade unions are enshrined in law in our core markets. There is an ongoing exchange of information between management and the Works Council, and new works agreements are concluded regularly.
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor. (COP 4)	p. 284, 332 General/principles/guidelines: Supplier Code of Conduct; the majority of our suppliers come from the DACH region. The topics of freedom of negotiation, forced labor, working hours and wages are part of the Supplier Code of Conduct item 3 “Respect for fundamental rights, health and safety of employees.”
Principle 5: Businesses should uphold the effective abolition of child labor. (COP 5)	p. 284, 332 General/principles/guidelines: Supplier Code of Conduct
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation. (COP 6)	p. 284, 311, 315, 332 General/principles/guidelines: Code of Conduct, Supplier Code of Conduct, recruiting policies, Women’s Advancement Plan, Women’s Mentoring Program
Principle 7: Businesses should support a precautionary approach to environmental challenges. (COP 7)	p. 304 et seq. Energy efficiency products and services
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. (COP 8)	p. 305, 332 Energy-efficient sites, paperless branches, digitalization of processes, expansion of online offerings, outbound services
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies. (COP 9)	p. 303 et seq Financing of sustainable projects
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. (COP 10)	p. 284, 286, 332 General/principles/guidelines: Code of Conduct, Supplier Code of Conduct, anti-corruption and gift acceptance policy, conflict of interests policy. New entrants in Austria must successfully complete training on the prevention of money laundering. Employees must complete training on topics such as anti-corruption and fraud prevention.

THE SEVEN PRINCIPLES OF THE UN GLOBAL COMPACT WOMEN'S EMPOWERMENT PROGRAM AND EXAMPLES OF IMPLEMENTATION

WEP 7	The seven principles	Examples of implementation
	Principle 1: Establish high-level corporate leadership for gender equality (WEP 1)	p. 311, 314, 316 Women's Advancement Plan, Women's Mentoring Program, flexible working time models, focus topic in management programs
	Principle 2: Treat all women and men fairly at work – respect and support human rights and nondiscrimination (WEP 2)	p. 312, 315, 320 Recruiting policy, Code of Conduct, flexible working time models, Supplier Code of Conduct, Women's Advancement Plan, part-time parental leave, dad month
	Principle 3: Ensure the health, safety and well-being of all women and men workers (WEP 3)	p. 320 Work and family audit, information events for expectant parents, welcome back events for parents returning from parental leave, company day care centers, workplace health promotion, occupational health services
	Principle 4: Promote education, training and professional development for women (WEP 4)	p. 311 Women's Advancement Plan, Women's Mentoring Program
	Principle 5: Implement enterprise development, supply chain and marketing practices that empower women (WEP 5)	p. 312
	Principle 6: Promote equality through community initiatives and advocacy (WEP 6)	p. 312 Women's Initiative
	Principle 7: Measure and publicly report on progress to achieve gender equality (WEP 7)	p. 312, 314 Report on measures, objectives and target achievement as part of the annual CSR Report and the Communication on Progress (COP); proportion of female managers; ESG target related to Women's quota in SLT and SB