

ÖBAG: After the relaunch, the focus will be on portfolio management and on securing Austria's position as a business hub

Aligning corporate governance rules with international standards – long-term perspective and triple-control principle through Extended Management Board

Vienna, 24 March 2022 - Over the coming years, Österreichische Beteiligungs AG (ÖBAG) intends to focus on its core task – the professional management of its portfolio – in an effort to further strengthen the companies it manages as well as the position of Austria as a business hub. In light of its responsibility to society, ÖBAG will, for the first time ever, set specific goals in terms of climate protection and gender diversity.

“My goal for ÖBAG is to achieve sustainable value creation and to strengthen Austria's position as a business hub for the long term, in the interests of all Austrians”, explained Edith Hlawati, who took on the role of CEO of ÖBAG in February. “Pursuing a patient capital approach allows us to think in terms of generations rather than quarterly results and also helps us when it comes to key goals such as reducing emissions, ensuring sustainability in investments and dividends and securing Austria's position as a business hub.” As a trained lawyer, Hlawati says she will remain strictly within the bounds set by the ÖIAG Act, which defines ÖBAG's mandate.

Protection against takeovers, independence, and supervisory board activities

Within the scope of portfolio management, ÖBAG is also working on a strategy to enable it to fulfil its statutory mandate of protecting the companies it manages from takeover, if such takeover were to have significantly adverse effects on a key industry, and provided the target company takes the same view.

In addition, ÖBAG's statutory mandate also allows it to support companies that are critical for Austria's economy through minority shareholdings, funding arrangements and guarantees. ÖBAG will present a strategic plan also for this area of its activities. Privatisation will not be on the agenda for the next few years, as Austria's federal government has not instructed ÖBAG to take action in this respect.

The most important element in ÖBAG's portfolio management toolkit is the work carried out by the supervisory board members at the companies. For this reason, Hlawati is firmly set on making top-level expertise and political independence the key benchmarks in the selection process. ÖBAG's communications are governed above all by the need to comply with the statutory requirements for capital market communications.

Long-term value creation, sustainable dividends, and ESG goals

In addition to economic goals, such as value creation and sustainable dividends, ÖBAG has set itself the goal of reducing emissions throughout its entire portfolio. To this end, the holding company has introduced carbon emission monitoring for its portfolio companies.

Social responsibility and gender balance will feature high on the agenda as well. Österreichische Post and A1 Telekom Austria already have a Women's Career Index in place, which has shown first positive results. Another goal Edith Hlawati is aiming for is to raise the number of women on management boards, where progress in this respect lags behind that already achieved on supervisory boards.

As for corporate governance, ÖBAG aims to bring the Austrian standards currently applicable to its portfolio companies up to the level demanded by international investors and voting proxies. Procedures for recruiting and appointing members of management and supervisory boards will be improved and streamlined in an effort to win the best talent. Likewise, efforts will be continued to strengthen independence in key supervisory board committees such as nomination, remuneration and audit committees. Another approach to be relied upon more frequently is the staggered board principle, under which different lengths of terms ensure that only a portion of the positions and not the entire board comes up for reappointment or election at any given time, the aim being to achieve both continuity and – where necessary – renewal.

Extended Management Board makes for triple control

A new leadership structure based on an Extended Management Board was introduced to further raise the level of expertise and the quality of decision-making within ÖBAG. This new Executive Board consists of three persons and embraces the triple-control principle. Any decisions concerning the whole portfolio and requiring approval by the ÖBAG Supervisory Board have to be taken unanimously. This is a self-imposed rule, with Edith Hlawati remaining the Chief Executive Officer. In addition, ÖBAG intends to intensify its international networking activities and establish regular contacts with other holding companies and sovereign funds to share expertise, compare standards and analyse best-practice examples.

For further information please contact:

Michael Mauritz
Head of Corporate and Capital Markets Communications

+43 1 71114-203 | +43 664 81 805 62
michael.mauritz@oebag.gv.at