

(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 339) and the UN Global Compact progress reports (page 349). 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 2022 and follow up on the CSR Report 2021.

Unless indicated otherwise, this report covers all operating entities of BAWAG Group as well as their brands.

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'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

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-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.

Therefore, we have committed ourselves to tangible ESG targets, which we have embedded into our operating plans:

- ▶ We are targeting a **reduction of our own Scope 1 and 2 CO2 emissions of >50% by 2025** from the baseline of 2020 (baseline will be adjusted, e.g. in case of enhanced scope, M&A ...).
- ▶ 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.
- ▶ To further promote the environmental transition, we are targeting annual new green lending business of over € 1.6 billion, doubling 2020's volume, by 2025 (EU taxonomy and EU taxonomy-aligned purpose outside EU).

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.

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Materiality matrix



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 to material topics in 2022, we consider the 2021 online stakeholder survey to be representative for evaluating and assessing our material issues for the entire BAWAG Group and for developing future sustainability initiatives. There have been no changes to the list of material topics compared to the previous reporting period.

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).

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3-3 **Table: Material topics**

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

Responsibility towards customers	<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>	417-1, 417-2, 417-3, FS 13, FS 14	1, 8	COP 1, COP 8	No assignment
Sustainability in core business	<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 (e.g. increase in ESG funds), 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>	FS 1, FS 2, FS 11, FS 6, FS 7, FS 8, 203-1, 412-1, 412-2, 412-3	1, 7, 8, 9, 12, 13	COP 1, COP 2, COP 7-9	Environmental and social concerns, respect for human rights
Social responsibility and personal commitment	<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>	No assignment	1, 4	No assignment	Social issues

	<p>... <u>(potential) negative impact</u>: reputational risk, loss of trust</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>				
Employee promotion and development, diversity and equal opportunities	<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	<p>... <u>(potential) positive impact</u>: to preserve the natural basis of human life.</p> <p>... 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</p> <p>... to mitigate climate change and promote a circular economy</p> <p>... 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).</p>	<p>204-1, 302-1, 302-2, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7</p>	<p>1, 7, 8, 13, 16</p>	<p>COP 1-8</p>	<p>Environmental</p>

... <u>(potential) negative impact</u> : climate change risks, financial risks and reputational risks				
... <u>due diligence</u> : environmental and resource management, Group-wide processes and standards for business relationships.				
... <u>effectiveness of actions taken</u> : tracking of key numbers, target evaluation, feedback loops, strong internal audit function.				
... <u>engagement with stakeholders</u> : regular feedback with key stakeholders related to the topic (both internally and externally).				

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

Area of action	Measure	Current status ¹⁾
ESG strategy	Goal: Strengthening ESG/CSR activities and awareness	
	... Definition of dedicated ESG strategy	Ongoing
	... Integration of ESG risks in ESG strategy and business model	Done
	... Assessment of green lending, pathway to achieve target and further identification of potential opportunities	Ongoing
	... Assessment and definition of process regarding upcoming regulatory requirements	Ongoing
Ethics & Integrity	... Improvement in sustainability rating agency rankings (focus: MSCI, ISS-ESG, Sustainalytics, Vigeo Eiris, DJ Sustainability Index)	Ongoing
	Goal: Ensuring compliance with all guidelines and policies	
	... Implementation and publication of a Group-wide tax strategy	Done
	... Implementation and publication of human rights policy	Done
	... Implementation and publication of political involvement policy	Done
	... 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	Ongoing
	... 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
Responsibility towards customers	... Establishment of a clear governance to address climate risks and to address supervisory expectations and regulations	Ongoing
	Goal: Appropriate products and services for every life circumstance and every stage of life	Ongoing
Sustainability in our core business	... Evaluation of processes and implementation of measures to simplify access to finance and increase the use of digital services	Ongoing
	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 (EU taxonomy + EU taxonomy-aligned purpose outside EU)	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
	... Development and publication of a Group-wide Social Engagement Strategy	Ongoing
	... Support for financing of regional social projects on crowdfunding.at	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
	... Relaunch of leadership program for new managers	Done
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 energy efficiency certification	Ongoing
	... Reduction of Scope 1 and Scope 2 CO2 emissions	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 2023
- Done = measure has been finalized and successfully executed in 2022

ECONOMIC SUCCESS

201-1 Creating value for various stakeholders of BAWAG Group is a top priority. Economic success enables us to take into account stakeholder interests, such as those of customers, employees, shareholders, and society in general. It also increases the stability of the economy and the financial sector in particular. Various stakeholders benefit from economic success, e.g. shareholders through capital distributions and a higher enterprise value, while employees benefit from higher job security and are paid in line with or above market conditions. Customers benefit from a comprehensive range of products and services, while government bodies receive taxes and other contributions (levies, social security contributions, etc.).

Furthermore, 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.

The Financial Planning & Analysis (FP&A) unit runs the processes for reporting requirements in conjunction with the traditional methodological controlling tasks (PCR, FTP, KPI definition, etc.) for the entire BAWAG Group. The controlling units manage the Bank at the individual and Group level through regular reporting. These reports form the core element of the management information system (MIS). The regulatory reporting team prepares and implements existing and new reporting requirements. As in all business areas and key issues, BAWAG Group is committed to openness and transparency here. Extensive information is presented and continuously updated by our Investor Relations department on our website, such as annual and interim reports, investor relations releases, share price data, corporate presentations, ad hoc announcements and press releases to provide transparent information to shareholders and the interested public.

Table: Direct economic value generated and distributed

in € million	2022	2021
Direct economic value generated		
Interest income	1,309.4	1,128.0
Dividend income	16.0	17.7
Fee and commission income	389.0	353.0
Gains and losses on financial assets and liabilities	(13.2)	11.3
Other operating income	87.7	168.1
Share of the profit or loss of associates accounted for using the equity method	2.7	3.8
Write-off of City of Linz receivable	(254.0)	-
ECL management overlay	(39.0)	(23.0)
Total direct economic value generated	1,498.6	1,658.9
Economic value distributed		
Fee and commission expenses	79.7	70.9
Other operating expenses	117.5	241.2
Operating expenses excl. employee excl. community investment	192.1	194.7
Risk costs	83.3	72.0
Employee wages and benefits	286.9	295.4
Staff costs	286.9	295.4
Payments to providers of capital	595.3	691.9
Interest expense	304.3	207.4
AT1 coupon	24.0	24.5
Dividends	267.0	460.0
Payments to government ¹⁾	182.0	53.0
Income taxes paid	174.0	46.0
Bank levy	8.0	7.0
Community investments	0.2	0.2
Total economic value distributed	1,537.0	1,619.3
Economic value retained	(38.4)	39.6
Economic value retained w/o City of Linz	151.6	39.6

1) Country reporting see annual report notes section

In the last two years, the economic value retained was marked by specific events: In 2022, the write-off of the City of Linz receivable impacted the economic value generated by € 254 million. In 2021, we distributed the catch-up dividend to our shareholders, following the dividend restrictions of the European Central Bank during the pandemic.

RATINGS

BAWAG P.S.K., the most relevant operating subsidiary of BAWAG Group AG, is rated by Moody's Investors Service.

BAWAG	2022
Long-term senior unsecured / issuer rating	A2 (stable outlook)
Long-term bank deposits rating	A2 (stable outlook)
Short-term issuer / bank deposits rating	P-1

Our sustainability performance is assessed by ESG rating providers on a regular basis. After a significant improvement of our ratings in 2021, we maintained the levels during 2022. 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. The current ESG ratings are published on our ESG website at 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-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.

When focusing on the reduction of GHG-emissions, we as a bank can contribute directly and indirectly. Our use of resources is limited, but we have continuously established initiatives to reduce our emissions and set targets to reduce our CO₂ emissions (Scope 1 and 2) by over 50% by 2025 versus 2020. More important is our indirect impact through our lending and investment activities and the investments we offer to our clients. To limit the negative impact of our lending portfolio, we implemented lending criteria for selective industries with high ESG-risks, consisting of industry exclusions and restrictions, starting in 2021. We review this list on an annual basis in order to consider any new developments and will tighten the criteria where applicable. We currently have zero exposure to prohibited businesses. Our oil and gas related industry exposures are less than 1% of total assets. The detailed list is published in the Corporate Social Responsibility Report as well as the up-to-date lending criteria on our website. We expect to maintain the already low levels of ESG risks in our portfolio of <2% exposure in moderate to high or high emitting industries.

As an SSM institute, BAWAG Group participated in the first stress test on climate and environmental risks where the ECB assessed how prepared banks are for dealing with financial and economic shocks stemming from climate risk scenarios over a 30 year time horizon. We successfully completed the exercise with an above average overall rating (ca. top 35% of banks) considering all the elements assessed and indicating a rather low impact of climate risks related to our business model. Additionally, in the seven highest GHG-emitting sectors as defined by the ECB for the stress test, BAWAG has 8.7% of total non-financial corporate exposure to these sectors. This compares favorably to a median of 29% exposure to these sectors among all participating banks in the ECB climate stress test sample. However, we continue to work on the development and expansion of our Climate & Environment risk management and will implement the learnings gained from this exercise.

While we currently only disclose scope 1 and scope 2 emissions, we decided to measure and disclose financed emissions using the PCAF Global GHG Accounting and Reporting Standard for the Financial Industry. We have started to collect ESG data from customers as well as have defined methodologies in place. Our target is to start disclosing CO2 emissions of our lending and investment book during 2023. The key challenge when reporting on climate-related topics mainly relates to data availability and data quality provided by customers to comprehensively calculate CO2 emissions within our lending book.

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 2022. Post-employment benefit plans in BAWAG Group that qualify as defined benefit obligations amount to € 174 million. Pension payments to beneficiaries amounted to € 18 million in 2022.

For further details we refer to the notes to the consolidated annual financial statements (Note 1 and 29).

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
2-24 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 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 2022, 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.

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****SDG 13****SDG 16****COP 1****COP 2****COP 4****COP 5****COP 6****COP 10**

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

- ▶ comply with applicable laws of the respective jurisdiction;
- ▶ refrain from actions that could unlawfully influence the decisions of government representatives and public bodies or authorities;
- ▶ prohibit the acceptance of gifts and gratuities from employees in connection with their work and duties in excess of customary gifts or other benefits;
- ▶ respect fundamental rights, health and safety of employees; and
- ▶ 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**

	2022	2021
Expenditures to local suppliers	72%	74%

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 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 (incl. easybank, SÜDWESTBANK, Hello bank!). An expansion of the presentation to include other subsidiaries 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’ 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 (bi-)annually, 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). The mandatory “Securities Compliance” 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 screening is technically supported by various applications within the Group that ensure high standards in order to prevent market abuse.
- ▶ 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 department must be informed. We take decisive action against attempts at corruption in all our business areas.

The Anti-Corruption Policy defines the terms benefits/gratuities, 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 (most recently in fall 2021). 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 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>).

205-2

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 2022.

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 employees, customers and other stakeholders in terms of confidentiality, integrity and availability. BAWAG Group has implemented a set of security policies 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 cloud usage or social media usage) and comprehensively expanded. State-of-the-art technologies and services are used to achieve the expected high level of internal and external security. 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 IT experts are executed by certified security experts – both in the CISO Office and in the IT Security Operations/SOC Team. A special security focus has been placed on the development, implementation, operation, use and maintenance of new 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 Cyber Crime Working Group and the Fraud and Information Security Committee (CFIS).

BAWAG Group regularly performs penetration tests (sophisticated security tests) with the help of specialized expert companies, especially for 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 improve the security of the tested systems. For all internal systems, BAWAG not only performs specific penetration tests, but also ongoing vulnerability scans to identify inadequacies in the internal IT landscape. Detected vulnerabilities are dealt with in a timely manner according to their criticality. To validate our comprehensive cybersecurity approach, we use a renowned cybersecurity rating service, which demonstrates the comparatively good cybersecurity position of BAWAG Group (including our international units) 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 or via e-mail.

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. Emphasis is placed on compliance with tax reporting obligations that serve to ensure tax transparency (such as GMSG or DAC-6). Disclosures on tax are audited as part of the audit of BAWAG's annual financial statement.

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. The remuneration of employees is completely independent of factors such as achieving tax savings or lowering the tax rate.

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 www.bawaggroup.com.

BAWAG Group does not provide tax advice to clients and, to the best of our knowledge and belief, we do not offer any (own) tax-optimized models or financial instruments.

RESPONSIBILITY TOWARDS CUSTOMERS

BAWAG Group continuously strives to meet the needs of its customers and to provide as many people as possible with access to banking services and products that fit their individual circumstances and support their financial objectives. The needs of our customers are given top priority. Their 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

We strive to achieve the highest customer satisfaction on all sales channels. A respectful dialog and proactive communication with our customers are particularly important to us, which is why we offer our customers 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 75% 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 1,215 ATMs outside the branches. Also, BAWAG customers can withdraw cash from any of the about 9,000 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

2022	Inhabitants per square kilometer*	Branches	ATMs (outside of branches)
Lower Austria	89.5	8	219
Salzburg	79.4	4	67
Styria	77.1	12	212
Burgenland	76.0	3	54
Tyrol	60.8	4	99
Carinthia	59.7	4	94

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 2022, our physical branch network in Austria consisted of 61 branches and 9 additional self-service branches that are accessible 24/7. The branch network enables 84% of BAWAG P.S.K. customers to reach a branch within a driving distance of 25 km or less, and 88% of customers up to a maximum of 30 km. Under the Südwestbank brand in Germany, we have 11 branches.

FS 14 Barrier-free access to branches and app**SDG 1**

As of 31 December 2022, BAWAG had equipped 70 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 72% of branches that have a safe. In 39% 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.

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 2022, BAWAG's klar and easybank digital banking apps were again continuously expanded and improved. This year, customers were offered several updates with improvements and added functions. Above all, the self-service functions (changes to personal data in the apps) and the card management features (request a new credit card and display the credit card PIN code, SmartCash and 3D Secure) were high on customers' wish lists and were fulfilled. This also applies to features such as custom account names, sales receipts and copying and sharing IBANs/BICs. More than 12.6 million transfers were executed via the klar and easybank apps in 2022.

Partnerships and platforms

BAWAG fosters partnerships with retailers in Austria (e.g. supermarkets like REWE brands throughout Austria when paying by card) 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.

Business customers

BAWAG further expanded its digital business customer experience in 2022 and offers domestic one-person enterprises the

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.

opportunity to open a business account in a purely digital manner, without having to visit a branch. Once the new online application process for the KontoBox XLarge Business product has been successfully completed, it will be possible to access the new BAWAG business account on the same day.

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.

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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 important 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.
- ▶ 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.
- ▶ BAWAG customers are invited to an annual financial check-up at the branches, where they work with personal advisors to define their short- and long-term financial goals. An individual financial plan is drawn up on this basis.
- ▶ 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.
- ▶ As a reliable financial partner, BAWAG aims to provide its customers with transparent information about all advantages and disadvantages. Customer information in advertising materials that used to be shown in small-print footnotes is now printed under the heading "Fair to know" and in the same size as the rest of the text, especially in advertising materials for credit and investment products. This is intended to create more transparency for important customer information.

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 %	2022	2021
Defense industry	0.0%	0%
Production and distribution of NBC weapons	0.0%	0%
Production and distribution of conventional weapons	0.0%	0%
Production and distribution of other military services	0.0%	0%
Nuclear energy	0.0%	0%
Production of electricity in nuclear power plants	0.0%	0%
Construction of nuclear technologies for nuclear power plants	0.0%	0%
Uranium mining and trading	0.0%	0%
Other ethical risks	0.3%	<0.1%
Production of and trade in addictive substances (tobacco, alcohol >20% by volume)	0.0%	0%
Production, trade and application of green gene technology	0.0%	0%
Gambling and related services/facilities	0.3%	0.02%
Fossil fuels	0.0%	<0.1%
Total fossil energy sector	0.0%	0.01%
Coal mining and power generation	0.0%	0%
Extraction of crude oil and natural gas by means of fracking or tar sands	0.0%	0%
Climate change	0.2%	0.1%
Renewable energy	0.2%	0.1%
Sustainable mobility	0.0%	0%
Sustainable construction	0.0%	0%
Other ethical opportunities	1.4%	1.5%
Socially oriented companies/projects	0.1%	0.0%
Social housing	1.3%	1.5%
Organic farming	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.

Taxonomy Ratio

Table: Taxonomy ratios

Taxonomy ratios	% of	% of CapEx
	Revenue	
A1: Exposure to taxonomy-eligible activities / Total assets	24.09%	24.16%
A2: Exposure to non-taxable economic activities / Total assets	3.12%	3.06%
B: Exposure to central governments, central banks, supranational issuers and derivatives / Total assets	22.37%	
C: Share of risk exposures to corporates not subject to NFRD / Total assets	14.82%	
Interbank loans (on-demand)	1.23%	

Table: Taxonomy ratios and contextual information

Taxonomy Ratio	Contextual information
A1	In general, the data used for the calculation of A1 is based on NFRD-eligible companies and taxonomy eligible activities as well as financing purposes that are eligible according to the Taxonomy Regulation.
<i>Private mortgage loans</i>	Mortgage loans were identified by product classification and real estate collateral amount. Private individuals were selected based on the relevant NACE code for private households in EU countries.
<i>NFRD companies</i>	NFRD obliged corporate customers were screened individually with focus on the respective CSR reports or other non-financial reporting. The proportions of their respective eligible activities according to Revenue and CapEx were collected for each relevant customer. For the NFRD obliged banks and insurances the disclosures of the financed eligible activities according to Revenue and CapEx of the underlying are not available yet. Therefore the disclosed KPIs of 2021 were used for both calculation methods of these asset classes.
<i>Special financing of commercial real estate</i>	Specialized lending real estate projects were identified. Since none of the relevant customers are subject to the NFRD, the amount is 0.
A2	Ratio A2 includes the NFRD-eligible companies within the EU that are not considered in ratio A1.
B	Risk positions to central banks, central states and supranational issuers were identified according to their asset class segment as well as derivatives (incl. hedge accounting).
C	Ratio C includes companies that are not subject to the NFRD and not considered in ratio B. The following legal forms were selected: limited liability company (<i>GmbH</i>), stock corporation (<i>AG</i>), limited partnership with a limited liability company as general partner (<i>GmbH & Co. KG</i>), limited partnership with a stock corporation as general partner (<i>AG & Co. KG</i>)
Interbank loans	This ratio considers on-demand interbank loans based on the relevant balance sheet positions.

As a financial services provider, BAWAG is fully committed to supporting the economies of the markets we operate to enable governments, enterprises and customers to take key steps towards creating a climate-neutral, climate-resilient, more resource-efficient and circular economy.

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

By increasing funding for environmental and climate-related expenditures, we can support the collective progress towards sustainable development goals and emissions reductions.

To ensure that capital is channeled towards economic activities that make the greatest positive impact on the environmental objectives, we have committed ourselves to organizational ESG targets. One example is our ESG target in green financing. Green finance broadens access to environmentally friendly goods and services for individuals and businesses, and supports the transition to a low-carbon economy. Opportunities for green finance can serve as productive capital with reasonable risk and return dynamics. We expect green financing to reach at least € 1.6 billion (based on EU taxonomy or EU taxonomy-aligned purpose outside of the EU) of our new business annually by 2025, compared to € 0.8 billion in 2020.

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 2022, 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>.

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.

Risk identification

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. With environmental risks being the major driver the following impacts were identified as the basis for the annual risk self-assessment.

Financial Risk	Physical Risk	Potential effects	Transition risk	Potential effects
Credit risk	Extreme weather events decrease the value of collaterals	Higher loss given default (LGD)	High depreciation on carbon-intensive assets	Higher probability of default (PD), more need for depreciation
	Extreme weather events decrease the debt sustainability	Higher probability of default (PD), more NPL's	Lower income from debtors due to carbon tax	Higher probability of default (PD)
	Higher temperatures decrease productivity/income	Higher probability of default (PD), more NPL's	More investments in new, riskier technologies	Higher probability of default (PD)
Market risk	Extreme weather events increase price volatility	Increasing volatility of real interest rate	Changes in consumer behavior	Shift in demand, price volatility
	Extreme weather events devastate entire regions	Risk concentration for smaller regional banks	Missing the turnaround towards climate-neutral assets	Stranded assets, more need for depreciation
	Uncertainty about extreme weather events	Increasing risk premiums	Rising inflation expectations due to carbon taxes	Higher uncertainty about real interest rates
	Extreme weather events lead to rapid capital outflow	Increasing risk pertaining to exchange rate	Devaluation of countries, that have high CO ₂ emissions	Stranded assets, increasing risk premiums
	Rising sea level increases country risk	Value of government bonds decreases, fewer riskless assets available	Higher uncertainty about future technologies/laws	Increasing risk premiums
Liquidity risk	Sudden withdrawals because of extreme weather events	Rollover risk, regional bank runs	Stranded assets can no longer be traded	More need for depreciation
	Sudden demand for emergency loans	Rollover risk		
Reputational risk	Contagion due to close proximity to affected regions	Increasing risk premiums	Lack of concentration on climate risks	Downgrade of ratings, increasing risk premiums
			Stigmatization of companies	Loss of customers, less attractive employer

Climate Risk

To assess the transition risk it is necessary to determine which activities emit relatively more CO₂ and would therefore be more affected by a carbon tax and potentially result in stranded assets. For the Corporate lending the climate risk heatmap builds the basis for the identification of sectors and geographies with high transition risk. Special focus lies on high emitting sectors (>1,000 tCO₂/mIn€).

As can be seen in the table below, less than 2% of the exposure lies in moderate-high emission industries. Of those customers in these sectors a big proportion are state owned or partially state owned companies, which means that their commitment towards a carbon neutral transition can be considered very high.

Table: Moderate-high/high emitting exposures¹⁾

Corporates, Real Estate & Public	Exposure (€m)	% of total exposure
Electricity, gas, steam and air conditioning supply	522.0	0.8%
Manufacture of chemicals and chemical products	60.0	0.1%
Crop and animal production, hunting and related service activities	36.9	0.1%
Water transport	29.6	0.0%
Manufacture of basic metals, fabricated metal products, except machinery and equipment	24.4	0.0%
Mining and quarrying	1.6	0.0%
Manufacture of other non-metallic mineral products	0.1	0.0%
Manufacture of coke and refined petroleum products	0.0	0.0%
Total	674.8	1.1%

1) Definition of moderate-high/high emitting sectors according to ECB climate stress test exercise: NACE sectors with >1,000 tCO₂/mIn€

The transition to a low-carbon economy for real estate lending is connected to an improvement of the energy performance of real estate collaterals. As data availability remains the biggest challenge, the automated collection of energy performance certificates via an internally developed interface was implemented in 2022. The climate risk heat map consists of data from the OECD on the distribution of CO₂ emissions per capita per country per sector. This highlights which industry in a given country contribute most to this countries carbon emissions and makes it a comparable indicator on a per capita basis. The physical risk tool used for the assessment of the portfolio is based on geolocations with varying granularity based on the risk type. For example the base data is more granular for flood risk than it is for heat stress since those impacts can be pinpointed to more specific locations. The risks are modelled for different time horizon and RCP scenarios based on data by WRI, CMIP5, NOAA and Climate Central. Physical risks arising from individual extreme weather events and the related consequences are mainly connected to flood risk in mortgage business in our core markets in the DACH region as well as sea level rise risk in the Netherlands. While flood risk in Austria and Germany is rather limited based on the asset locations, sea level rise risk in the Netherlands is more relevant. As the possibilities for the direct mitigation of these rather long-term risks are very limited, the focus lies on sufficient risk-bearing capacity. Additional haircuts are considered within our internal stress test. In addition, most of the Dutch mortgages are NHG-guaranteed. We will continuously monitor these risks and maintain sufficient buffers.

Lending criteria

BAWAG Group has defined lending criteria for the Corporate 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>.

ECB climate risk stress test

As an SSM³⁾ institute, BAWAG Group participated in the first stress test on climate and environmental risks where the ECB assessed how prepared banks are for dealing with financial and economic shocks stemming from climate risk scenarios over a 30 year time horizon. We successfully completed the exercise with an above average overall rating (ca. top 35% of banks) considering all the elements assessed and indicating a rather low impact of climate risks related to our business model. Additionally, in the seven highest GHG-emitting sectors as defined by the ECB for the stress test, BAWAG has 8.7% of total non-financial corporate exposure to these sectors. This compares favorably to a median of 29% exposure to these sectors among all participating banks in the ECB climate stress test sample. However, we continue to work on the development and expansion of our Climate & Environment risk management and will implement the learnings gained from this exercise.

Internal ICAAP and stress test framework

ESG risk is also considered within BAWAG Group's ICAAP⁴⁾ 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 2022, all newly launched products were reviewed for CSR/ESG aspects. Prior to launching new products, the responsible
FS 2 product managers were asked to assess and describe potential impacts of product implementation in respect of
FS 11 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:

- ▶ 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 23 PIPs were conducted, 7 of which met at least one environmental criteria, 7 of which met at least one social criteria and all met the governance criteria.

3) Single Supervisory Mechanism: The Single Supervisory Mechanism (SSM) refers to the system of banking supervision in Europe. It is composed of the ECB and the national supervisory authorities of the participating countries. As it is directly supervised by the ECB, BAWAG is an SSM institution.

4) Internal Capital Adequacy Assessment Process

FS 1 PIP guideline and internal training

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.

ESG target

By increasing funding for environmental and climate-related expenditures, we can support the collective progress towards sustainable development goals and emissions reductions.

To ensure that investments are channeled towards economic activities that make the greatest positive impact on the environmental objectives, we have committed ourselves to organizational ESG targets. One example is our ESG target in green financing. Green finance broadens access to environmentally friendly goods and services for individuals and businesses, and supports the transition to a low-carbon economy. Opportunities for green finance can serve as productive capital with reasonable risk and return dynamics. We expect green financing to reach at least € 1.6 billion of our new business annually by 2025, compared to € 0.8 billion in 2020, based on EU taxonomy or EU taxonomy-aligned purpose outside of the EU.

203-1 Financing**203-2****SDG 1 Corporates & Public Sector business**

SDG 8 In the public sector segment, a refinancing loan was concluded with the EIB in December 2020 (volume: € 100 million).

SDG 9 The focus is on investment projects by municipalities, municipal associations etc. in the areas of climate, energy, education, water/waste recycling and health care. A large part of this urban development refinancing EIB loan has already been successfully deployed in 2021 and 2022 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>

COP 9

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 € 0.5 million to € 5 million in 2022 and were used for the following projects:

- ▶ Education: BAWAG finances numerous educational institutions in Austria. These include various properties, ranging from educational campuses to schools and day care centers
- ▶ Water management: Both water supply and wastewater disposal (filtration plants, decarbonization) are financed
- ▶ Health care sector: financing of medical centers
- ▶ Utilities: financing of green projects of energy suppliers
- ▶ Grocery retailer: ESG-linked financing
- ▶ Railway logistics: financing of expansion of goods terminal – road on rail

BAWAG granted ESG-linked financing during 2022. However, the volume was non-material.

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 over € 44,000 in 2022 (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 ▶ Mortgage loans: BAWAG has implemented the data item from the energy performance certificate which has to be
SDG 13 created for every new building and every existing property in case of sale (legal obligation). The data (which is included in 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 its 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, BAWAG 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 It is particularly important for a bank to assume social and ecological responsibility with regard to investments. BAWAG
SDG 13 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, Öko Sozial Euro Corporate Bond, Öko Sozial Net Zero Ambition Bond, Öko Sozial Global High Yield Bond, Amundi Öko Sozial Stock and Amundi CPR Climate Action and eight Amundi ETFs from our cooperation partner Amundi Austria, as well as BGF ESG Multi-Asset, Candriam Sustainable Equity Emerging Market, Robeco Sustainable Global Stars Equities Fund, RobecoSAM Sustainable Water and Schroder ISF Global Climate Change from our cooperation partners within BAWAG Best In Class – BAWAG offers 16 mutual investment funds and eight 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. During the course of 2022, customers further increased their demand for sustainable investing: BGF ESG Multi-Asset from our cooperation partner BlackRock was the best-selling fund in BAWAG's retail segment in 2022.

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 5% of total current accounts are social inclusion accounts. Taking into account the allocation of social inclusion accounts, the current split is 76% for "New Chance" accounts, 23% Beihilfenkonten (budget accounts) and <0.1% for consumer 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 with the legal forms of "non-prot. EU," "prot. EU" and "GmbH." Especially during the lockdowns, no branch visits were needed to open a current account. Even if the current account is opened in a branch, the process is completely paperless.

Qlick – installment loans

Installment loans under the Qlick brand are offered exclusively digitally as well.

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.

Apple Pay

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

Instant payments

In November 2022, a further milestone was achieved through the greater adoption of information technology and use of these opportunities, as real-time instant payments were launched, leading to a significant indirect economic and social impact with even higher future potential: Technology-wise, we implemented a real-time infrastructure that is capable of moving €100,000 per transaction 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

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 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 and give our commitment to initiatives for many years. 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 are proud of our team members for their community involvement and will 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.

Our commitment should bring benefits and added value to people. We regularly donate to initiatives and social projects as a company. In 2022, we increased the amount of our donations: A total of over € 250,000 was donated by employees and the Bank (2021: € 200,000). Since 2014, BAWAG has been using the crowdfunding.at platform to support social projects and ecologically sustainable projects by individuals or private organizations in presenting their undertakings to the public and raising funds through crowdfunding contributions from private individuals. So far, funding of more than € 1,000,000 has been raised. On the platform, social projects from the areas of work, housing, education, health, culture, environment and technology are put in the spotlight. In 2022, financing was raised via this platform for projects focusing mainly on less privileged members of our society, from organizations including Caritas, Red Noses and the Austrian Red Cross.

Financial literacy

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 2022: 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.

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.

Social engagement

Support for refugees of Ukraine/special project with Haidehof

Over the past few months, employees have supported our in-kind donation campaign at ICON as well as a (monetary) donation campaign to Volkshilfe, CARITAS and SOS Kinderdorf – the donations collected were rounded up by the Bank, bringing the total donation value to € 75,000, one third of which went to each of the participating organizations.

Furthermore, a long-term partnership was established in close cooperation between the Management Board, the Works Council and the Workers' Samaritan Association (Arbeitersamariterbund): The main focus of this partnership has been to support displaced persons from Ukraine who have been housed in the Haidehof emergency shelter in Vienna Simmering. A couple of examples show the ongoing support during 2022, focusing on several employee initiatives:

- ▶ Donations and in-kind donations: Employees raised money to buy urgently needed goods for daily use - especially clothing and hygiene articles. Several other in-kind donations were provided on an ongoing basis (e.g. toys, sports equipment etc.) throughout the year.
- ▶ School startup packages and books for children: A total of 100 school startup packages were given to children in need. Furthermore, a business customer of BAWAG donated books for children.
- ▶ 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 that employees fulfilled. The children's and young people's wishes included toys, sports equipment and vouchers for clothing, winter shoes, etc.

BAWAG Women's Prize

In 2022, Monika Langthaler, M.Sc., was awarded the 10th BAWAG Women's Prize. The €5,000 award recognizes outstanding achievements by women and special commitment to positioning women in society. Monika Langthaler has been working on the topic of sustainability for years, linking ecological and social issues with the business world. She is the organizer of an annual climate protection conference held in Vienna, the AUSTRIAN WORLD SUMMIT. In recent years, this has created an international network that connects stakeholders from the political, business and financial worlds to the UN, NGOs, regions and cities. BAWAG appreciates Ms. Langthaler's great commitment to imparting knowledge on climate protection and sustainability topics as well as her efforts in international networking. In addition to the award, the BAWAG Women's Initiative identified a fundraising project to be supported with €5,000 on the occasion of the award ceremony: The Train of Hope association was once again active in 2022 to support those people who have had to flee the war in Ukraine. Train of Hope has been operating an arrival center in Vienna with many volunteers since March 2022 and provides acute assistance, initial care and support for those seeking protection. The donation check from the BAWAG Women's Initiative was presented to the co-founder of Train of Hope, Manuela Ertl.

Corporate volunteering

In 2022, employees again could use up to two working days per year to volunteer for charitable organizations and projects without having to take vacation days.

Kinderuni

In June 2022, the first workshop with a school class took place at DOCK. 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. In the course of the second half of the year, a couple of workshops were held in which BAWAG employees participated.

Beach Cleaning Days

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 2022, 116 employees participated in the first 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 190 kg. In September, 43 employees made a meaningful 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 150 kg of garbage.

Table: Corporate volunteering (hours)

	# hours 2022
Name of organization	
Ocean Blue	795
Kinderuni	55
Other (Arbeitersamariterbund, CARITAS & Direkthilfe)	41
TOTAL	891

SDG 4 Additional activities

- ▶ Licht ins Dunkel: In 2022, BAWAG once again supported Licht ins Dunkel with a total donation of € 50,000. Of this amount, € 20,000 were allocated to the “Licht ins Dunkel” emergency aid fund. The organizations SOS-Kinderdorf Moosburg (pet therapy for children and teenagers), Lebenshilfe Bruck – Kapfenberg (new Institution: Wohnen Bruck) and Österreichische Krebshilfe Steiermark (project: Mum/Dad are diagnosed with cancer) each received donations of € 10,000.
- ▶ Arbeitersamariterbund Vienna: In December 2022, BAWAG donated € 20,000 to Arbeitersamariterbund.
- ▶ “Ö3 Weihnachtswunder”: Initiated by one dedicated employee, an internal fundraising campaign was started: The nationwide “Ö3 Weihnachtswunder” (Ö3 Christmas Miracle) campaign, which was launched in 2014 to benefit the Licht-ins-Dunkel emergency aid fund, is organized annually by radio station Ö3 and broadcast live on Ö3 during 120 hours before Christmas. Around € 11,500 were raised by employees, and the Bank increased the donated amount to € 20,000.
- ▶ Red Noses (Carinthia): A donation of € 5,000 was made.
- ▶ Christkindl letters: Colleagues from Salzburg, Tyrol and Vorarlberg took part in the Christkindlbrief campaign organized by Caritas in Salzburg. Together, around 50 gifts were handed over to Caritas.

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
WEP 1 has not only changed customer behavior, but also the way we work together. Besides the traditional banking expertise, the
WEP 2 capabilities and skillset of financial institutions' employees have been and will continue to be enhanced to adapt to these
WEP 4 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.

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 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. Due to COVID-19 conditions, several training sessions and workshops were still held online – but on-site training was offered, as well. Thus, training plans could be successfully completed in 2022.

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.

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 particular after maternity leave.

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
WEP 7 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.

Women's Mentoring Program

SDG 5 The Women's Mentoring Program is aimed at female employees with longer management experience who would like to
WEP 5 benefit from internal and external top managers from the business world as mentees and broaden their horizons as well as
WEP 6 at all female colleagues who would like to develop themselves further, have already gained initial leadership experience or would like to move in this direction. 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.

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 7th BAWAG Group Women's Mentoring Program was successfully completed in Q3 2021. The current Women's Mentoring Program will be finished in Q1 2023.

Women's Award

In September 2022, the 10th BAWAG Women's Award was presented to Monika Langthaler. The € 5,000 award recognizes outstanding achievements by women and special commitment to positioning women in society. Monika Langthaler has been working on the topic of sustainability for years, linking ecological and social issues with the business world. She is the organizer of an annual climate protection conference held in Vienna, the AUSTRIAN WORLD SUMMIT. In recent years, this has created an international network that connects stakeholders from the political, business and financial worlds to the UN, NGOs, regions and cities. BAWAG appreciates Langthaler's great commitment to imparting knowledge on climate protection and sustainability topics as well as her efforts in international networking. In addition to the award, the BAWAG Women's Initiative identified a fundraising project to be supported with € 5,000: Organized and founded spontaneously by members of civil society in September 2015 to help people who have fled, the Train of Hope association is once again in action this year to support those people who have had to flee the war in Ukraine. Train of Hope has been operating the Engerthstraße arrival center in Vienna with many volunteers since March 2022 and provides acute assistance, initial care and support for those seeking protection. The donation check from the BAWAG Women's Initiative was presented to the co-founder of Train of Hope, Manuela Ertl.

2-7 DIVERSITY FIGURES

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Table: Change in the number of employees

	2022	2021
Number of employees	3,305	3,671
Fluctuation rate (in %) ¹⁾	11%	13%

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

Table: Extent of employment

	2022	2021
Full-time	2,117	2,364
Female	967	1,088
Male	1,150	1,276
Part-time	1,188	1,307
Female	939	1,025
Male	249	282

Table: Type of employment relationship by gender

	2022	2021
Permanent	3,213	3,577
Female	1,852	2,056
Male	1,361	1,521
Temporary	92	94
Female	54	57
Male	38	37

Table: Type of employment relationship by country

	2022	2021
Permanent	3,213	3,577
Austria	2,784	3,098
Germany	359	428
Other	70	51
Temporary	92	94
Austria	84	79
Germany	6	15
Other	2	0

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

	2022	2021
Female	58%	58%
Male	42%	42%
Proportion of women in management positions	35%	36%

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

		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

		Age group			
2021		<30	30–50	>50	Number
Male	Senior Leadership Team (SLT) (incl. Management Board) ¹⁾	0	48	9	57
	Employees outside the SLT	268	627	606	1,501
Total (male)		268	675	615	1,558
Female	Senior Leadership Team (SLT) (incl. Management Board) ¹⁾	0	16	6	22
	Employees outside the SLT	461	1,008	624	2,093
Total (female)		461	1,024	630	2,115
Total		729	1,699	1,245	3,673

1) We reconstituted our Senior Leadership Team (SLT), which is currently made up of 88 team members, including our core markets (DACH, Western Europe and the US).

405-1

	2022	2021
Supervisory Board (number of members)	9	9
thereof male	5	5
thereof female	4	4

	2022	2021
Supervisory Board by age group	9	9
30–50	2	2
>50	7	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 Austria 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. 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. The 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. In spring 2022, the leadership training for new managers was resumed: 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 on an online-based analysis that describes human personality and communication behavior. A new cohort has already started at the end of 2022.

Targeted, Group-specific use of the wide range of online training courses offered by the GoodHabit 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 online training courses, offers enhancement of professional 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 executed successfully in fall 2022, 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 2022, 55% of new hires were female. Furthermore, all

of our training and development programs are assessed and re-calibrated on a regular basis in order to ensure we are on track to meet our target of a female gender quota of 33% in our Senior Leadership Team by the end of 2025.

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 a 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 the 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.

Personality analysis for sales managers

In order to tailor the ongoing development of managers to the individual in addition to the standard programs, managers in sales receive profiles from two personality analyses that complement each other: TMA (Talent and Motivation Analysis) is an online-based tool for analyzing people's talents and motives. The TMA measures talents and competencies relevant to the work context. PCM (Process Communication Model) is an online-based analysis that describes human personality and communication. This profile helps to better understand communication, motivation and stress triggers. Training is available to active BAWAG Group employees in Austria regardless of whether they work full or part-time.

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.

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

FS 4

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 by the end of February 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	2022 ¹⁾	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
	2021 ¹⁾	Total days	Average days	Hours
	Female	5,086	3.0	40,688
	Male	5,042	3.7	40,336
	Total	10,128	3.3	81,024

Tables: Training days by position

2022¹⁾	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

2021¹⁾	Total days	Average days	Hours
Managers			
Female	487	3.4	3,896
Male	760	2.9	6,080
Sales employees			
Female	2,549	3.99	20,392
Male	2,689	6.7	21,512
Employees in central functions			
Female	2,050	2.2	16,400
Male	1,593	2.3	12,744

1) A training day is defined as eight hours

Special training for headquarters employees

New employees start their banking career with a “welcome day” workshop. This workshop provides 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

COVID-19

The health and safety of our employees are paramount to us: In the third year of the pandemic, the internal COVID-19 taskforce – established in 2020 – continued to hold regular virtual meetings to discuss national and international COVID-19 developments and their impact on our sites and business, coordinate measures with management and communicate actions to employees and customers through our channels. Broad-based communication campaigns were launched for employees throughout BAWAG Group and across all subsidiaries and brands. This included BAWAG's Stay safe! communication campaign. "Remote working preferred" was the motto for the central functions, meaning that it was recommended to work mainly from home if possible. At the end of Q2, BAWAG Group offered employees the possibility to register via the intranet to get an appointment for a COVID-19 booster vaccination. During the entire year, the COVID-19 task force did regular updates due to changing legislation to inform employees about updated health protocols in fighting the pandemic. The COVID-19 pandemic had no impact on agreed working time models of employees or the termination of employment.

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
SDG 5 responsible employer, it is important to BAWAG Group that the various phases of its employees' lives can be reconciled with
WEP 2 their work, their families and their free time. At the employee's request, BAWAG Group in Austria offers the option of
WEP 3 remaining in marginal employment during parental leave. This model is intended to make it easier for those on parental
 leave to return to 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.

401-3 Table: Parental part-time work

	2022	2021
Total number of employees who took parental leave in the reporting period	261	270
Female	230	240
Male	31	30
Total number of employees who returned to work after taking parental leave in the reporting period	84	77
Female	67	60
Male	17	17
Total number of employees who returned after parental leave and were still employed 12 months later	86	104
Female	72	82
Male	14	22
Return rate		
Female	92%	92%
Male	85%	80%
Retention rate		
Female	91%	73%
Male	82%	91%

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.

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 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.

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**Communication platforms and grievances**

Information is disseminated to employees via communication platforms. A special SharePoint platform has been implemented to cover the additional information requirements in sales. In 2022, 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 Group promotes open dialog 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>).

Furthermore, employee surveys were carried out in 2022. On the one hand there was a broader survey on the topic of "working from home", and on the other hand short, division-specific surveys were conducted.

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 new 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 2022, the focus here was 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). 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 offered by occupational psychologists on the topics of “Strengthening strengths – mastering challenges positively,” “Leading in the world of work 4.0” (explicitly for managers), and the new, eight-part webinar series on the topic of “Resilience” was started. 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

401-2	Table: Other company social benefits		
	in € thousand	2022	2021
	Travel allowances	197	592
	Pension fund contributions	7,155	7,547
	Anniversary bonus payments	2,380	1,922 ¹⁾
	Allowances (especially for marriage/birth/death, WAFF)	295	113
	Health insurance	181	194
	Accident insurance	385	401
	Subsidy for supplementary health insurance	150	193
	Corporate food allowance	1,433	1,429
	Company physician and health programs	171	138
	Company day care center	185	215
	Employee events (especially Christmas vouchers/Christmas dinner/excursions)	251	56
	Subsidy for the Works Council (vaccination campaigns, vacation rooms, sports club etc.)	295	295
	Total	13,078	13,094

1) Restated

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.

Employee stock program

The Management Board, Supervisory Board and Workers Council proudly 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.

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

401-1	Table: Exits		
		2022	2021
	By country		
	Austria	392	369
	Germany	82	113
	Other	11	12
	By age group		
	<30	204	203
	30–50	197	192
	>50	84	99
	By gender		
	Female	246	255
	Male	239	239

	Table: Exits		
		2022	2021
	in %		
	By country		
	Austria	81%	75%
	Germany	17%	23%
	Other	2%	2%
	By age group		
	<30	42%	41%
	30–50	41%	39%
	>50	17%	20%
	By gender		
	Women	51%	52%
	Men	49%	49%

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

		2022	2021
	Female		
	Austria	1.22	1.22
	Germany	1.22	1.16
	Other	N/A	N/A
	Male		
	Austria	1.22	1.22
	Germany	1.24	1.20
	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

	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

	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 a target for a women quota of 33% in the Senior Leadership Team by 2025.

Table: New hires**401-1**

	2022	2021
By country		
Austria	295	205
Germany	62	34
Other	22	8
By age group		
<30	196	155
30–50	137	65
>50	46	27
By gender		
Women	210	143
Men	169	104

Table: New hires

in %	2022	2021
By country		
Austria	78%	83%
Germany	16%	14%
Other	6%	3%
By age group		
<30	52%	63%
30–50	36%	26%
>50	12%	11%
By gender		
Female	55%	58%
Male	45%	42%

ENVIRONMENTAL AND CLIMATE PROTECTION

ENVIRONMENTAL FIGURES

SDG 13 Table: Environmental indicators¹⁾

	Unit	2022	2021
Material consumption			
Paper use	kg	180,701	160,445
Bank statement envelopes	Piece	3,547,364	4,910,262 ²⁾
Energy consumption			
Total electricity consumption	kWh	7,253,705	8,093,078
Space heating			
Gas	kWh	3,717,691	3,915,356
District heating	kWh	4,456,934	5,327,975
Total space heating	kWh	8,259,488	9,419,041
District cooling ³⁾	kWh	616,005	899,862
Heating oil ⁴⁾	kWh	84,863	175,710
Fleet/mobility			
Fleet gasoline	kWh	418,681	289,360
Fleet diesel	kWh	1,074,144	1,336,681
Air travel	kWh	1,000,259	353,476
Total energy consumption	kWh	18,622,282	20,391,498
CO₂ emissions⁵⁾			
Scope 1 – direct emissions			
Vehicle fleet	t CO ₂ -e	480	528
Space heating (gas)	t CO ₂ -e	996	1,049
Heating oil	t CO ₂ -e	28	58
Subtotal Scope 1	t CO ₂ -e	1,504	1,636
Scope 2 – indirect emissions from energy purchases (market-based)			
Electricity	t CO ₂ -e	0,5	0
District heating/cooling ⁶⁾	t CO ₂ -e	1,081	1,163
Subtotal Scope 2	t CO ₂ -e	1,082	1,163
Scope 2 – indirect emissions from energy purchases (location-based)			
Electricity	t CO ₂ -e	2,070	2,079
District heating/cooling	t CO ₂ -e	1,081	1,163
Subtotal Scope 2	t CO ₂ -e	3,151	3,242
Scope 3 – other indirect emissions			
Air travel	t CO ₂ -e	182	114
Subtotal Scope 3	t CO ₂ -e	182	114
Total CO ₂ emissions (Scope 1–3, market-based)	t CO ₂ -e	2,768	2,854
Total CO ₂ emissions (Scope 1–3, location-based)	t CO ₂ -e	4,837	4,933
Energy intensity (total energy consumption / average FTE)	kWh/FTE	6,283	6,319
Energy intensity (total energy consumption / core revenues in €m)	kWh/€m	13,998	16,714
GHG intensity (Scope 1-3, market based / average FTE)	t CO ₂ -e/FTE	0.93	0.88
GHG intensity (Scope 1-3, market based / core revenues)	t CO ₂ -e/€m	2.08	2.34

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.

2) Reporting period 2021: Restated value for 2021 (scope: bank envelopes only).

3) District cooling consumption applies exclusively to BAWAG Group headquarters. Restated value for 2021 because of wrong data delivered by provider.

4) Heating oil has only been reported since 2020 and just for BAWAG P.S.K.

5) 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 currently published emission factors of the Austrian and German Federal Environment Agency, the German Agency for Renewable Energies and electricity labels of various energy providers. In addition to CO₂ all other gases with GHG potential – including methane and nitrous oxide – are taken into account in the greenhouse gas (GHG) balance according to their impact on the climate. District cooling was not included in the Scope 2 calculation, because no emission factors were available.

6) For district heating, the conversion factor of location-based was used. District cooling not converted due to missing factor in 2021.

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 72% of all spending by BAWAG (incl. easybank, SWB, helloBank) went to local suppliers ¹⁾ in 2022. 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 2021 and 2022. 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 2022, 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.

Green postal and courier services

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.

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.

Waste management

BAWAG Group has set various initiatives to not only reduce waste in our own operations, but to limit hazardous waste to very low levels. We have removed all single-use plastic cups, straws, sachets and bottles in our offices in Germany and Austria, which cover 41% our real estate. At our headquarters, we have kitchen facilities on each floor, where, for example, water facilities are available so employees have a good alternative to plastic bottles.

At our headquarters, we separate waste to the maximum extent possible. Glass, metal waste, plastics and biological waste are collected separately and delivered for recycling, and the heat of the residual waste burned in waste incinerators is used for district heating and/or cooling. Electronic devices are recycled (~8 tons in 2022).

Water management

We are aware of that water is a scarce resource in many countries around the world. In summer 2022, we have also lived through a heat wave in Europe, where water became a scarce resource as well, raising the awareness on climate change.

While for a bank, the consumption of water is limited to office buildings – and therefore not a material factor – however, we have taken a variety of steps to conserve water. Among other things, we rely on the use of rainwater in the ICON as service water for the toilet facilities. To reduce water will turn more difficult to us, as a lot of initiatives have already been taken.

Our water came solely from the municipal water supply or other public or private water utilities. We did not use any surface water, ground water, seawater, produced water, or third-party water. In the headquarter, rain water gets collected and is used for sanitation.

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.

Commuting/remote working

For 2023, we are planning to disclose the CO2 emissions for the commute of our employees as well as remote working. However, we have set initiatives in the past to reduce CO2 emissions in this area. Our headquarters is located at Vienna Central Station, which provides broad-based access to public transport. In addition, we have continuously reduced provided parking spaces and the spaces available today are very limited, so people get incentivized to use public transport. Also, 66% of our employees in Vienna live within Vienna.

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.

APPENDIX

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 2022 or 31 December 2022. 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	Organizational details		Consolidated Annual Report 2022, p. 5 and p. 12 et. seq and p. 24
	2-2	Entities included in the organization's sustainability reporting		Consolidated Annual Report 2022, p. 191
	2-3	Reporting period, frequency and contact point		Reporting period: 1 January 2022 – 31 December 2022 (in line with Consolidated Annual Report 2022) Reporting date: 8 March 2023 Frequency: annually Contact point for questions regarding the report: csr@bawaggroup.com
	2-4	Restatements of information		If figures have been adjusted for 2021, we have indicated this with footnotes under the respective tables. The effects of all changes was not material. Table Social benefits: Change in calculatory basis for anniversary bonus payments Environmental table: Restated value for 2021 as change of scope: (bank envelopes only) was in this done. District cooling: Restated value for 2021 because of wrong data delivered by provider.
	2-5	External assurance	p. 347 et seq.	
Activities and workers	2-6	Activities, value chain, and other business relationships		Consolidated Annual Report 2022, p. 191. As of 31 December 2022, BAWAG Group had one headquarters location, three other locations and 72 branches in the DACH/NL region.
	2-7	Employees	p. 317 et seq.	BAWAG does not employ non-guaranteed hours employees.
	2-8	Workers who are not employees		BAWAG does not have any workers who are not employees.
Governance	2-9	Governance structure and composition		See Governance Report section, p. 265-271.
	2-10	Nomination and selection of the highest governance body		See Governance Report section, p. 265-271.
	2-11	Chair of the highest governance body		See Governance Report section, p. 265-271.

	2-12	Role of the highest governance body in overseeing the management of impacts		See Governance Report section, p. 265-271.
	2-13	Delegation of responsibility for managing impacts		See Governance Report section, p. 265-271.. 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. 265-271.
	2-15	Conflicts of interest		See Governance Report section, p. 265-271.
	2-16	Communication of critical concerns		See Governance Report section, p. 265-271.
	2-17	Collective knowledge of the highest governance body		See Governance Report section, p. 265-271.
	2-18	Evaluation of the performance of the highest governance body		See Governance Report section, p. 265-271.
	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 2022 is 146 to 1. For the purposes of the calculation, BAWAG Group takes into account all fully consolidated Group companies. 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 2022 was annualized. The percentage change in the annual total compensation of the highest-paid individual in BAWAG Group from 2021 to 2022 is minus 11%, while the percentage change in the median annual total compensation of all employees (excluding the highest-paid individual) from 2021 to 2022 is plus 7%.
Strategy, policies and practices	2-22	Statement on sustainable development strategy		Consolidated Annual Report 2022, p. 11.
	2-23	Policy commitments	p. 288	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. 288	
	2-25	Processes to remediate negative impacts	p. 327	
	2-26	Mechanisms for seeking advice and raising concerns	p. 299	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).
	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. 277	
	3-2	List of material topics	p. 278 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. 279	
Economic Performance	201-1	Direct economic value generated and distributed	p. 284	
	201-2	Financial implications and other risks and opportunities due to climate change	p. 286	v. Information unavailable/incomplete. 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 actively working on the implementation of enhancements to our existing infrastructure to improve the quantification methods within the next year.
	201-3	Defined benefit plan obligations and other retirement plans	p. 287	
	201-4	Financial assistance received from government		To support the Austrian economy in the wake of the Corona crisis, the federal government designed the AWS investment premium, a subsidy program that creates incentives for corporate investments. BAWAG received investment premiums totaling approximately € 0.5 million for investments in digitization projects and branches.
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	p. 331	
	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. 278	
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. 290, 292	
	205-3	Confirmed incidents of corruption and actions taken	p. 292	
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. 296	
	207-2	Tax governance, control and risk management	p. 296	
	207-3	Stakeholder engagement and management of concerns related to tax	p. 296	
	207-4	Country-by-country reporting		Annual report, note 66.
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 38 substantiated complaints regarding erasure or rectification of data. Besides these complaints we had 43 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. 279	
Marketing and Labeling	417-1	Requirements for product and service information and labeling	p. 300-301	
	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. 298	
	FS 14	Initiatives to improve access to financial services for disadvantaged people	p. 298	

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. 279	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, size (e.g. micro/SME/large) and by sector		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 2022 (p. 231). 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. 308	
	FS 2	Procedures for assessing and screening environmental and social risks in our core business	p. 307	
	FS 7	Monetary value of products and services, designed to deliver a specific social benefit for each business line broken down by purpose	p. 309	
	FS 8	Monetary value of products and services, designed to deliver a specific environmental benefit, for each business line, broken down by purpose	p. 309	
	203-1	Infrastructure investments and services supported	p. 308	
Sector-specific disclosure: Active Ownership	FS 11	Percentage of assets subject to positive and negative environmental or social screening	p. 307	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. 308	

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. 279-280	
		Volunteer hours completed by employees	p. 314	

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. 280	
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. 321	
Employment	401-1	New employee hires and employee turnover	p. 331	

	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 330	
	401-3	Parental leave	p. 326	
Training and Education	404-1	Average hours of training per year per employee	p. 322	
	404-2	Programs for upgrading employee skills and transition assistance programs	p. 320	
	404-3	Percentage of employees receiving regular performance and career development reviews		All employees were invited to hold regular performance and development discussions with their managers to promote their further development. It is not possible to disclose 404-3 figures for 2022 as we are currently revamping the frequency and scope of the feedback process. We will provide an update in the 2023 report.
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	p. 317	
	405-2	Ratio of basic salary and remuneration of women to men	p. 332	
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. 327 et seq.	
	403-2	Hazard identification, risk assessment and investigation of incidents	p. 327 et seq.	
	403-3	Occupational health services	p. 327 et seq.	
	403-4	Employee participation, consultation and communication on occupational health and safety	p. 327 et seq.	
	403-5	Employee training on occupational health and safety	p. 327 et seq.	
	403-6	Promotion of employee health	p. 327 et seq.	
	403-7	Prevention and mitigation of occupational safety and health impacts directly related to business relationships	p. 327 et seq.	
	403-8	Employees covered by occupational safety and health management system	p. 327 et seq.	
	403-9	Work-related injuries		There were a total of five occupational accidents at BAWAG in 2022 – two of which occurred on the way from home to the office and one in the home office. There were no work-related fatalities. No data is currently available for subsidiaries.
	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. 280-281	
Procurement Practices	204-1	Proportion of spending on local suppliers	p. 289	
Energy	302-1	Energy consumption within the organization	p. 334	
	302-2	Energy consumption outside of the organization	p. 334	
	302-3	Energy intensity	p. 334	
	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. 334	
	305-2	Energy indirect (Scope 2) GHG emissions	p. 334	
	305-3	Other indirect (Scope 3) GHG emissions	p. 334	
	305-4	GHG emissions intensity	p. 334	
	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.

27 February 2023



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 2022, 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 and the webpage 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, 1st March 2023

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Peter Ertl
Wirtschaftsprüfer
(Austrian Chartered Accountant)

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. 288, 339, 290 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. 288, 339, 290 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. 288, 335, 290 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. 288, 290 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. 295, 313, 317, 327 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. 335 et seq. Energy efficiency products and services
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. (COP 8)	p. 300, 335 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. 308 et seq Financing of sustainable projects
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. (COP 10)	p. 288, 290, 335 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. 316, 329 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. 318 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. 327, 328, 329 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. 329 Women's Advancement Plan, Women's Mentoring Program
	Principle 5: Implement enterprise development, supply chain and marketing practices that empower women (WEP 5)	p. 316 Women's Award
	Principle 6: Promote equality through community initiatives and advocacy (WEP 6)	p. 316 Women's Award, Women's Initiative
	Principle 7: Measure and publicly report on progress to achieve gender equality (WEP 7)	p. 277, 315 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