

The complete perspective.



Annual Report

Export Services - Annual Report

Sustainability Report

2006



OCK MARKETS

Symbol	Price	Change	Volume	Market
IBM	104.50	+1.5	11.4	NYSE
MSFT	31.25	+0.5	22.5	NYSE
GOOG	27.50	+0.5	10.8	NYSE
AMZN	11.25	+0.2	12.5	NYSE
DIS	35.00	+0.5	10.5	NYSE
BA	64.25	+0.5	10.5	NYSE
W	42.50	+0.5	10.5	NYSE
CVX	67.50	+0.5	10.5	NYSE

The complete perspective.

Sustainability Report 2006

Oesterreichische Kontrollbank AG

OeKB Versicherung AG



Version of February 24, 2007

Includes the Environmental Declaration per Ordinance (EG) Nr. 761/2001 of the European Parliament and the Council of Europe (EMAS)



Includes the Implementation Plan for Audit Family & Career under the Framework Directive on Implementation 2002 as amended in 2004 of the Federal Ministry of Social Security, Generations and Consumer Protection



The present sustainability report is in compliance with GRI G3 application level A+

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Foreword by the Board of Executive Directors

GRI 1.1 >

A lot has changed since the first OeKB environmental report of September 2001. Then, the focus was clearly on issues of business ecology, today, responsibility within the core business is given more attention. The spectrum extends from the OeKB Sustainability Fund Index (OeSFX), which has been established as a benchmark, over activities in the area of energy clearing and eco-power billing, right up to the consideration of new products in the credit business.

The most relevant aspect of sustainable economics at OeKB still is the export service department. Its projects and their environmental impact are, therefore, given special attention in this report.

Last year, OeKB was criticised by non-governmental organisations in connection with the project audit of the Turkish hydroelectric power plant Ilisu, with the intention to altogether stop the project. At copy deadline of this current report, a decision is yet pending; a conversion of the standing offer into a valid guarantee depends on the fulfilment of substantial obligations with regard to ecological, social and cultural heritage aspects of the project. The environmental audit that has been ongoing since the end of 2005 is defined by extensive exchange of opinion among project operators, NGOs and public offices, as well as visits to the project region and talks with local residents. We wish to convey in this report the extent to which OeKB is committed to an objective audit of the project.

We are pleased that our subsidiary OeKB Versicherung AG is also participating in the certifying of OeKB and thus views the sustainable strategy of its owner as an integrative component of its own management. Over the next few years, two further company groups the Österreichische Exportfonds GmbH (Austrian Export Fund) and OeKB Südosteuropa Holding GmbH (OeKB South East Europe Holding) are to implement OeKB sustainability management.

This sustainability report fulfils the criteria of the EMAS-Regulation and the regulations of EN ISO 14001. It has been compiled in compliance with the criteria of the new G3 guidelines issued by the Global Reporting Initiative (GRI). With this report we wish to give an overview of the aims and strategies with which we now and in the future shall diligently endeavour to harmonise the economic, ecological and social impact of our business activities while, at the same time, we report on the consistent further development of the company.

We thank all our employees, all participants at the working groups and all our external partners for their contribution and commitment to promote our idea of sustainable development over the past year.



Johannes Attems



Rudolf Scholten

Foreword by the OeKB Versicherung AG Board of Executive Directors

GRI 1.1 >

The OeKB Group sees the target of sustainable business in the maintenance and expansion of its economic, ecological and social values.

At the time of incorporation of our company in September 2004 it was already clear that we wished to remain embedded in the successful OeKB sustainability management. Thus, during the first year after incorporation of OeKB Versicherung AG we applied ourselves above all to customer acquisition and to the implementation of the new structures.

At the same time, we implemented comprehensive operational risk management strategies in order to ensure economic sustainability. In a further step, special contact persons were designated who will promote sustainable business operation of OeKB Versicherung AG.

This sustainability report is our report as well. In many points – even if we are not specifically mentioned – we are a part of OeKB sustainability management.

We thank all our employees for their commitment and for their contribution. We also thank the OeKB sustainability officer for his vision and his effortless ability to consider us as forming a part of a whole, and thus promote and communicate the values of OeKB Versicherung AG for the purpose of a sustainable company policy.



Karolina Offterdinger



Patricia Probst





Strategy and management system

1 OeKB sustainability strategy

1.1 Main idea

The German Zukunftsinstitut classifies “the new honesty” as a mega-trend for the coming years. Thus ethically correct behaviour towards environment and people is now one of the prerequisites for the economic development of a business. Arising target conflicts are addressed on all levels for the first time and have thus become a topic of the social dialogue. Therefore, instead of merely illustrating success, sustainability reporting also serves as an incentive for our stakeholders to contribute towards conflict solution.

GRI 4.17 >

This is our second comprehensive sustainability report in accordance with EMAS. It is not, however, a mere update of previous reports. Many suggestions, among them those that resulted from a stakeholder meeting within the framework of the OeKB Sustainability Café, were adopted and characterise the content of this report.

GRI 3.11 >

GRI 1.1 >>

Significant ideas for compiling this report were

GRI 3.7–3.8 >

1. Embedding OeKB Versicherung AG within the sustainability management of OeKB Group;
2. More detailed illustration of the development in core business and thus, concentration on the most relevant areas of the OeKB environmental department;
3. Recognition of social responsibility towards employees by implementing the Audit Family & Career.

In the past few years risk management activities have been and continue to be part of economic sustainability. Ecological development remains an important factor that cannot be considered as having been finally accomplished. Only repeatedly addressing it as an issue allows maintenance of past success and there still is potential for reasonable improvement. The evaluation of OeKB’s ecological footprint illustrates operational ecologic requirements. We are still a long way off from being a CO₂ neutral company.

During meetings in the preparatory phase of compilation of this report, the OeKB sustainability officer met with enthusiastic interest in issues of sustainable development in all OeKB departments. Furthermore, targets set at the annual employee performance appraisals indicate the potential for continual improvement as well as the fact that increased awareness generates ideas for sustainable development.

1.2 Sustainability policy

*The epitome of all responsibility
is that of humans for their fellow humans.*

Hans Jonas

GRI 4.8 >

Growing with the responsibility.

We can only progress if all our employees act responsibly. Raising profits, treating nature with care, and acting with a social focus – to us, all this stands for sustainable success.

Sustainable planning and acting.

We act in awareness of our responsibility. Therefore, we plan and decide in compliance with all legal requirements, and in a manner that allows us to consider the economic, ecological, and social impact of our targets, strategies, and activities as carefully as possible.

Learning and developing in dialogue.

We regard our stakeholders as partners in the development of sustainable solutions. Therefore, we seek dialogue and seize the emerging opportunities.

Raising awareness.

We intend to convince our suppliers and customers that sustainable solutions strengthen our business relationship and contribute to our common success.

Living and working at OeKB.

Family, leisure and work are complementary, interlaced parts of life. We act on this understanding by constructive and innovative structuring of work arrangements at OeKB.

Investing with foresight.

We regard time, money, and commitment as sustainable investments that ensure our company's success, help reduce environmental impact, and contribute towards the preservation of resources for future generations.

1.3 Highlights of 2006

GRI 2.10 >

According to a recent report by SustainAbility, OeKB is among the top 100 companies in the world in respect of sustainability and transparency of its business procedures. This was mentioned by the British consultancy firm in a study that has been produced every other year since 1992, in cooperation with UNEP (United Nations Environment Programme) and the rating agency Standard and Poor's. OeKB is the only Austrian company to have achieved this international ranking. The consistent quality of our sustainable management was also confirmed in Austria when OeKB won the second prize in the Austrian Sustainability Award competition.

As a central provider of financial services, OeKB makes it a duty to provide a business platform for the discussion and communication of sustainable development. At the international workshop "Export Credit Agencies and the Environment" that OeKB arranged for UNEP, environmental project relevance, reporting transparency, and future trends were extensively discussed. Last summer, we invited all our stakeholders on a national level to the OeKB Sustainability Café. A number of events were organised by the Vienna Investment Forum that focuses on sustainable investment themes, and by the Austrian Network for Economic Ethics as well as the presentation of the Management Guide issued by the Institute for Cooperation in Development Projects (ICEP) contributed towards promoting the trend for dialogue and sustainable action. The exchange of information on a broad level was supplemented by extensive talks particularly in connection with critical projects.

In September 2006 OeKB was awarded the basic certificate for the "Audit Family & Career", that will be exchanged for a full certificate after three years following achievement of the targets defined in the implementation plan. OeKB had decided to anchor the compatibility between family life and work (work-life-balance) by its participation. This innovative instrument for personnel development reaches young, well-qualified employees. It ensures commitment and work satisfaction.

The project group is integrated in the sustainability team, in order to consistently push forward the agreed measures. One of the first measures was the conclusion of a contract with "Employee Mitarbeiter-Innen-Beratungsservice GmbH" on the implementation of an employee assistance program (EAP) that offers free of charge assistance to employees in difficulties.

Sustainable business in an (annual) overview

- Initial consideration of micro loans and OeKB instruments; talks are held in connection with the UNEP meeting

- **Hosting a UNEP meeting**

From 3rd to 5th April 2006 a UNEP meeting was held on OeKB premises, at which company representatives, banks, official offices and NGOs had a lively exchange of opinion.

- **First OeKB Sustainability Café and presentation of the 2005 sustainability report**

With the participation of all the significant stakeholder groups the conflict areas key business – sustainable development were highlighted under various aspects. Central topics here were change considered as a challenge, a new way of thinking to increase motivation, and taking pleasure in implementation.

- **Employee assistance program (EAP)**

1st July marked the beginning of the implementation of the agreed targets in the framework of the family audit. EAP is available to all employees in complete anonymity.

- Employee protection was integrated into the existing management system

- OeKB was granted the basic certificate of Family and Career.

- Talks regarding a potential revaluation of assessment criteria for the own portfolio were held with Max Deml, publisher of Eco-Invest and expert on sustainable investment.
- First management workshop on work-life-balance
- Sustainability ranks OeKB among the top 100 most sustainable companies.
- Opening of the charitable Christmas market at the Freyung marks the first time OeKB takes up organisation and contingent liability in order to continue the long-standing personal commitment of a now retired employee together with other sponsors.

2 Company and management structures

2.1 Company profile

GRI 2.1 >

GRI 2.9 >

2.1.1 History

The history of Oesterreichische Kontrollbank AG begins with the resolution of the founding general meeting on 22nd January 1946. The aim was the organisation of the Austrian credit system post 1945 and later the transfer of tasks from the former Giro- und Cassen-Verein. From 1946 placement of the first federal treasury bonds was assigned to OeKB.

Since 1948, OeKB has been the settlement office for the Vienna Stock Exchange. In 1954 OeKB was given the task of revalorisation of securities. In the year 1965 the Austrian Central Securities Depository was established at OeKB.

Since 1950, OeKB, has been authorised agent of the Republic of Austria (Federal Ministry of Finance), responsible for bank technical assessment (verifying creditworthiness) and processing of applications for guarantees in accordance with the export promotion law. In this capacity, OeKB is also responsible for the dispatch and administrative settlement of guarantee contracts as well as the protection of interests of the Republic of Austria in these contracts. The applicable guarantee procedure is based on the regulations set forth in the export promotion law of 1981 (Ausfuhrförderungsgesetz AFG) and on the order issued by the Federal Minister of Finance regarding its implementation.

Since 1954, OeKB has been a member of the Berne Union (International Union of Credit and Investment Insurers), London; this is the international union of presently 52 export guarantee and investment guarantee institutions – 49 members, including the Multilateral Investment Guarantee Agency (MIGA) and three observers – from 41 countries. The aims are the coordination of international trade conditions and a comprehensive exchange of opinions between the members.

On 31st December 2004 the Republic of Austria decided to leave the entire range of traditional short-term business to the private market. In this market segment the 100 % subsidiary “OeKB Versicherung AG” has been offering hedging services since 1st January 2005. As authorised agent of the republic OeKB itself concentrates mainly on export of investment goods and direct Austrian investment abroad.

On 2nd August 2004 OeKB founded the CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH (CCP.A – Austrian Settlement Office for Stock Exchange Transactions), located in Vienna. On 31st January 2005 CCP.A took over the clearing functions from OeKB for the stock exchange cash market and the clearing

functions for the futures market from the Vienna Stock Exchange. The CCP.A is thus the settlement office of the Vienna Stock Exchange and the central counterparty for all transactions concluded on the Vienna Stock Exchange.

2.1.2 Key business activities

GRI 2.2 >

OeKB is Austria's central finance and information service provider for the export economy and the capital market.

The multi-faceted services are available to companies, financial institutions, and institutions of the Republic of Austria.

An overview of the services offered

- Management of the guarantees of the Republic of Austria as its authorised agent according to the export promotion law of 1981
- Export financing transactions of OeKB
- Office for the issue of bonds
- Issuers service
- Reporting office according to capital market law
- Securities depository and settlement of non-stock exchange securities business transactions
- Energy market centre of excellence
- Trust business and syndicate financing business
- Money market business transactions
- Central information broker for finance and economy

Services offered by OeKB Versicherung AG

The policies of OeKB Versicherung AG cover non-payment by contract partners for economic as well as political reasons. Hereby the company concentrates on hedging purchasers in countries outside the "old" EEC-15.

Upon request of the insured party, however, buyers in the "old" EEC can also be included in the policy. In contrast to federal guarantees the question of origin of goods plays no part.

The additional hedging of domestic claims has been possible since July 2006.

2.1.3 Shareholders and share capital

GRI 2.6 >

Shareholders	Number of shares	Percentage
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Distribution of the share capital (as of 31st December 2006)

CABET-Holding-Aktiengesellschaft, Vienna (Bank Austria Creditanstalt-Group)	217,800	24.750
Bank Austria Creditanstalt AG, Vienna	142,032	16.140
Erste Bank der oesterreichischen Sparkassen AG, Vienna	113,432	12.890
Schoellerbank Aktiengesellschaft, Vienna	72,688	8.260
A & B Beteiligungsverwaltung drei GmbH, Vienna	72,600	8.250
Raiffeisen Zentralbank Österreich Aktiengesellschaft, Vienna	71,456	8.120
BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft, Vienna	44,792	5.090
Raiffeisen OeKB Beteiligungsgesellschaft mbH, Vienna	44,000	5.000
Oberbank AG, Linz	34,224	3.890
Bank für Tirol und Vorarlberg Aktiengesellschaft, Innsbruck	26,888	3.055
BKS Bank AG, Klagenfurt	26,888	3.055
Österreichische Volksbanken-Aktiengesellschaft, Vienna	13,200	1.500
	880,000	100.000

GRI S05 >

OeKB is owned by banks but pursues its core business independent of any political influence or lobbying.

2.1.4 Investments

GRI 2.3 >

GRI 3.8 >

Name and registered office of the company	Investment as share of nominal capital
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Investments (as of 31st December 2006)

Investments representing a minimum 20 % stake	
<p>OeKB Versicherung Aktiengesellschaft, Vienna Equity Capital: EUR 36,279,757.91. Result per 2006 Accounts: Profit EUR 3,365,784.86. OeKB-Versicherung AG specialises in short-term export credit insurance. There is a Profit & Loss transfer agreement with this company.</p>	100 % EUR 30,000,000.-
<p>“Österreichischer Exportfonds” GmbH, Vienna Equity Capital: EUR 10,088,662.64. Result per 2006 Accounts: Profit EUR 465,106.14. The company advises small and medium sized businesses on export promotion.</p>	70 % EUR 4,069,678.71
<p>PRISMA Holding Gesellschaft m.b.H., Vienna Equity Capital: EUR 8,004,712.79. Result per 2006 Accounts: Profit EUR 710,153.97. The company holds OeKB's majority holding in PRISMA Kreditversicherungs-AG and 100 % of OeKB Südosteuropa Holding Ges.m.b.H.</p>	100 % ATS 1,000,000.- (EUR 72,672.83)
<p>CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH, Vienna Share Capital: EUR 35,000.-. The company is the processing site of the Vienna Stock Exchange and Central Counterparty for all completed transactions on the Vienna Stock Exchange.</p>	50 % EUR 17,500.-
<p>OeKB Business Services GmbH, Vienna Equity Capital: EUR 1,715,915.42. Result per 2006 Accounts: Profit EUR 144,551.90. The company exploits OeKB's comprehensive know-how in the fields of webbusiness, IT-security and capital market information and offers custom-tailored IT and content solutions.</p>	100 % EUR 100,000.-
<p>AGCS Gas Clearing and Settlement AG, Vienna Share Capital: EUR 1,640,040.-. The company is a clearing house for balance energy in a liberalised gas market as per GWG II (law on gas economy).</p>	20 % EUR 328,020.-

Name and registered office of the company	Investment as share of nominal capital
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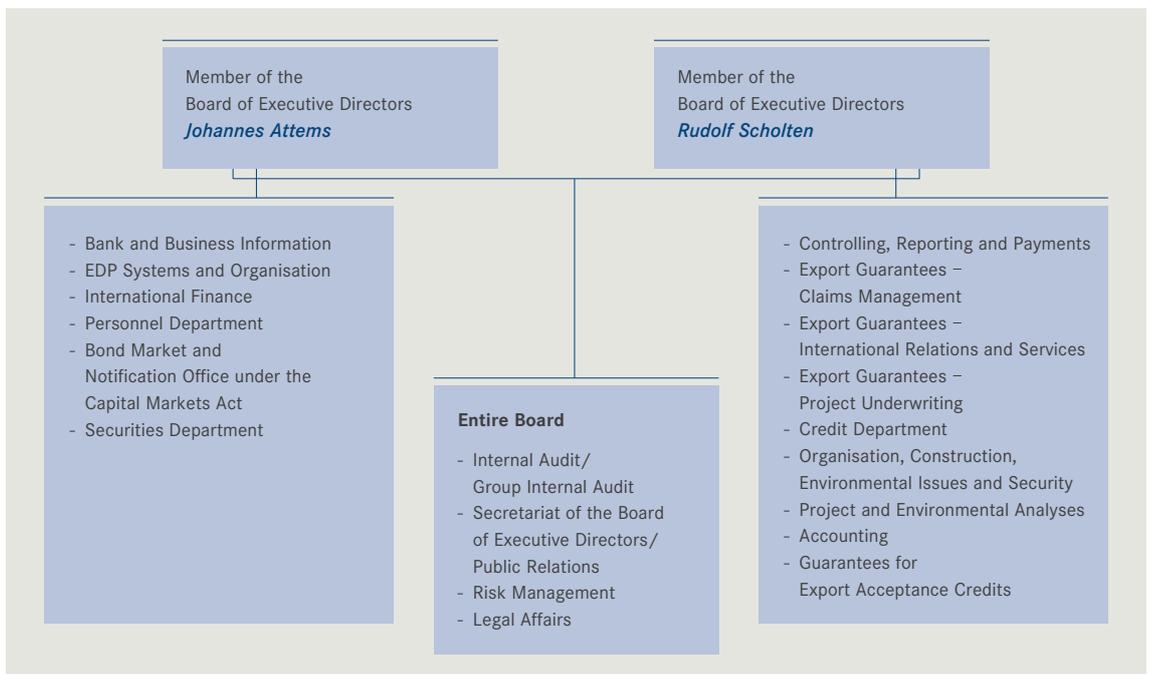
Other Investments

APCS Power Clearing and Settlement AG, Vienna Share Capital: EUR 2,200,000.-	17 % EUR 374,000.-
CISMO Clearing Integrated Services and Market Operations GmbH, Vienna Share Capital: EUR 400,000.-	18.5 % EUR 73,999.42
ECRA Emission Certificate Registry Austria GmbH, Vienna Share Capital: EUR 35,000.-	12.5 % EUR 4,375.-
Einlagensicherung der Banken & Bankiers Gesellschaft m.b.H., Vienna Share Capital: EUR 70,000.-	0.10 % EUR 70.-
EXAA Abwicklungsstelle für Energieprodukte AG, Graz Share Capital: EUR 1,612,000.-	8.06 % EUR 130,000.-
“Garage Am Hof” Gesellschaft m.b.H., Vienna Share Capital: EUR 220,000.-	2 % EUR 4,400.-
OeMAG Abwicklungsstelle für Ökostrom AG, Vienna Share Capital: EUR 100,000.-	12.6 % EUR 12,600.-
Wiener Börse AG, Vienna Share Capital: EUR 14,000,000.-	5.86 % EUR 819,880.-
Budapest Stock Exchange Ltd., Budapest Share Capital: HUF 541,348,100.-	12.5 % HUF 67,668,600.-

2.1.5 OeKB organisational structure

GRI 2.3 >

OeKB organisational structure



GRI 4.1 >

Operational Responsibility

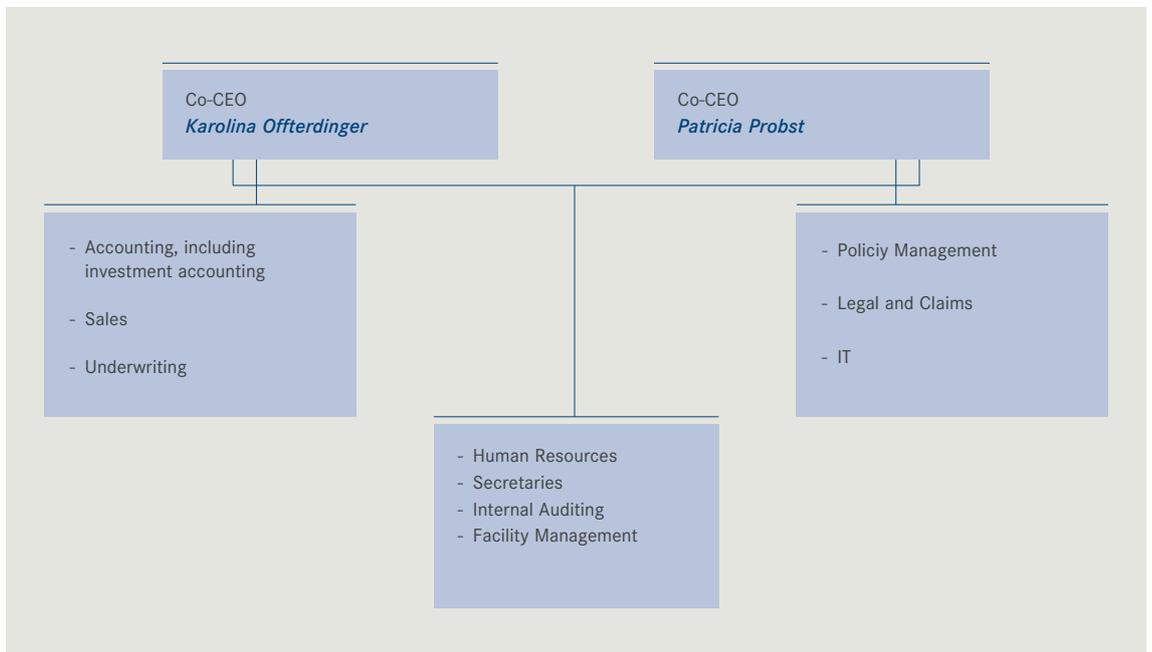
Chief Risk Officer	<i>Karl Heinz Überlackner</i>
Compliance Officer	<i>Gottfried Stocker Waltraud Zeipelt-Leicher</i>
Data protection	<i>Lech Ledóchowski Harald Sommer</i>
Law on money laundering	<i>Christine Dangl Norbert Leitgeb</i>
Responsible per law on work inspection	<i>Eveline Balogh</i>
Sustainability	<i>Michael Sasse</i>
Environment Export Service Products	<i>Werner Schmied</i>

OeKB Versicherung AG

GRI 2.3 > OeKB Versicherung AG is a 100 % subsidiary of Oesterreichische Kontrollbank AG (OeKB).

GRI 4.1 >

Organisation chart



2.1.6 Head office and locations

GRI 2.4;
2.5; 2.8 >
GRI 3.6 >>

The head office of OeKB is in Vienna. Because of the group’s structure, which is based entirely in Austria, OeKB’s business relationships with its suppliers are almost entirely regional. The same is true for its personnel structure.

GRI
EC6; EC7 >>

Certification of the management system per EMAS and EN ISO 14001 is based on the organisation and embraces all business activities at the following locations:

- Am Hof 4, 1010 Vienna
- Strauchgasse 3, 1010 Vienna
- Wipplingerstrasse 34, 1010 Vienna
- Wallnerstrasse 3, 1010 Vienna
- Ziegeleistrasse 74, 4020 Linz

Vienna location

The head office is situated in the building at Am Hof 4 which is 3,075 m². The vault and securities depositary are situated in two basements, where most of the Austrian securities are physically stored. The ground floor is used mainly for internal training. The offices and conference facilities are situated on the first and second floors of the building. In July 2006, additional office space on the third floor was leased and converted. This will become available for use in 2007.

As at 31st December 2006, 55 people are permanently employed at Am Hof.

The building at Strauchgasse 3 with 13,612 m² net floor space (excluding the basement and leased business areas) was built in 1851–1852. At first, OeKB leased only part of the building. OeKB has owned the building since 1981.

The ground floor houses a conference hall for approx. 150 people, as well as businesses and salesrooms. Eurest runs a canteen on the third floor which is also used by staff from the Am Hof building. As at 31st December 2006, 318 persons work at Strauchgasse: 304 OeKB employees, seven employees of OeKB Versicherung AG, and seven employees of CCP.A.

The Strauchgasse location is the head office of OeKB Versicherung AG, which also maintains an office in Linz for servicing local clients.

The basement of the former Stock Exchange building at Wipplingerstrasse 34 houses the archives and the sport centre of the OeKB workers council and Wallnerstrasse 3 houses the OeKB kindergarten (five employees).

Linz location

OeKB Versicherung AG uses rented office space in Linz.

As both firms have access to the same resources as well as joint use of the internal infrastructure, OeKB Versicherung is involved in all operational ecological decisions. Thus, the necessity for OeKB Versicherung AG to set its own operational ecological parameters is very limited. As the existing EMAS and EN ISO 14001 certifications also relate to OeKB Versicherung, it defines its own aims, which are repeated in the OeKB sustainability programme.

2.2 Sustainability management and management system

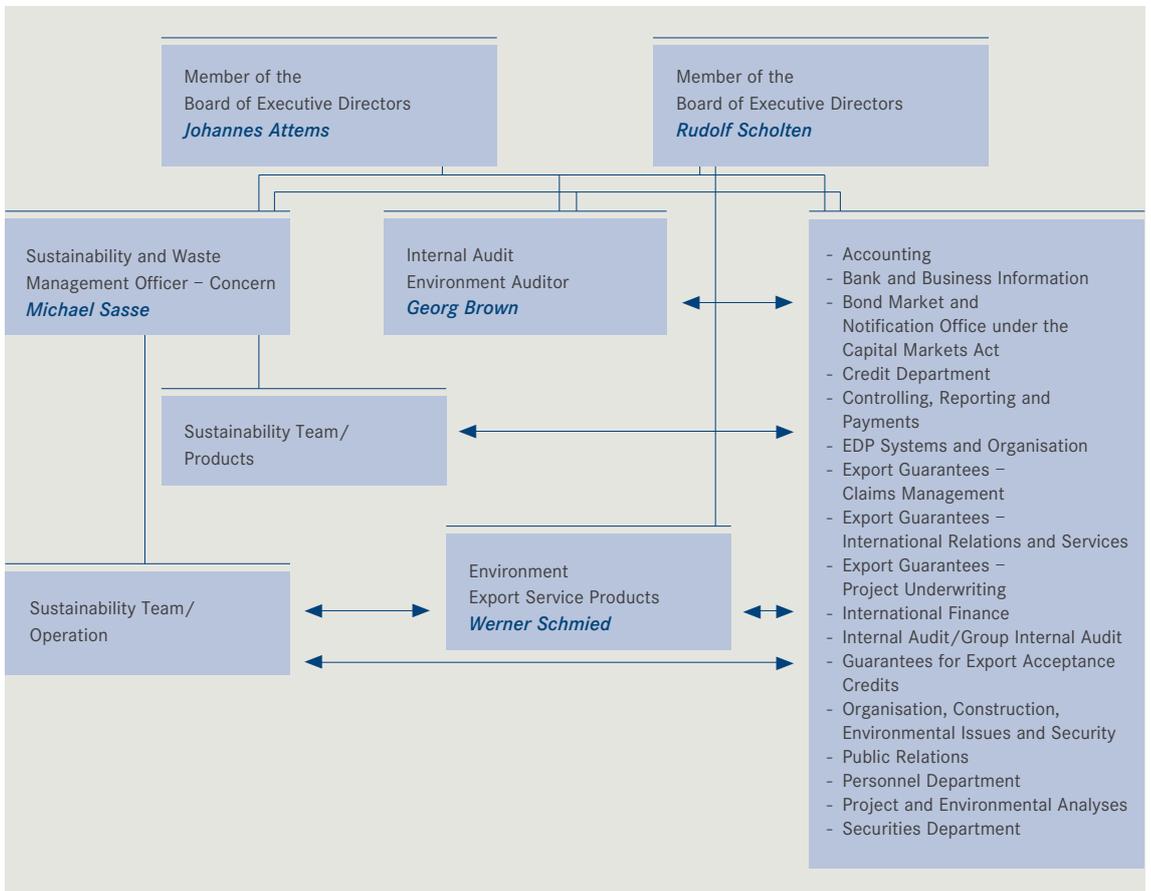
GRI 2.3 > 2.2.1 Organisation of sustainability management

By retaining the EMAS validation for the sustainability report, the OeKB management system must comply with all EMAS requirements. The original environmental management system was enhanced by a social component.

After compiling an implementation plan, the project team was integrated in the sustainability team/ operation and thus implementation of these social aims was given the same priority as other sustainable goals. This sustainability management system is integrated into OeKB's overall management system.

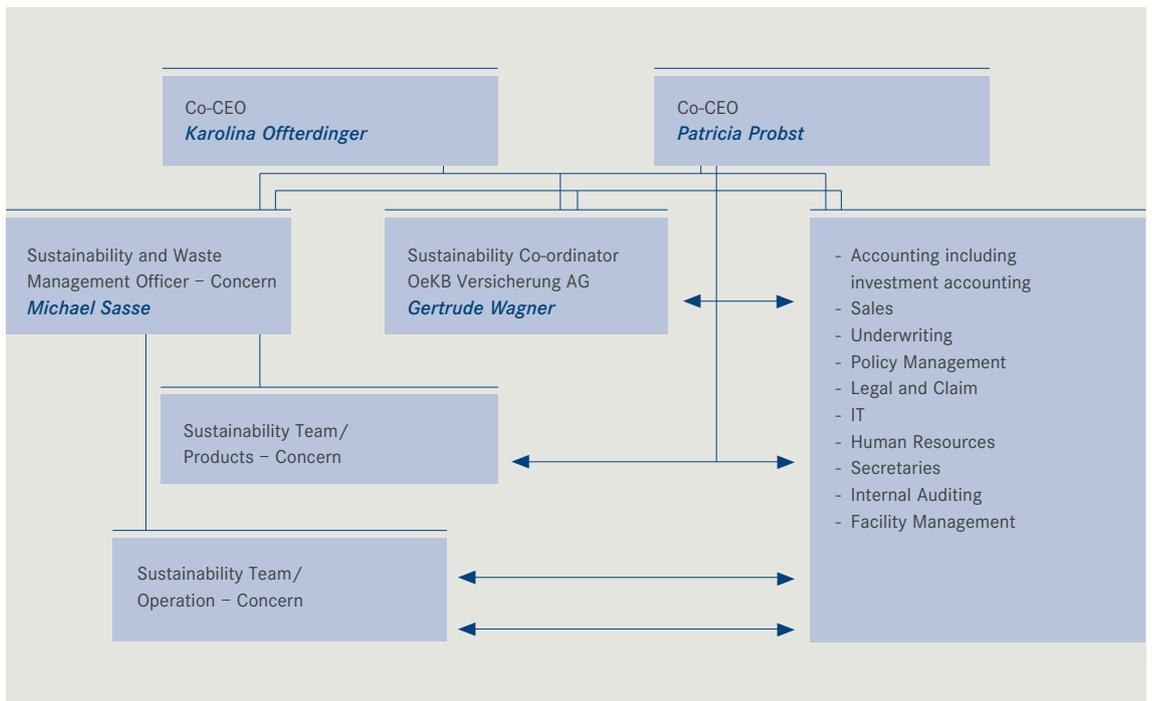
GRI 4.1 > With the introduction of the Audit Family & Career in the last quarter of 2005, a project team was established which concerned itself with developing aims on the subjects of Family & Career.

Sustainability management



Integration of OeKB Versicherung AG's sustainability management

Sustainability management OeKB Versicherung AG



Methodology

With the introduction of environmental management in 2001, it was already relatively clear that the route was marked in the direction of comprehensive sustainable development. The addition of social responsibility and, at the end of 2005, the integration of the project group for the Audit Family & Career led, in the first place, to changes in the functional notation.

The proven management system was kept, however, for the purpose of continual further development of OeKB sustainability efforts.

With the incorporation of OeKB Versicherung AG in the management system, a contact person for sustainability concerns was appointed.

Responsibility for sustainability

The Board of Executive Directors

The Board of Executive Directors sees to the implementation of sustainability policies and the further development of agreed aims by way of the management review. It approves funding and the provision of personnel and evaluates the management system. In addition, it decides on changes in the operational organisational structure, training measures and on how internal and external communication is to be installed and operated. The Board of Executive Directors decides on improvements and breakdown precautions.

Sustainability and waste officer

The sustainability officer plans and coordinates the implementation of OeKB goals. His job also involves administration, e.g. maintenance of all documents on the subject of sustainability. In addition, he organises meetings of the sustainability teams at regular intervals, minutes their activities and keeps the staff informed. He develops new solutions together with the sustainability teams, and thus maintains the curve of continuous improvement.

The waste officer ensures compliance with the legal regulations relating to waste separation and disposal. He compiles and up-dates environmental audit data, including the waste management concept.

Teams for sustainability

The sustainability teams meet at regular intervals. They work on ideas for continuous improvement and push for their implementation. Their communication and the adoption of the resulting tasks are independently determined by the sustainability teams.

Sustainability team/products

The sustainability team/products meets at least once a year. It collaborates in the drawing up of sustainability policies and the sustainability programme. The team is also a contact for environmental audit and the resulting improvement process. Additional duties include internal and external communication, information and training, as well as brainstorming on the sustainability aspects of product development.

Sustainability team/operation

The sustainability team/operation meets quarterly. It supports the implementation of decentralised goals set in employee appraisals by centralised arrangements. The team decides on the contents of regular staff information and prepares key subjects for the annual meeting. As well as communicating about sustainability themes, ideas and solutions for improvements in OeKB business areas are developed and communicated by the team.

Environmental officer/export service products

OeKB advises and supports the trustor in environmental agenda in international bodies. The environmental officer/export service products has the main responsibility for co-ordinating these functions. In recent years, these deliberations have become more and more concerned with human rights and social concerns. In addition he directs environmental project analyses and actively co-operates in product development. The environmental officer/export service products represents the point of view of OeKB in international bodies, especially OECD. Even though sustainability has become a common item for discussion, environmental issues continue to remain on the agenda of international conferences.

Internal audit/Group audit

The environmental auditor from internal audit/Group audit conducts internal sustainability audits. OeKB internal audit is also in charge of the internal audit of OeKB Versicherung AG. The appropriate sustainability audits are also conducted as part of this function.

Banking and business information

The banking and business information team provides relevant information and sources for work in the areas of environmental and sustainability management, as well as for up-dates of the law index.

Organisation, construction, environmental issues and security

The organisation, construction, environmental issues and security division team implements changes in the operational structure, up-dates the services catalogue, and services operational risk management of OeKB and OeKB Versicherung AG. The team collaborates in the up-dating of the law index as well as in the internal sustainability audits and in implementation. It prepares key figures, appoints the sustainability and waste officer and is responsible for security. The dissemination of sustainability reports ties in other interest groups.

Public relations

The PR division is responsible for concerted internal and external communication activities. It collaborates in the preparation and up-dating of sustainability reports and carries on public affairs activities within the framework of the stakeholder dialogue.

Human resources department

The human resources department prepares the personnel section of the sustainability report, ascertains relevant key figures and works continually on further developing the understanding of social action within OeKB, e.g. Audit Family & Career. Aside from day-to-day personnel activity, it concerns itself with occupational medicine and human resources development.

All departments

All staff can contribute actively in sustainability teams. They are all required to develop responsible behaviour in all aspects of their daily business life. They enliven internal communication and thus also the idea of sustainability.

Workers council

The main function of the workers council is to represent the interests of the staff. This has priority over all other, various activities. These include activities which improve staff communication, as well as advancing health and environmental awareness.

The traditionally good work atmosphere should not only be maintained but improved.

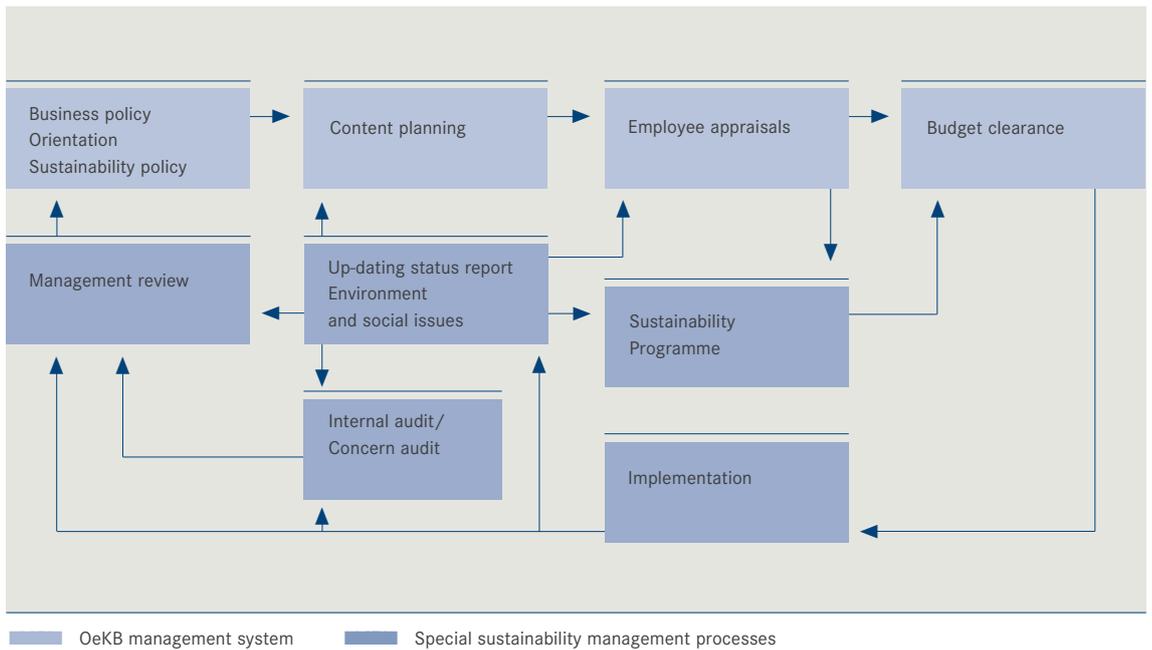
A standing dialogue with the employer, whose collaboration and understanding make many activities possible.

Subsidiaries

OeKB Versicherung AG has appointed a sustainability co-ordinator whose functions include the supervision and implementation of the agreed sustainability goals, co-operation in the development of new goals, representing OeKB Versicherung AG in the sustainability teams and close co-operation with the OeKB sustainability officer.

2.2.2 Control system of steady improvement

Sustainability management system – Control system of steady improvement



Sustainability policies are decided on by the Board and made known in-house. The necessary finance and personnel requirements to attain sustainability goals must be provided for in the planning phase.

GRI
LA11; LA12 >

In annual employee appraisal meetings, maintenance and development goals as well as sustainability goals are defined for employees or groups/divisions for the following year.

In the sustainability programme, specific agreements as to goals, numerically defined, and measures for attaining the striven for goals will be established, based on the results from employee appraisals, audit results and staff feedback. Examples of such points in the programme in 2006 are consideration of a re-evaluation of our own portfolio, work life balance goals, promotion of international communication by arranging a UNEP meeting at OeKB premises and operational ecological aims with regard to the economical use of energy and paper. All these goals must also have a time-frame within which such measures must be successfully implemented.

Improvements take place during the actual implementation phase. Continuous controls by way of internal sustainability audits make it possible for all those responsible to establish and analyse success or failure. The up-dating and progressing of the previous year's environmental audit data follows at the end of the implementation phase.

OeKB's constructive and active collaboration on sustainability development will be made possible by a series of tools, which stretch as far as top management. Basically, all personnel can be involved, either actively in one of the established sustainability teams or by bringing in ideas, suggestions or constructive criticism. In addition, at the annual employee appraisals, sustainability goals will be agreed with each individual and set down in writing. In the following year reflexion takes places as the extent of achievement of the agreed (sustainability) goals is determined in the annual employee appraisal.

GRI
4.9–4.10 >

GRI 4.6 >

Regular management meetings, which are held every 14 days, enable department heads and their deputies to discuss day-to-day subjects. These also include sustainability themes and potential associated conflicts of interest.

The sustainability management of OeKB is integrated into the existing system. The evaluation by top management (Management Review) takes place at least once a year and includes the evaluation of the improvement of sustainability, the target-setting as well as the appropriateness of sustainability policy. In addition, the effectiveness and suitability of the sustainability management as regards the continuous improvement is checked. Thus the circle of continual improvement as the principal element of sustainability management is closed.

GRI
4.9–4.10 >

Internal audits

A special feature of the OeKB sustainability management system is certainly the integration of the internal environmental and social audits into the existing audit programme of internal audit/Group audit.

A trained environmental auditor who continuously checks the credibility of compliance with the requirements of EMAS and ISO 14001. Thus sustainability management and agreed goals are checked as thoroughly as in legally required audits. Thus the audits follow accepted criteria that also comply with state-of-the-art applied in investigations conducted by internal audit.

In accordance with Austrian law relating to joint-stock companies, internal audit reports to the Supervisory Board on a quarterly basis.

Status report environment and social issues

The Environment and Social Status Report serves as an internal environmental audit as per EMAS. The report includes evaluation of aspects of sustainability of all services on the one hand and of operational performance, on the other hand. In addition, this report includes all figures in detail that are published in concentrated form in the sustainability report.





Dimensions of sustainability

3 Economy and ecology in daily work cycles

3.1 Commercial development of OeKB Group

GRI EC1 >

The additional value of including a sustainability report in the company report lies in the fact that the sustainability report throws a special light on the results arising from environmental and social services. Commercial success, risk management

and opportunity management remain the basis for taking up responsibility.

These figures give an overview of OeKB business development. For a more detailed illustration, please refer to the company report.

in 1,000 Euro	2004	2005	2006
Core capital	247,650	250,077	266,948
Eligible equity capital	290,925	271,956	334,038
Required equity capital	36,815	33,323	30,810
Operating result	49,695	50,946	64,080
Group net income	33,350	47,712	46,556
Balance sheet total	25,168,023	27,011,863	27,739,534
Dividend payable	15,048	15,682	18,040
Euro/share	17.10	17.82	20.50
Number of shares	880,000	880,000	880,000
Yield per share (annual surplus)	37.90	54.22	52.90
Return on equity (net income/core capital)	13.47 %	19.08 %	17.44 %
Cost/income-ratio	57.59 %	59.04 %	51.99 %

in 1,000 Euro	2004	2005	2006
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Breakdown of costs

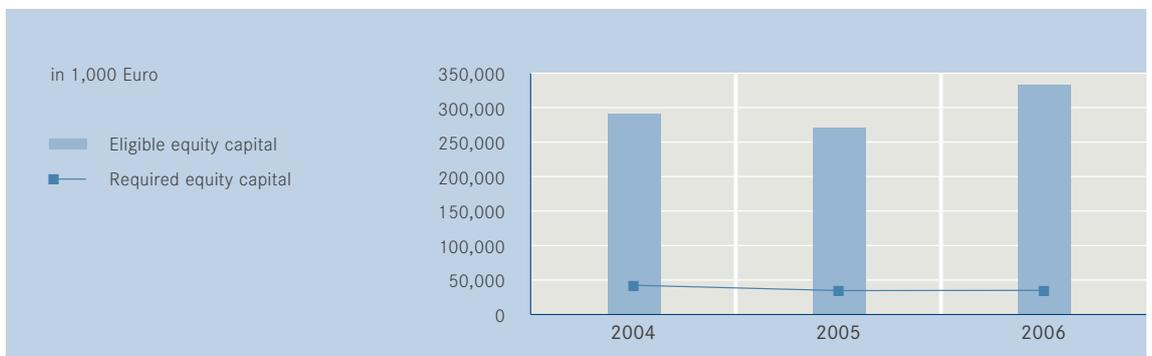
Operating expenses	20,766	20,035	20,785
Personnel costs	40,698	48,066	43,604
Salaries	28,882	28,057	28,604
Social security contributions	5,757	5,855	6,382
Costs of pension scheme etc.	6,059	14,154	8,618
Taxes	20,301	13,540	14,358

Dimensions of sustainability

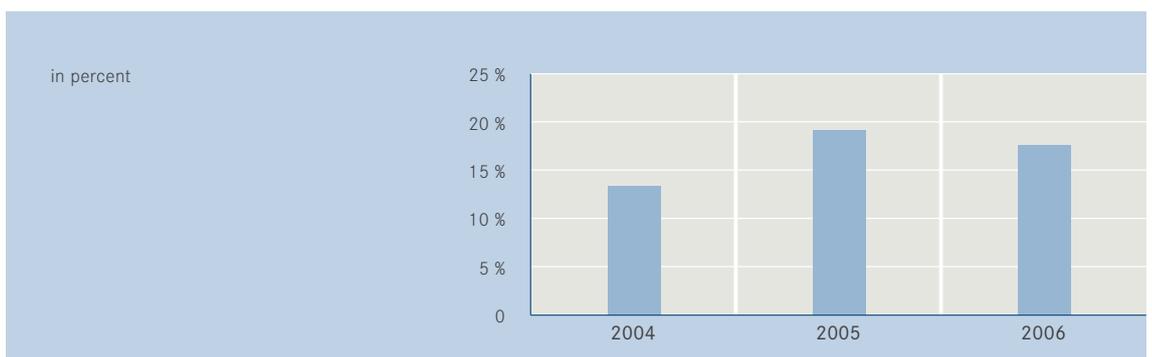
The added value calculation required by GRI is inappropriate for the banking sector. Here the balance sheet total would be like the total turnover, which is, however, of no use in an added value calculation. Therefore we have restricted ourselves to a cost breakdown.

In agreement with the owners, OeKB uses a part of each year's surplus to strengthen its equity capital, even when the minimum requirements of the banking laws are exceeded.

Equity capital development of OeKB Group 2004–2006

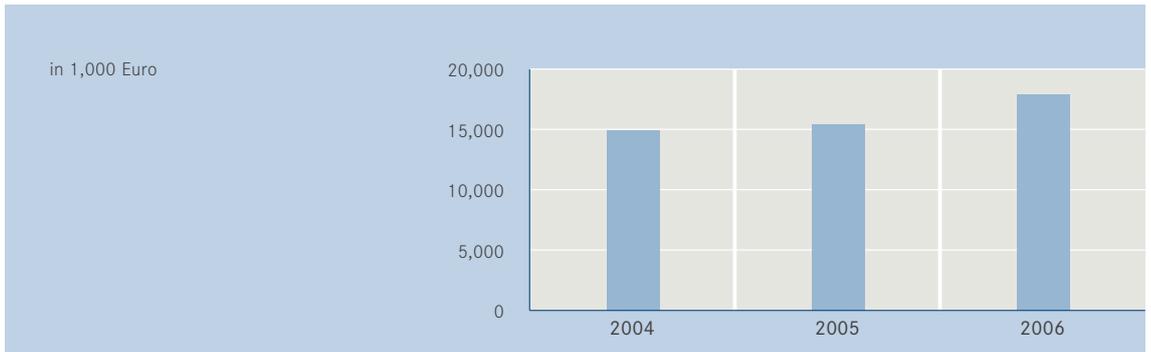


Return on equity¹ 2004–2006



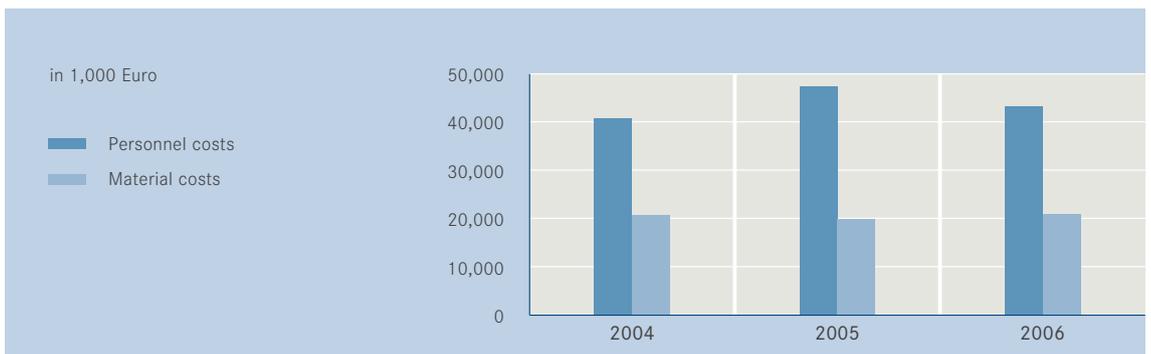
¹ Group net income as percentage of core capital

Dividend payments to OeKB shareholders 2004–2006



The reason for the high personnel costs in 2005 compared to previous years arises from a change in the interest rate in calculating the IAS/IFRS-personnel reserve and is non-recurring.

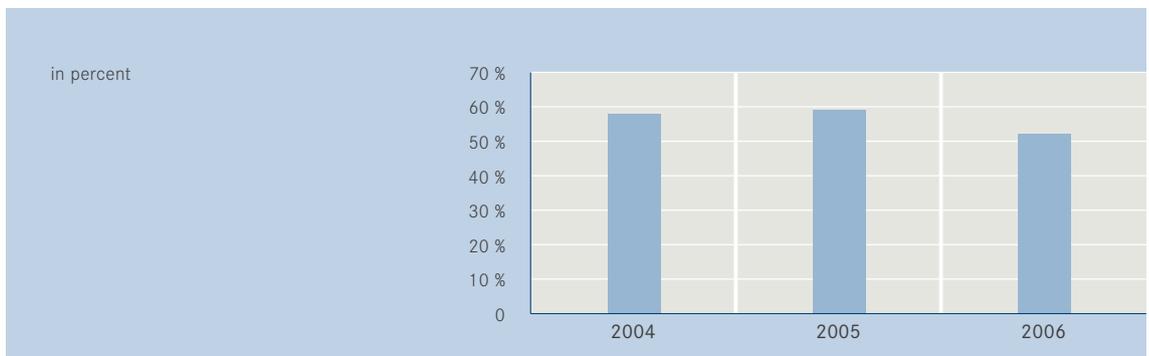
Administration costs 2004–2006



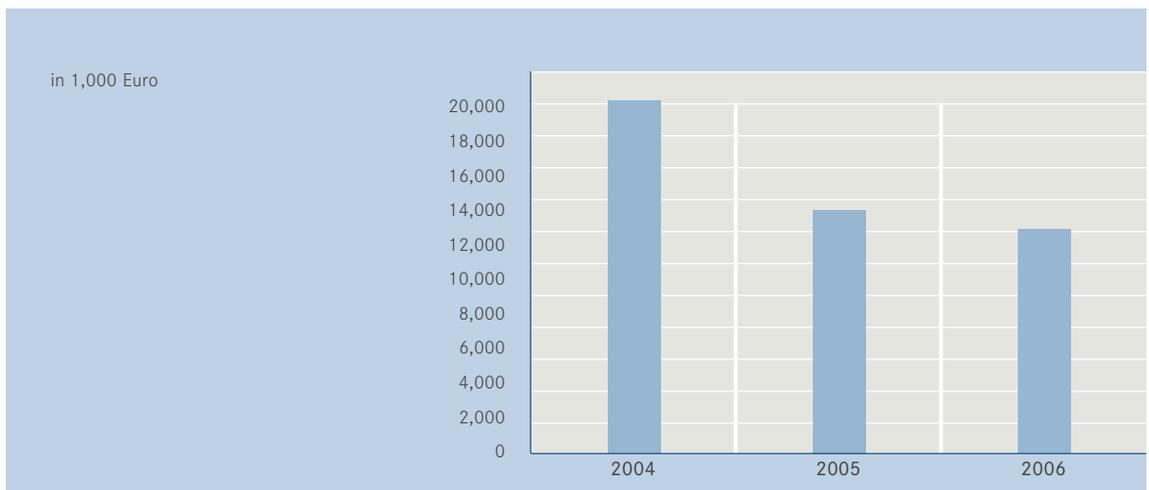
The cost income ratio (administration costs as a percentage of income) shows a significant improvement in 2006, mainly due to increased revenue.



Cost income ration 2004–2006



Group tax payable 2004–2006



GRI 1.1 > Positive business development is expected to continue.

3.1.1 Commercial Development of OeKB Versicherung

After a successful entry into the market, OeKB Versicherung AG business showed a distinct improvement, also in the past year, as the following figures show.

Amounts in 1,000 Euro	2005	2006	Change
Delineated premiums	14,978	17,973	20.0 %
Damage quota (effective services: delineated premiums)	56.40 %	52.47 %	
Equity capital	32,914	36,280	10.2 %
Balance sheet total	43,524	55,107	26.6 %
Normal business results	3,539	4,469	26.3 %
Annual surplus	2,662	3,366	26.5 %
ROE (return on equity)	8.43 %	9.73 %	
No. of personnel	25	29	16.0 %

GRI 1.1 > For a detailed report on the development of OeKB Versicherung AG, please refer to the 2006 company report.

3.1.2 Core competencies and opportunity recognition

GRI 1.2 >

Everyday management and leadership were themes discussed at the two day 2006 Leadership Conference, which occupied the participants a great deal. The general feeling was gratifying: we need a new type of communication which is, at the same time, honest, respectful and critical. This should encourage professional curiosity in other business aspects and increase transparency.

Fritz B. Simon, Professor for Leadership and Organisation at Wirtschaftswissenschaftliche Fakultät, Witten/Herdecke University sent up fascinating signals with his lecture "How much identity does an organisation need?"

The following specific subjects were discussed:

- Uniform and transparent standards in leadership and management.
- Optimising comprehensive departmental resources to create space for strategic subjects.
- More than the core business: possible additional benefits for customers and contractors by cross-linking the application of OeKB's range of services.
- Micro credit: initial consideration of the integration of this business area in OeKB core business.
- Better coordination of divisional activities on an international level.
- Product innovation – what could an innovation culture look like?
- OeKB identity, OeKB as a brand is of great value for all business areas. Ceaseless efforts are needed to preserve the positive image.

3.1.3 Risk management at OeKB

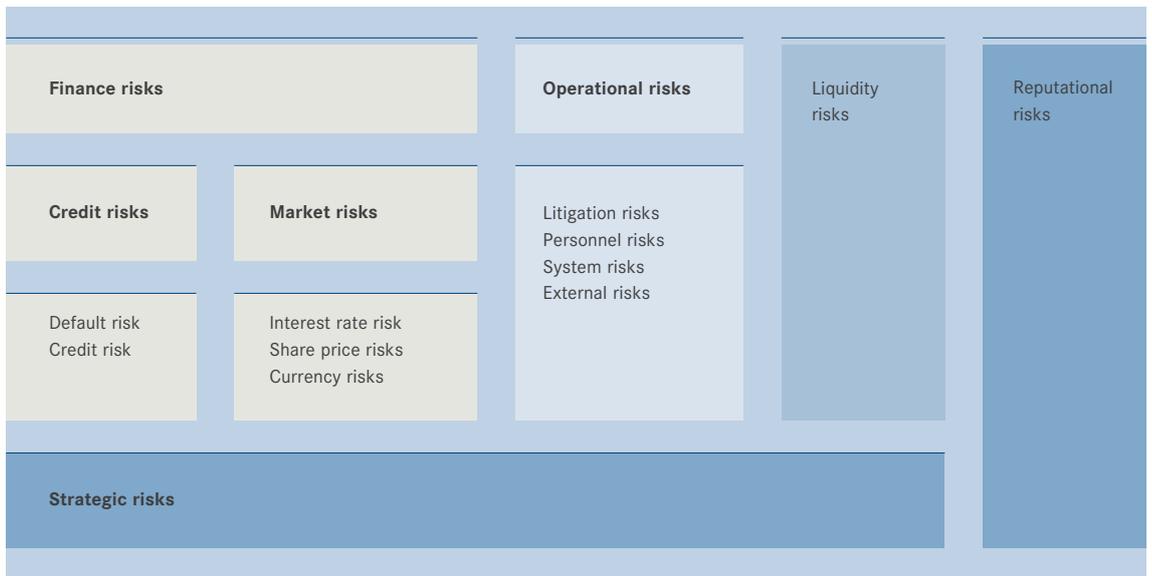
GRI
1.2; 4.11 >

Recognising future opportunities can only take place on the secure basis of a well functioning business. Risk management, in both the financial and operational risk areas, is not just a project for the purpose of meeting the requirements of Basel II, but also a constant self-developing management task, which

combines the existing systems and gives a complete picture of the OeKB risk structure.

Political risks are seen as part of the strategic risks and legal risks as part of the operational risks.

Definition of risks



**OeKB risk policy and strategy
(extract)**

GRI 4.11 >

The risk policy of OeKB Group orientates itself around securing a sustainable and stable return on capital and organic growth.

Thus, an important feature of the business policy is the conservative handling of business and operational risks, without neglecting the required profitability.

Risk navigation and control represent important processes in safeguarding the security and profitability of the business, in the interests of the customers and the owners.

The control and management of the various types of risk (e.g. market risks, credit risks, operational risks) conforms with the current business & risk specific best-practice-methods in the market, as well as with the legal and judicial oversight requirements.

The strategic aim is to maintain a responsible risk policy, further strengthen risk consciousness, and thus minimise operational risks. This long term approach to current risk policy conforms with the business policy of the Bank, to develop new areas of business alongside the existing core competencies.

The risk management aim for 2007 is the further development of the risk measurement, risk control and risk supervision methods, on the basis of the legal requirements that will be in force by 1st January 2008. This implies a further unification of the risk control procedures and processes as well as an even stronger integration of risk supervision at all levels of decision making.

3.1.4 Corporate Governance

GRI SO1 >
GRI Sector
Supplements >>

The sustainable development process involves continuous interaction with the stakeholders. In its central position as a service provider for the Austrian economy, OeKB sees itself as also being obliged

In compliance with the spirit of the transparency requirements, the Board's emoluments are shown in total in the company report.

GRI LA5 >>

to offer a platform on the subjects of a sustainable economy and social responsibility. A positive influence can be exerted on society by the overall commitment to sustainability per se, as well as individual stakeholder dialogues (Sustainability Café) and other events dealing with contemporary themes.

The Austrian law on shares decrees the independence of the supervisory board chairman from the company's operative activities. Except for the workers council representatives, all members of the supervisory board are independent of operations.

GRI 4.1;
4.4; 4.7 >
GRI SO3 >>

The Austrian Corporate Governance Code was issued in 2002, with the backing of OeKB and is directed principally at quoted companies. The transparency it demands towards owners, is a requirement of the sustainable economy. We fulfil totally the applicable duties arising from the Code in respect of our ownership structure and orientate ourselves completely to the Code's recommendations.

By its representation on the supervisory board, it is always guaranteed access to current information about the development of the business.

3.1.5 Battling Corruption and Money Laundering

GRI SO3 >

The implementation of the OECD recommendation on battling corruption based on the expanded Action Statement on Bribery begins in 2007. Export credit insurance agencies such as OeKB will be more strongly involved in anti-bribery measures. OeKB takes this recommendation into account by collecting additional information from applicants.

In checking out applications, not only will the additional information be checked, but the then current standards in the fight against corruption will be applied. We will work together with reputable NGOs and the Austrian Chapter of Transparency International in our current training programme. A stakeholder meeting on this subject took place on 31 January, 2007.

GRI SO2-SO4 >>

The important measures are:

- Information from the exporter/applicant, whether he or somebody authorised by him has, within the last five years, been legally convicted by a national court of, or is currently charged with, bribing a foreign official.

The internal risk of corruption will be minimised by strict control mechanisms, including the dual-control principle. Additionally, there will specific officers for money laundering and compliance, who, through internal measures, contribute to building awareness.

GRI SO7-SO8 >>

- Checking whether the exporter/applicant appears on the exclusion list of any international financial institutions (IFIs, e.g. World Bank, EBRD).
- More detailed audit in certain circumstances (appearance on an IFI exclusion list, conviction, indictment) or where there are possible indications of bribery in the case of a requested/approved business application.
- This includes, amongst other things, collecting additional information in the event of appearance on an IFI exclusion list, conviction or indictment, or, if need be, making the demand for details of possible kickbacks (recipient, amount, purpose) known.
- In the case of a conviction, additional information is to be obtained as to which measures have been employed in order to avoid future incidence of bribery.

There were no breaches of any kind of the laws governing competition which would have resulted in penal or administrative sanctions in 2006.





3.2 Operational ecology

3.2.1 OeKB's ecological footprint

Compared with productive businesses and industry, OeKB's direct burden on the environment by way of waste water, exhaust air and consumption of natural resources is distinctly smaller. In order to ascertain whether we, in terms of sustainability, use resources which naturally regenerate, we have employed a capable and dedicated trainee to help us get a clear picture of our consumption values in the context of a study on the subject of ecological footprints.

Already by the beginning of the 1990s there were indications of an ever increasing consumption of natural resources. However, a relevant unit for measurement had yet to be determined. Aside from other methods, such as the Eco-rucksack, the Wackernagel & Rees ecological footprint is one of the most frequently used methods of ascertaining the ecological burden caused by the consumption of natural resources by states, regions, and institutions.

The basic idea of the ecological footprint is judging whether the Earth can supply the needs of the existing generation as well as satisfying the requirements of future generations. Thus the global hectare (gha) was clearly the unit of choice and the ecological footprint was born.

Considering the Earth's total surface against the world's total population, the ecological footprint of one person is 1.8 hectares (ha). Each person can use this area without completely exhausting the resources. The actual footprint of an "earth inhabitant" is 2.2 ha, whereby the footprint of an Indian measures 0.8 ha and that of an American 9.5 ha. The average footprint in Austria is 4.6 ha. In Vienna, it is somewhat lower at approx. 3.9 ha. Thus the Earth's resources are being overused by 20 %.

Conversion into CO₂ absorbing surface is the most commonly used method for calculating energy/surface use. The sum of all ascertained surface values gives the ecological footprint. According to the ecological footprint calculator of the Institute for Social Ecology at the University of Klagenfurt – IFF Vienna, the sum total of CO₂ equivalents for a given company is multiplied by a factor of 0.000266968 and the result indicates the biologically intact Earth surface area necessary to compensate for this company's CO₂ emissions.

¹ Short Information ÖFA of the city of Vienna:
<http://www.wien.gv.at/ma22/pdf/footprint-dt.pdf>
 The ecological footprint of the city of Vienna – Final report:
<http://www.wien.gv.at/ma22/pool/pdf/fussab.pdf>

Information Brochure WWF:
http://www.wwf.at/downloads/footprint_deutsch_Broschuere_03.pdf
 Faktor 10 Institut: <http://www.faktor10.at/>
 M. Wackernagel: Ecological Footprints of Nations
<http://www.ecouncil.ac.cr/rio/focus/report/english/footprint/>

Dimensions of sustainability

Considering the CO₂ emissions, caused by OeKB business activities in 2006 gives rise to the following figures:

	CO ₂ in t	ÖFA equivalent in gha ¹	Comments
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Business ecology performance

Business transport	252.52	67	Approx. 96 % caused by aircraft
Sundry energy	255.02	68	
Total		135	

¹ gha – global hectare as unit for the ecological footprint

Take for example the area of Vienna’s Lobau local recreational area and wild-life park of 2,300 ha: OeKB alone would need about 6 % of it to cover it’s

operational ecological requirements. There still is great potential for improvement in this area.

3.2.2 Evaluation of ecological aspects and the register of environmental impact

GRI
3.5; 3.10 >
GRI 3.9 >>

The ecological aspects were evaluated based on the absolute CO₂ relevance, on the use of resources compared to other service businesses and on the manipulability.

The important goals were to maintain and/or further improve the attained savings. As opposed to previous years, qualitative improvements rather than quantitative improvements became the main aim.

The 1010 Vienna, Wallnerstrasse and Wipplingerstrasse locations are supplied with a mixture of hydro-electric power and electricity produced from renewable energy.

An agreement has been concluded with the electricity provider Wien Energie to the effect that all electric power supplied to the 1010 Vienna, Am Hof and Strauchgasse locations must be produced exclusively by hydro-electric power stations and that this hydro-electric origin must be verified by a KPMG audit.

Evaluation of environmental aspects based on the aforementioned three criteria led to prioritisation on the principle of determination of the average values; in case of ambiguous results, the higher priority is selected. The focal point of the programme for ecology was based on this prioritisation.

- A high relevance – enormous need for action
- B medium relevance
- C slight relevance

GRI EN28 > There were no breaches of any kind of the laws governing environmental issues which would have resulted in penal or administrative sanctions in 2006.

- Pc priority in respect of CO₂
- Pk priority in respect of the numbers re average values
- Pb priority in respect of manipulability in the framework of business activity
- Pg priority overall

	CO₂ Relevance	Comparison of performance indicators of OeKB¹		
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Register of environmental impact

	CO ₂ in t (2005)	CO ₂ in t (2006)	Pc	Unit	OeKB (2004)	OeKB (2005)	OeKB (2006)	Average for service companies	Pk	Pb	Pg
Electricity (renewable energy)	76.22	75.36	C	kWh/empl.	7,422	7,473	7,430	4,293–8,315	A	B	B
District heating	139.26	136.37	B	kWh/m ²	82	64	62	48–146	C	B	B
Gas	30.16	43.29	C	kWh/empl.	382	390	551	-	-	B	B
Water	-	-	-	l/d/empl.	76	75	74	41–114	B	B	B
Paper	-	-	-	pages/empl.	10,392	11,665	10,509	5,750–11,750	A	B	A
Waste/total	-	-	-	kg /empl.	400	363	394	220-350	A	A	A
Waste paper	-	-	-	kg/empl.	124	145	157	43–145	-	-	-
Domestic-type commercial waste ²	-	-	-	kg/empl.	153	131	129	29–131	-	-	-
Separation rate ³			A	%	50	43	41	25–35	A	B	A
Kitchen	-	-	-	-	-	-	-	-	-	B	B
Catering	-	-	-	-	-	-	-	-	-	B	B
Business transport	197.79	252.52	A	km/empl.	2,487	2,713	3,419	2,713–4,657	C	B	B

¹ Source: ÖGUT Working Group „Betriebsökologisches Benchmarking“ (Data basis 2005), VfU and ÖGUT handbook compiled by ETA Umweltmanagement. The electricity and transport figures include all locations, district heating figures refer to the Am Hof and Strauchgasse locations while gas figures refer only to the Strauchgasse location, as this is the only one where gas is available. Detailed records are kept only for the Strauchgasse location because at the other locations OeKB is merely tenant. Waste figures are based on these data.

² Comprises the total amount of waste including that from the salesrooms on the ground floor. As breaking up these data is not possible at present they are included in our personnel figures. According to the tenancy laws, we are obliged to provide our tenants with proper waste disposal facilities. We have only limited influence on waste volumes, but have included our tenants in our waste concept.

³ Separation rate = ratio of domestic-type commercial waste compared to total waste volumes excluding grease-trap contents. Indicated key figures refer to domestic-type commercial waste volumes and thus higher percentages are worse. Input-output analysis and figures as per environmental declaration.

3.2.3 Input output analysis and key figures per environmental declaration

Basic data

GRI
3.6-3.10 >

Many of the figures referring to operational ecology are based on surface area or personnel.

The basic data, split up by locations, are indicated in the tables below.

	31. 12. 2000	31. 12. 2003	31. 12. 2004	31. 12. 2005	31. 12. 2006
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Total number of employees¹

	31. 12. 2000	31. 12. 2003	31. 12. 2004	31. 12. 2005	31. 12. 2006
In the main buildings	342	362	362	369	373
Other	20	12	12	12	12
Total	362	374	374	381	385

¹ Full- or part-time staff including employees of subsidiaries; external and day labourers are not included.

	31. 12. 2000	Input 2004	Output 2004	31. 12. 2004	Input 2005	Output 2005	31. 12. 2005	Input 2006	Output 2006	31. 12. 2006
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Real estate – leased and owned (in m²)

	31. 12. 2000	Input 2004	Output 2004	31. 12. 2004	Input 2005	Output 2005	31. 12. 2005	Input 2006	Output 2006	31. 12. 2006
Office building Strauchgasse	13,612	-	-	13,612	-	-	13,612	-	-	13,612
Am Hof	3,075	-	-	3,075	-	-	3,075	-	-	3,075
Wallnerstraße	833	-	-	833	-	544	289	-	-	289
Wipplingerstraße	445	-	223	222	-	-	222	-	-	222
Ziegeleistraße, Linz	250	-	-	250	-	-	250	-	-	250
Gallusstraße, Bregenz	95	-	-	95	-	-	95	-	95	-
Total	18,087	-	-	18,087	-	-	17,293	-	-	17,198

Building services (units)

	31. 12. 2000	Input 2004	Output 2004	31. 12. 2004	Input 2005	Output 2005	31. 12. 2005	Input 2006	Output 2006	31. 12. 2006
Convactor fans (air)	314	-	-	314	-	-	314	68	33	349
Central air-conditioning	2	-	-	2	-	-	2	-	-	2

Energy

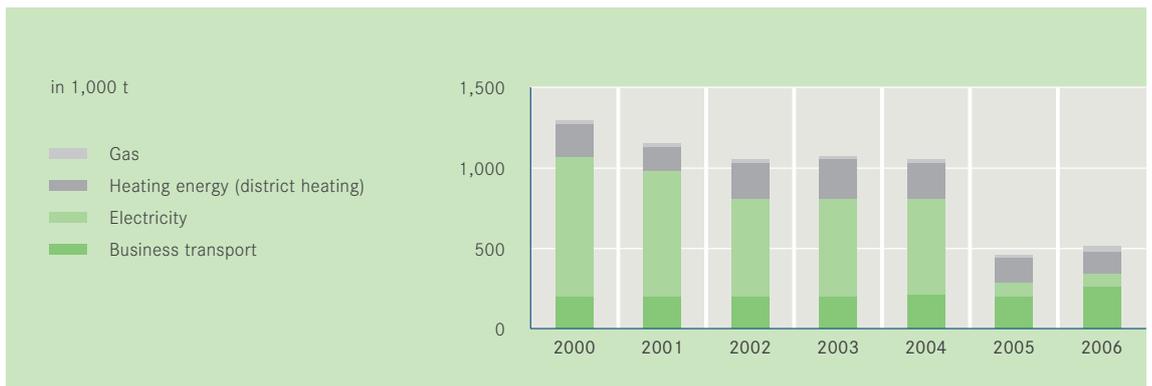
GRI EN3;
EN4; EN5 >

GRI
EN6; EN7 >

Looking at the energy development in previous years, two things stand out. Firstly, consumption in the first years following the introduction of environmental management is sharply reduced, but then, naturally, flattens out.

Secondly, electricity is the primary energy source, and the biggest CO₂ equivalent producer. This led to the switch to renewable energy sources in 2005, and to a significant reduction in CO₂ equivalents.

Development by energy sources CO₂ emissions (in t)



	31. 12. 2000 (342 empl.)	31. 12. 2003 (362 empl.)	31. 12. 2004 (362 empl.)	31. 12. 2005 (369 empl.)	31. 12. 2006 (373 empl.) ¹
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Electricity/renewable (kWh)

Vienna location (total)	3,791,960	2,680,949	2,562,730	2,601,940	2,660,350
Per employee	11,088	7,406	7,079	7,051	7,132
Per m ² (16.687)	227	161	154	156	159
Per working day (250)	15,168	10,724	10,251	10,408	10,641

Heating energy (district heating) (kWh)

Strauchgasse and Am Hof	1,856,203	1,433,480	1,360,670	1,063,020	1,041,000
Per employee	5,427	3,960	3,759	2,881	2,791
Per m ² (16.687)	111	86	82	64	62
Per working day (250)	7,425	5,734	5,443	4,252	4,164

¹ Differences in data regarding staff numbers refer to OeKB (see also 3.3. staff numbers), OeKB Versicherung AG (8 employees), and to the CCP Austria Abwicklungsstelle

für Börsengeschäfte GmbH (7 employees). A high percentage of residual waste volumes is produced by tenants.

Nevertheless, air-conditioning for people and equipment is the biggest consumer of electricity. About 40 % of total electricity consumption is expended in this area. The constant up-grading of IT infrastructure goes hand-in-hand with a slow but steady increase in electricity consumption. The number of servers, switches and routers has increased steadily in recent years. As distinct from other electrical appliances, the newest generation in this area, with their significantly increased performance are, in most cases, more energy hungry than their predecessors. They also require increased cooling.

Part of the waste heat from cooling devices in server rooms is used to provide hot water and, when it is cold, to provide heating for the Strauchgasse foyer.

By installing motion detectors to manage the lighting and window contacts that switch off heating and air conditioning when windows are open, as well as increasing awareness of energy saving measures, we have managed to keep electricity consumption relatively stable. The targeted reduction by 5 % to a base level of 2,573,403 kWh (per 31st December 2002) was not attained.

Both Vienna locations are heated by environmentally friendly district heating. Due to technical improvements that allow for the control and cooling of individual heating after office hours and on weekends, as well as refurbishment of the windows, has resulted in a massive reduction of heating requirements in recent years.

Water

GRI EN21 >

Water consumption was brought to its present level mainly by technical measures, such as installing puffer storage for heat exchange in cooling towers. From today's viewpoint, further reductions are hardly likely. The installation of a second (utilised) water line, an ongoing project for years, has finally been completed.

It is, however, impossible at present to get industrial water as well as drinking water from the city supplier. Supplying an industrial water line with well water is currently being looked into.

GRI EN8 >

	2000 (342 empl.)	2003 (362 empl.)	2004 (362 empl.)	2005 (369 empl.)	2006 (373 empl.)
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Water/waste water – only Vienna location (litre)

	2000	2003	2004	2005	2006
Water = waste water (Vienna)	9,956,000	7,891,000	6,895,000	6,925,000	6,891,000
Per employee	29,111	21,798	19,047	18,767	18,475
Per m ² (16,687)	597	473	413	415	413
Per working day (250)	39,824	31,564	27,580	27,700	27,564
Cleaning materials	906.5	140	195	210	190

Stationery and hardware

GRI
EN1; EN2 >

Stationery and hardware are at the heart of a functioning service business. We are nowhere near the paper-free office, yet. Even though the figures are based on procurement data rather than reflecting actual paper consumption, they nevertheless

indicate an upward trend. The operational ecological goal of keeping paper use at 2004 levels has not been achieved. Fortunately, however, the use of recycled paper has been increased to just over 80 % of total paper use.

	31. 12. 2000 (342 empl.)	31. 12. 2003 (362 empl.)	31. 12. 2004 (362 empl.)	31. 12. 2005 (369 empl.)	31. 12. 2006 (373 empl.)
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Copy paper (sheet A4)

	2000	2003	2004	2005	2006
	3,540,157	4,060,000	3,762,000	4,304,500	3,920,000
Per employee	10,351	11,215	10,392	11,665	10,509
Recycled paper	4.4 %	70.0 %	70.2 %	71.9 %	80.8 %
White paper (TCF)	95.6 % ¹	30.0 %	29.8 %	28.1 %	19.2 %

¹ ECF – Elementary chlorine free

Dimensions of sustainability

GRI PR6 >

All other office materials are assessed by the input output analysis. Discarded EDP hardware is either donated to charitable organisations or, if no longer

in working order, given to a social integrative business for disposal or recycling. Advertising material is also selected according to ecological criteria.

	2000	2004	2005	2006
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Stationery (input) – only Vienna location

	2000	2004	2005	2006
Copy paper (A4 sheets)	3,540,157	3,762,000	4,304,500	3,920,000
Writing pads (units)	1,947	656	605	395
Envelopes (units)	116,360	75,794	55,981	107,564
Self-adhesive notes (units)	3,827	2,830	2,662	3,002
Writing implements (units)	5,090	3,796	4,383	4,998
Files (polypropylene) (units)	4,524	3,019	3,851	3,247
Clear plastic pockets (units)	43,744	27,236	29,412	27,480
Folders, loose-lead binders (units)	1,812	887	656	850
Registers (units)	719	234	545	695
Floppy discs (units)	553	190	184	63
Recordable CDs (units)	443	345	119	741
Toner for printers, copiers, fax machines (units)	609	280	264	350
Colour ribbons (units)	171	74	48	48

	Input 2000	Output 2000	31. 12. 2000	Input 2004	Output 2004	31. 12. 2004	Input 2005	Output 2005	31. 12. 2005	Input 2006	Output 2006	31. 12. 2006
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Office EDP equipment (nos.)

	Input 2000	Output 2000	31. 12. 2000	Input 2004	Output 2004	31. 12. 2004	Input 2005	Output 2005	31. 12. 2005	Input 2006	Output 2006	31. 12. 2006
PCs	76	51	784	106	179	691	22	22	691	89	0	779
Monitors	42	11	793	42	182	682	27	78	604	36	21	619
Printers	18	16	212	7	50	106	12	13	105	11	0	116
Copiers ¹	20	17	53	9	12	103	4	1	106	4	10	100

¹ Total number of copiers and fax machines (leased and owned)

Waste

GRI EN22 >

The waste figures relate only to our biggest location, Strauchgasse, because, being tenants only at the Am Hof location, we are not able to compile exact data.

However, the location integrated in the existing waste management, as are the Strauchgasse tenants.

Building Strauchgasse	2000	2004	2005	2006
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Waste (Output) – Vienna location (kg)

Non-hazardous waste				
Domestic-type commercial waste	90,000	44,955	40,905	41,040
Paper	26,288	36,312	45,336	50,004
Glass	1,824	3,648	4,448	4,080
Plastic waste	1,248	3,675	2,529	2,439
Metals and metal scrap	480	810	860	1,160
Grease Trap Contents	20,410	27,870	19,660	24,300
Hazardous waste				
Developers, fixing agents	540	-	-	-
Colour residues	800	201	154	300
Accumulators, batteries	7741	103	15	1,850
Fluorescent lamps	129	60	107	156

Raising awareness and setting up a waste concept together with an external partner allowed for a substantial reduction of domestic-type commercial waste volumes in recent years, while the volume of recyclable material has sharply increased. Since the closing of our in house print shop, hazardous waste represents about 0.5 % of our total waste volume.

The large number of rechargeable and other battery disposals in 2006 was the result of changing the UPS batteries, which took place because of the servicing intervals. The figure was increased even more because of a recent exchange of batteries due to damage caused by lightning in May 2006.

Dimensions of sustainability

	2000 (267 empl.)	2003 (296 empl.)	2004 (294 empl.)	2005 (313 empl.)	2006 (318 empl.)
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Waste – Strauchgasse (kg)

	142,493	114,064	117,637	114,018	125,329
Per employee	534	385	400	364	394
Per m ² (13.612)	10.47	8.38	8.64	8.38	9.20
Per working day (250)	570	456	471	456	501
Paper and cardboard	18.45 %	32.55 %	30.87 %	39.76 %	39.90 %
Metal	0.34 %	0.69 %	0.69 %	0.75 %	0.93 %
Glass	1.28 %	3.42 %	3.10 %	3.90 %	3.26 %
Grease trap contents	14.32 %	20.44 %	23.69 %	17.24 %	19.39 %
Domestic-type commercial waste	63.16 %	39.10 %	38.22 %	35.88 %	32.75 %
Plastic waste	0.88 %	3.44 %	3.12 %	2.22 %	1.95 %
Colour residues	0.56 %	0.18 %	0.17 %	0.14 %	0.24 %
Accumulators, batteries	0.54 %	0.03 %	0.09 %	0.01 %	1.48 %
Fluorescent lamps	0.09 %	0.14 %	0.05 %	0.09 %	0.12 %
Fixing agents	0.38 %	-	-	-	-
Old mobile phones	-	-	0.004 %	0.003 %	-
Separation rate (in %)	74 %	49 %	50 %	43 %	41 %

The separation rate represents the relationship of domestic-type commercial waste to total waste. The basis for the formula is the total of all fractions included in the table (excluding grease trap contents, as these are not typical and would influence comparability). The key figure relates to the domestic-type commercial waste volumes, so that higher percentage figures are worse. The increase in the total waste volume was primarily the result of an increase in the confidential disposal of quantities of paper.

The cost of waste disposal in 2006 was Euro 29,600.

As the above figures relate only to the Strauchgasse location, it is correct that only employees at this location are included in the calculation.

Waste volumes at the other locations (Am Hof, Wallnerstrasse, Wipplingerstrasse and Linz) must be extrapolated via employee numbers – in conclusion, the total waste volume is an approximation.

GRI EN30 >

	Number of employees	2006 (394,1 kg per employee)
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Total amount of waste (projected)

Strauchgasse	318	125,329
Am Hof	55	21,676
Other location	12	4,729
Total	385	151,735

Business transport

GRI EN29 >

Business transport inside Austria is either by railway or passenger car. Inner European flights are mainly Brussels, Paris, London and Frankfurt.

	2000 (362 empl.)	2003 (374 empl.)	2004 (374 empl.)	2005 (381 empl.)	2006 (385 empl.)
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Business transport (km)

	1,038,017	1,006,603	1,082,626	1,033,556	1,319,878
Per employee	2,867	2,691	2,895	2,713	3,428
Railway	1.36 %	1.22 %	0.59 %	1.76 %	1.81 %
Airplane	94.86 %	93.97 %	95.44 %	94.26 %	94.72 %
Passenger car	3.78 %	4.80 %	3.97 %	3.98 %	3.47 %
Per working day (250)	4,152	4,026	4,331	4,134	5,280

CO₂ emissions

GRI
EN16; EN18 >

Following the switch to renewable energy, travel and transport became the most significant CO₂ emitters.

As air traffic increased in the period under review, finding a way to compensate for this burden became a defined aim.

	Input 2000	Output 2000	Input 2004	Output 2004	Input 2005	Output 2005	Input 2006	Output 2006
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Business transport (km)

	in km	CO ₂ emission in t	in km	CO ₂ emission in t	in km	CO ₂ emission in t	in km	CO ₂ emission in t
Railway	14,106	0.04	6,374	0.22	18,240	0.05	23,903	0.07
Airplane	978,752	190.86	1,033,234	201.48	974,259	189.98	1,250,233	243.8
Passenger car	54,037	10.21	43,018	8.13	41,057	7.76	45,742	8.65
CO₂ emission business transport	-	201.11	-	209.63	-	197.79	-	252.52

The switch to renewable energy resulted in a massive reduction in CO₂ output.

	Input 2000	Output 2000	Input 2004	Output 2004	Input 2005	Output 2005	Input 2006	Output 2006
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Energy

	in kWh	CO ₂ emission in t						
Electricity (total)	3,847,025	881.74	2,775,656	636.18	2,847,147	76.22	2,860,671	75.36
District heating (Vienna location only)	1,856,203	243.16	1,360,670	178.25	1,063,020	139.26	1,041,000	136.37
Gas (only Strauchgasse)	64,914	16.03	112,243	27.72	122,094	30.16	175,0275	43.29
CO₂ emission – energy consumption	-	1.140.93	-	842.15	-	245.64	-	255.02

Emissions relating to employees, areas and working days

	2000 (362 empl.)	2003 (374 empl.)	2004 (374 empl.)	2005 (381 empl.)	2006 (385 empl.)
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CO₂ emissions energy (kg)

	1,140,930	863,140	842,150	245,640	255,020
Per employee	3,152	2,308	2,252	645	662
Per m ²					
(18,310 m ² to 12/2002)	62	-	-	-	-
(18,087 m ² from 01/2003)	-	48	47	14	-
(17,992 m ² from 01/2006)	-	-	-	-	14
Per working day (250)	5,334	4,013	3,913	983	1,020

CO₂ emissions business transport (kg)

	202,270	193,640	209,630	197,790	252,520
Per employee	559	518	561	519	656
Per working day (250)	809	775	839	791	1,010

	kg CO ₂	Sources
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Conversion table for CO₂ emissions

1 km	train (electric)	0.00295	ÖBB Österreichische Bundesbahn (Austrian rail) 2004 (pure electricity concern; 2004 exclusively hydro-electric power)
1 km	plane per person	0.19500	GEMIS Österreich 4.2
1 km	car per vehicle	0.18900	Handbook emission factors road transport
1 kWh	electricity	0.22920	Data for Austrian electricity generation in 2002
1 kWh	electricity hydro electric power	0.02500	Data for hydro-electric power generation
1 kWh	electricity from Ökostrom AG	0.07500	Ökostrom AG data for electricity generation
1 kWh	green electricity ¹	0.03500	Ökostrom AG data for electricity generation (blended supply)
1 kWh	District heating	0.13100	CO ₂ emissions according to data from Fernwärme Wien
1 kWh	Natural gas	0.24700	Data for gas condensing boilers (GEMIS Austria)

¹ Figures for the Ökostrom blended supply of 80 % hydroelectric power and 20 % renewable energy were calculated on the basis of the data for hydroelectric generation and Ökostrom AG

electricity generation. All the conversion factors shown have been agreed with the Austrian federal ministry of the environment.





3.3 People and society

GRI

LA1; LA2;

LA10; LA13 >

3.3.1 OeKB employee data

Including personnel assigned to subsidiary by OeKB

	As of 31. 12. 2002	As of 31. 12. 2003	As of 31. 12. 2004	As of 31. 12. 2005	As of 31. 12. 2006
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OeKB employees

	Number	%								
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Employees

Total number	378	100	374	100	374	100	368	100	370	100
Part-time employees	73	19.31	64	17.11	67	17.91	66	17.93	83	22.43
converted to full-time employees	355	-	354	-	354	-	348	-	342	-

Average age structure (median)

Age	39.08	-	39.72	-	39.93	-	40.70	-	41.33	-
Length of service	12.58	-	12.96	-	13.54	-	14.48	-	15.29	-

Proportion of women

Total	-	56.61	-	52.07	-	54.81	-	55.43	-	56.48
In executive positions (signing authority)	-	37.50	-	37.50	-	30.19 ¹	-	33.33	-	33.33

Turnover rate

	-	2.70	-	3.74	-	1.35	-	4.07	-	1.91 ²
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Training costs

Total training (in hours)	-	-	-	-	-	-	-	-	12.701	-
Per employee (in hours)	-	-	-	-	-	-	-	-	34	-
Per employee (in Euro)	1,817.40	-	1,838.80	-	1,684.80	-	1,087.66 ³	-	1,180.41	-

¹ This development arose out of the discontinuance of the short-term guarantee business, which resulted in four female executives moving to the new OeKB Versicherung AG.

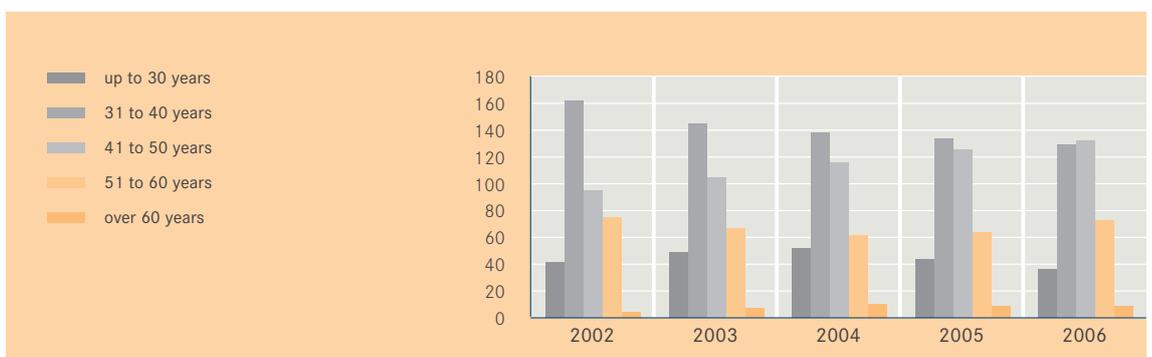
² Because of the low fluctuation rate, showing gender and age structure separately is not useful.

³ The reduction compared to the previous year results from an increased in subsidising.

Seniority in years 2002–2006



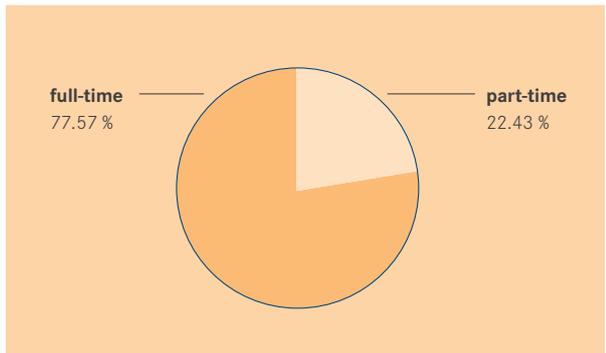
Age in years 2002–2006



**Flexible working hour,
part-time model**



OeKB employees late 2006



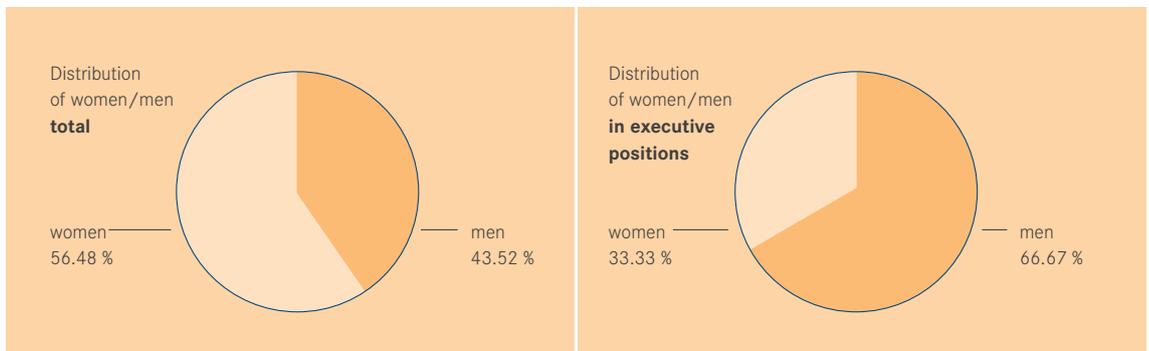
One of the factors contributing to an increased part-time quote results from recent changes in the legal provisions governing maternity leave shared

by both parents that contribute to more mothers coming back to work sooner but doing fewer hours per week.

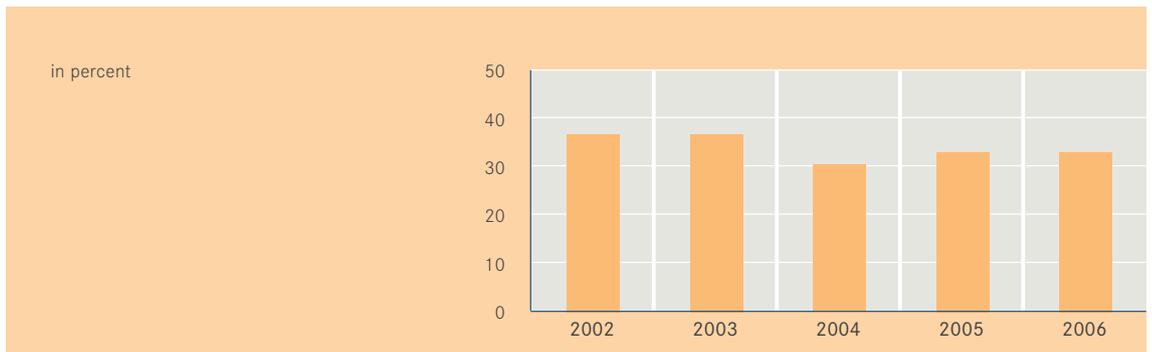
Gender policy



Proportion of women as per end of 2006



Proportion of women in executive positions 2002–2006



The traditionally high proportion of female employees rose yet again last year and is currently at 56.48 %. Of the 83 part time employees, 80 are female; the

fact that both female executives are part-timers should be emphasised.

3.3.2 Living and working at OeKB

GRI 4.8 > Motivated and committed employees are the key to the sustainable success of a company. As the areas of life that pertain to Family & Career continue to merge to a greater extent, life and work together should be complementary and entwined components of a sustainable business policy. The principle values for which OeKB stands and how their implementation together with the employees is to take place can be seen in the sustainability policy of OeKB and are described in the management principles.

GRI LA14 >> Thus OeKB wishes to continue to be an attractive employer for well educated and highly motivated employees. This concerns not only focussing on sustainable business, but also bearing responsibility for the company and the balancing of career and private life, which form economic indicators. There is a starting salary scheme for graduates, vocational scholars and secondary school students that is clearly better than the agreed collective contract salaries. All OeKB employees are subject to the banks' collective contract.

GRI EC3 > The pension entitlements of most of the employees have been contracted out to an outside pension fund (contributory pension provision).

Reserves have been formed for “old age pensioners” and some still active employees. The reserves for pension obligations and anniversary funds are calculated on an annual basis by an independent insurance mathematician according to the Projected Unit Credit method in accordance with IAS 19. The reserves contain provisions for invalidity and inability to work for all active employees. The reserves for severance pay are formed for the legal and contractual entitlements.

As personal and technical qualifications are the exclusive valuation criteria used at OeKB, there is equal pay for men and women.

The Management Board allocates a profit-related bonus each year. The departmental managers determine the individual bonuses for their employees based on responsibility/competence and performance of each one. The judgement of performance among other things is based on the agreement of sustainability targets determined at annual employee appraisals.

Audit Family & Career

GRI 4.12 > Already in the summer of 2005 OeKB decided on an external audit on the topic of Family & Career (Audit Family & Career). With the aid of a representative project group, comprising 15 employees of the Bank, recommendations for improvement of the work-life-balance were collected and weighed up. As a result a comprehensive implementation plan consisting of ten areas for action was decided upon, assessed by a surveyor from TÜV Austria (Austrian Technical Supervisory Association) and presented to the Federal Ministry for Social Security, Generations and Consumer Protection.

On 21st September 2006 OeKB was granted the basic certificate "Family and Career" at a celebratory event in the Austrian Chamber of Commerce.

A first important step in the framework of the implementation plan is the conclusion of an employee assistance programme (EAP) with *Employee MitarbeiterInnen und Familienservice GmbH* for all employees. OeKB pays for this service, employees and those family members living in the same household can avail themselves of comprehensive consultation and mediation free of charge and anonymously.

Services range from consultation for couples and families, parents, life and social consultation and advice on childcare up to advice and assistance in need and critical situations.

It goes without saying that, at OeKB, all social benefits are available to the full extent for all part-time employees as well.

In 2006 further steps in the implementation plan were made: the sustainability team was expanded to include the Family Audit project group and the topics were extended to include family competence; in the framework of the field of activity of information and communication policy the theme of Family & Career was integrated into the sustainability report and anchored there; in order to broaden management competence an informative lecture on the topic of compatibility of Family & Career was held for all management staff in the autumn of 2006. The planned annual implementation workshop of the project group with the consultant also took place.

Important impulses for family-related themes are also constantly gained from exchanges of experiences with other family-audited companies or talks with institutions such as *Vernetzte Welten* or *Brückenschlag*. These are incorporated in further implementation plans, where appropriate.

The OeKB kindergarten

GRI EC8 > Providing the best possible support for an optimal compatibility of career and family has a long tradition at OeKB. The company's own kindergarten was established in 1993 and is surely an important factor contributing to the high proportion of female employees and the large number of female part-time staff (2006: 83 females or 22.43 % of total staff).

The staff kindergarten is open all year round and can be used for half days or full days. It is managed in two groups: the mouse group looks after children from 2 to 3 years of age and the bears group takes care of children from 3 to 6. The cost to parents is about the same as for any public kindergarten in Vienna.

Children in the bears group also have the opportunity to attend special courses, such as the regular English course with a native speaker as well as the rhythm and computer courses. Children with speech impairments may be assisted in their speech development by an expert speech therapist in individual tuition.

The work and activities in the kindergarten are strongly influenced by the seasons and traditional holidays in the course of the year, such as the lantern feast, St. Nicholas day, changes in nature, and more. Impulses for the pedagogical work also come from the teachings of Maria Montessori.

**Training and further education/
The OeKB academy**

GRI
LA11; LA12 >
GRI LA10 >>

The principle of life-long learning is taken very seriously and also implemented at OeKB. The traditional training programme comprises participation at external and in-house seminars, foreign language tuition and on-the-job training, often also in other departments by job rotation. Naturally, all the educational opportunities are available to all employees, independent of age, gender and working hours (part-time).

In 2006 costs for training and further education amounted to Euro 436,755.11 (+9.1 % as compared to 2005), that is Euro 1,180 per employee. In total 12,701 hours of training were offered, that is 34 hours per employee. Thus, OeKB is in the top echelon of financial service providers according to the ÖGUT-benchmarking study 2006 with regard to financial and insurance businesses.

GRI HR3 >

Safety and health

GRI
LA6; LA9 >

In 2006 OeKB also offered its employees comprehensive internal employee protection, far higher than legal requirements. The employee protection committee comprises ten employees and two external security experts.

In order to promote the right attitude and make an evacuation in case of a fire alarm as efficient as possible, fire protection lectures were and are held. These presentations take place in every department and are tailored to the specific circumstances in the respective department.

GRI LA8 >

Besides various vaccination drives, such as FSME and flu-injection an across-the-board sight test is also offered, and a large number of employees made use of it. On World Non-Smoking Day a programme for assistance in stopping smoking was started.

Among other things, OeKB fire protection management, fire security equipment available in each department, correct handling of fire extinguishers, and the right attitude during and after a fire were discussed, and escape routes were explored together. Security staff have clear instructions and receive training on a regular basis.

GRI HR8 >>

As is the case every year a fire drill took place in the year of report for all employees in the Strauchgasse building on 9th December 2006.

In 2006 there was one accident at work that had to be reported.

GRI LA7 >>

3.3.3 Commitment to society

GRI 4.13 >

OeKB is a founding member of *Österreichische Gesellschaft für Umwelt und Technik* (ÖGUT – Austrian Society for Environment and Technology) and works out comparative figures together with other companies in the banking and insurance sector in the framework of the ecological company benchmark.

OeKB is also a member of *respACT austria*, platform of companies dedicated to responsible action, and of the Austrian Business Council for Sustainable Development (ABCSD).

Human rights, minorities, trade unions

Within the scope of OeKB core business, indirect environmental impact is investigated by means of a multi-stage process. The term “environment” is used in summary and includes not only ecological aspects but also social themes such as protection of cultural monuments, consideration of resettlement and effects on indigenous peoples (natives). In 2006 a total of 46 environmental tests were carried out.

Among the basic rights, protection of minorities has special political significance, and is anchored in the Treaty of Saint-Germain-en-Laye (1919) and in the Treaty of Vienna (Staatsvertrag, 1955). In Austria, basic social rights as set forth in the European Social Charter and in the UN Pact on Economic, Social and Cultural Rights are defined by law, however, not at constitutional level.

GRI
HR6; HR7 >

The European Convention on Human Rights has applied in Austria since 1958; in 1964 it was elevated, in its entirety, to constitutional level. It includes among other things the right to life, the prohibition of torture and inhuman or degrading punishment, the prohibition of forced labour, the prohibition of extradition of Austrian citizens, the freedom to emigrate, the respect of private and family life, the right to enter into marriage and start a family.

Freedom to hold meetings and the admittance of free trade unions is set forth in law and regulated in the state constitution. During 2006 there were no cases of discrimination or breaches of rights of indigenous peoples.

GRI
HR4; HR5 >>

GRI HR9 >

Sponsoring, social and business commitment, material donations (social sponsoring)

Many of the services provided by OeKB are relevant to the economy as a whole. This gives our company a particular responsibility, which we wish to do justice to in the framework of our sponsoring activities. OeKB sponsors individuals and organisations, as well as social and cultural events with financial funds or material services which support underlines the execution of this responsibility.

A significant principle of our sponsoring activities; they focus on sustainability criteria.

Long-term and sustainable cooperation takes precedence over selective activities. Projects in the following areas have been supported:

- Disaster aid and social aid
- Sustainability and globalisation
- Education and science
- Art and culture
- Media and communication

OeKB receives about ten sponsoring, respectively donation requests per week. About three quarters of these concern institutions and projects addressing social concerns. The OeKB public relations department examines all requests and rejects those that promise only selective activities, respectively focus mainly on self-publicity on behalf of the initiator.

Dimensions of sustainability

For all other requests, the public relations department does further research and finally sends a recommendation to the Management Board, where the final decisions on sponsoring and donations are made. The criteria for a positive recommendation are the sustainable effect of the plan and the possibility that this can also be used for in house awareness training.

The sponsoring activities in 2006 focussed on disaster aid and on social aid. Among others, OeKB supported the Caritas disaster aid initiative Dürnkrot, assistance for rebuilding after the earthquake in Indonesia, a benefit evening for Darfur, and the social fund established by the Federal President.

In the area of development cooperation support was continued for a development aid project, respectively a street children project in India, and, in the child safety area there was support for the curatorship Safe Austria.

Further focuses were contributions to open up the past, where

- Activities on behalf of concentration camp survivors;
- A project to move country folk back to their villages in Bosnia; and
- Publications on historical matters were promoted.

Also continued was the cooperation with the Society of Friends of the Visual Arts, and with the association Save the Stephansdom.

There are some projects that hold a special place in our hearts, such as, for example, the “Mirno More Friedensflotte”. The idea behind this moves us, because it shows that we can live together in peace if we get to know each other properly.

GRI PR6 >

Ship Adoption for the Mirno More Peace Fleet 2006

In September 2006, the Mirno More Peace Fleet was under way in the Croatian Sea for the 13th year in a row and OeKB supported it for the second time by way of a ship adoption.

The original idea of Lower Austria's Christian Winkler, after the first acts of the war in the former Yugoslavia was to put children from the various war torn countries together in a sailing ship and to sail under the motto "all in the same boat" – to break down prejudices and learn tolerance – 17 children in 3 ships participated in the first project in 1992.

Since then, the project, with its basic idea, has grown rapidly and, today, the Mirno More Peace Fleet project, under the aegis of the society bearing the same name, is one of the most successful educational peace social projects in Europe. Starting from the then idea to invite children from the countries involved in the Balkan wars, today the Peace Fleet offers all interested socially disadvantaged children and teenagers (who come, for example, from children's or refugees' homes, orphanages, institutions for the handicapped, and who have had traumatic experiences related to abuse, drugs, violence, alcohol or delinquency), regardless of origin or religious affiliation, the possibility to sail, to forget the, often depressing, daily routine and to make new friendships, transcending all frontiers.

In September 2006 there were 650 participants from 25 countries on 75 ships underway in Croatia. In addition, in 2006, as part of our European expansion, a new fleet sailed from Turkey, for the fourth time, with young people from the Middle East and eastern Mediterranean countries, with about 80 participants on 13 ships. An estimated 750 participants from various countries will take part in the 2007 Peace Fleet in Croatia and will sail for Peace and Tolerance in a greater than ever fleet of about 80 ships.

Last but not least, in the same spirit, independent partner organisations of fleet participants have been founded in, amongst other countries, Croatia and Bosnia.

The project is made possible, for the most part, by private sponsors, without whom the Peace Fleet could not exist in its present form. Mirno More has become familiar, not least because of repeated reports in ORF (Austrian TV), as well as on international TV channels and Austrian daily newspapers.



You can find all information on the Peace Fleet under www.mirnomore.org

In the name of those children whose participation in the 2006 Peace Fleet was made possible by OeKB's ship adoption, I would like, in the name of the Peace Fleet Board, to thank them most heartily for their support.

Leopold Frey

(Managing Director of the Mirno More Peace Fleet)





3.4 Dialogue and networking

3.4.1 Stakeholder analysis

GRI 3.5 >

GRI

4.14-4.16 >>

GRI 4.4 >>

Stakeholders hold a key function in a sustainable company. Their claims and interests are defined in their role with regard to OeKB. We try to counter any conflict of objectives between the claims of the various stakeholders by making our information as transparent as possible and with active dialogue.

At OeKB the most important stakeholders were defined by brainstorming and placed into groups. Points were awarded to these groups for relevance with regard to the sustainability report and business relevance.



Using differing viewpoints in order to get added value and economic opportunities from the synthesis is a challenge in a slowly but sustainably changing society. Trying out ambitious new ways and not shirking a certain amount of own risk, creates credibility and trustworthiness, and in the end also minimises risks.

Thus OeKB seeks dialogue with all stakeholder groups. The palette of events was large, the mixture of people attending was colourful.

GRI

4.16; SO5 >

3.4.2 Overview of events

- 1st February 2006
“What values are required by the economy – economic ethics and civil society”

The event is a cooperation between *die Furche*, *respACT austria*, OeNWE (Austrian Network of Economic Ethics) and Investkredit Bank AG. Panel Discussion: Johannes Attems (OeKB), Friedrich Macher (Kühne + Nagel), Christian Neugebauer (Globalist Review), and Maria Vassilakou (The Green Party).

- 29th March 2006
A series of events: Vienna Investment Forum “Progress through sustainability”

Markets of the future – economic chances, social challenges, companies offering sustainable products present themselves to potential investors (part 2).

- 3rd to 5th April 2006
UNEP-workshop – Export credit agencies and the environment

3.4.3 Hosting an OECD practitioners workshop

In the period from 3rd to 5th April 2006 the 5th Workshop on Export Credit Agencies and the Environment of the UNEP (United Nations Environment Program) took place in Vienna on invitation of OeKB. For two days a mixed audience, consisting of representatives from export credit insurance companies, representation of interests and NGOs discussed sustainability topics and their effects on the business activities of export credit insurance companies. In particular, the OECD-sector conditions for renewable energy and water projects, environment reporting and carbon credits were the topics of discussion.

- 8th June 2006
Co-Sponsor of the Austrian PR-Day on the topic

“Public Relations meet Europe. How companies, agencies, institutions and NGOs in Europe communicate”

- 7th to 8th June 2006
Renner Institut – Teachers’ Training – History Lectures

- 13th June 2006
Cooperation with ICEP

Presentation of the Business Guide for the commitment of companies in developing countries.

- 20th June 2006
OeKB stakeholder dialogue – World Café

- 30th November 2006
Vienna Investment Forum

Companies offering sustainable products present themselves to potential investors (part 3).

A visit to the bio mass power plant Simmering and to the hydroelectric power plant Freudenau rounded off the workshop.

As the auditorium also contained representatives of institutions that already handle micro credits and have gained first experiences of them, the occasion was used to carry out extensive discussions around the event as to whether OeKB, with its instruments, and the basic idea of micro credits could be reconciled at all. As it turned out, they can.

3.4.4 Presentation of the ICEP business guide

On 13th June 2006 the fresh off the press “Business Guide to Developing Countries” was presented to company representatives and experts from the economic and development cooperation in a packed Reitersaal at OeKB. This one hundred page compendium for business commitment in developing countries, was produced by ICEP on order of the Austrian Development Agency ADA and paid for by “go international”.

Ferdinand Schipfer, head of the export guarantee department at OeKB noted in his welcome address that developing countries are increasingly in demand as turnover markets and investment targets. In this regard the challenges concerned with market entry in developing countries can only be overcome by information and preparation.

A different viewpoint on the developing countries was expressed by Georg Kapsch, Chairman of the Board of Kapsch AG, in his keynote: “We view developing countries simply as backward. It is our responsibility to bring added value into these countries and respect their culture at the same time. It is other cultures after all that make the business attractive” he is convinced. Risks are not to be underestimated. However, “a businessman must seize opportunities, rather than avoid risks”.

A moderated podium discussion illustrated how the Austrian development cooperation supports its partner countries in the establishment of a functioning private sector, in cooperation with companies. Development cooperation must become a more significant topic of economic policy, as economic development indirectly helps combat poverty.

3.4.5 Sustainability Café

What other city apart from Vienna would hold meetings on important topics in a coffee house environment? But this was not the only reason why the sustainability report 2005 was presented at the Sustainability Café. It was not the conclusions reached in the report that were so much in the foreground. This special type of communication offered new impulses for a sustainable development at OeKB.

The Sustainability Café was carried out according to the principle of the World Café chaired by Heinz Peter Wallner. In a pleasant atmosphere nine tables accommodated different topics, which were critically discussed all the same. The recognition and credibility of the sustainable efforts of OeKB also had to face criticism. In general it was positively regarded that opposing viewpoints could be openly discussed and the general impression was that the participants would constructively seek solutions.



The themes of the tables were:

Credibility of OeKB as a sustainable company

How credible is OeKB to the outside world in respect of its sustainable efforts? Are our efforts being taken seriously or do people think that we are only doing what comes easily to us? Do we as OeKB stand by what we say? What do the stakeholders expect from OeKB?

Transparency of OeKB

What would I like to know about OeKB? What is lacking in communication to the outside world and in the sustainability report?

Responsibility of companies and their limits

Where does the responsibility of companies begin and where does it end? Where is the beginning and where the end of civil society and politics? How should competitive advantages and distortions be viewed in this context? What would international harmony look like?



Sustainable financial market

This table focussed on Green Money. Do stricter, more sustainable criteria denote a better performance? What part does sustainability play in personal preparation for the future? Will sustainable assessment increase in importance?

Business ecology in service provision companies

To what extent can an individual company have a positive effect on the environment in its administration? Is this at all possible? Will ecology be included in decision-making? Can external costs gain significance in a cost-use-subject matter in future? Or are all these, at best, awareness forming measures?

Legal social standards – curse or blessing?

What difference does the quality of legal standards make? How seriously are they really implemented? What are the advantages and disadvantages? Who wins and who loses? What would you personally expect from an attractive employer in this context?

Sustainability and the fun factor

Will we no longer be able to afford the life we have been used to and is sustainability, therefore, a synonym for doing without, i.e. asceticism? Or is sustainability an exciting challenge to be met with optimism? What is the better incentive, optimism or the ever growing unease?

Many terms for, but just one understanding of sustainability?

Hardly any other term is as imprecisely defined as the term sustainability. Add corporate social responsibility, Corporate Governance etc., and the confusion is complete. How these terms can be distinguished, and where the differences lie, was the topic at this table.

Successful business policies and sustainability

What effect does a sustainable business policy have on success? Opportunity or barrier? Are new business areas the key to economic success, to reputation and image?

3.4.6 Event on energy saving measures and alternative energy

GRI EN5 >

Awareness forming measures that transcend the business career are the order of the day at OeKB. This event in 2006 followed the trend towards energy saving measures and alternative energy. All employees were basically given information tailored to their

individual lifestyles with regard to available technology, associated costs, and available assistance.

This also puts across the necessity for consistent and responsible handling of resources at the workplace.

3.4.7 Connecting people

The personal social commitment of an employee in this sector lead to an agreed target in her employee appraisal. The mentoring of unaccompanied, underage refugees by sponsoring was considered a worthwhile commitment. Thus OeKB wanted to help with

spreading the idea. In a packed auditorium youngsters were given the opportunity to perform a small theatrical sketch that they had written themselves, to illustrate their own experiences as refugees and at the same time draw attention to this project.

3.4.8 Christmas market for charity

Building on a long tradition, OeKB has for many years been responsible for the organisation of the charitable Christmas market at the Freyung. Over the last few years, the operative work to set up the Christmas market, including a cancellation guarantee provision had been the voluntary task of Karl Wagner, a colleague at OeKB.

At the event stalls are made available free of charge to charitable organisations to sell their own products.

The event is financed by the sales of hot fruit punch which cover most of the costs. The opening event was attended by other sponsors, many OeKB employees, passers-by, and invited guests.

When Mr. Wagner retired, OeKB sustainability management continued the tradition, and has now taken up finance and organisation of the project.

Sustainable services

4 Responsibility in OeKB's core business

GRI
1.2; PR1 >
GRI
EC8; EC9 >

OeKB services represent a significant value-added item to the export-orientated Austrian economy. This important position in the national economy also entails a level of responsibility that transcends the business ecology aspects alone, and this is kept in mind with regard to every project.

In general all products and services of OeKB are checked for their sustainability. It is no wonder that those services provided in the course of clearing the guarantee procedures are the most relevant from the sustainability viewpoint. Evaluating these indirect effects on person, company and environment and making a topic of them is the task of one of our own departments that examines projects on basis of international regulations. Our own environmental officer for export service products advises the trustor in international committees in these matters. Over the last few years this consultation has increasingly dealt with questions of human rights and social matters. Even if the influence of OeKB has a limited effect on export business, the dialogue with the warrantees

accompanying the examination process surely promotes the ecological and social quality of projects, which as a rule also contributes to a reduction in economic risk.

More actively executable – though of lesser ecological significance – are the capital market services. Here above all it is own assessment and development of new products that are the sustainable focus.

During detailed examination of the products and services of OeKB all departments were asked with the aid of a large questionnaire about the interaction between the core business of OeKB and its sustainability, and also on challenges, opportunities and risks from a sustainable point of view. Topics ranged from micro credits, responsible lending to the debate on whether sustainability is a curse or a blessing in today's business world and could it be juxtaposed by competitive disadvantages in potential new business fields.

OeKB Versicherung AG

The entry of OeKB Versicherung into the credit insurance market was very successful. However, to stay successful means always looking forward and learning all the time. To look at the core business of OeKB Versicherung from a sustainability point of view will continue to be a component of this constant learning process in the future.

The Austrian economic structure is characterised by SMEs. Consideration of small regional Austrian companies fits in with these sustainable observations. OeKB Versicherung does not differentiate according to size of company, but gives every single client the same amount of time and attention. The same is the case where the pricing is concerned, the criteria are the same for all customers.

Furthermore, OeKB Versicherung is also prepared to cover individual and first business transactions of small companies in order to help them promote their export activities.

OeKB Versicherung was included in the detailed examination of the products and services of OeKB. Open communication, transparency and responsible trading were the focus of the talks.

EXPORT SERVICES

Services	Indirect environmental impacts	Reasoning
Export guarantees Processing of guarantees of the Republic of Austria for insurance of the political and economic risk of export business transactions	relevant	In view of location and size of the projects particular care is required in the examination; the projects often have a significant effect on the environment and the living conditions of the local inhabitants.
Avals A bill guarantee opens access to better financing conditions	intermediate	A bank-technical audit of the exporting company takes place. Sustainable criteria and company soft facts are included in this valuation. Bill guarantees related to export guarantees for projects are similar to guarantees in their effects.
Rescheduling contracts Rescheduling negotiations in the framework of the Paris Club. Bank-technical settlement of the debt rescheduling	intermediate	Advice of the Minister of Finance in the Paris Club, in connection with the cancellation of debts in the framework of the HIPC-Initiative.
Export financing Economical loans for exports already insured.	intermediate	There is no more influence after issuing a guarantee commitment. A critical assessment is nevertheless necessary owing to the size of the projects.

Sustainable services

SECURITIES SERVICE

Services	Indirect environmental impacts	Reasoning
Central securities depository		
Central storage of securities and electronic settlement of non-stock exchange transactions	small	The fully automated settlement allows for no intervention into the question of what is being saved and traded.
Financial data service		
Provision of securities data, development of new products	intermediate	Cultivation of awareness can fortify the sustainable financial market.

ENERGY MARKET CENTRE OF EXCELLENCE

INFORMATION SERVICES

Services	Indirect environmental impacts	Reasoning
Financial clearing and risk management		
In the energy sector, carbon emissions trading	relevant	Carbon emissions trading represents an important instrument in the fulfilment of the Kyoto-Protocol. OeKB pays subscriptions in this respect.
Information services		
Professional information sourcing and research know-how	intermediate	Research work takes place according to order, so hardly any influence here. Special services and filters for environmental information assist in the cultivation of awareness.

4.1 Export market

GRI 2.7 >

Regions and countries	Guarantees issued (contracts) 2006	Guarantees outstanding Dec. 31, 2006
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Guarantees issued and outstanding by regions and countries¹

in 1,000 Euro	Total	of which rescheduling guar.	Total	of which rescheduling guar.
Total	8,713,706	376,350	32,107,575	2,659,774
Europe	1,790,089	1,357	7,111,335	1,278,069
Germany	70,982	-	95,184	-
Estonia	-	-	40,203	-
Greece	143	-	161,361	-
Poland	105,087	-	1,232,181	1,113,111
Slovak Republic	268	-	32,688	-
Spain	3,004	-	31,553	-
Czech Republic	1,357	-	53,206	-
Hungary	51	-	30,839	-
Cyprus	32,346	-	94,821	-
Turkey	48,090	-	1,201,628	-
Albania	-	-	127,004	-
Belarus	16,030	-	62,708	-
Bosnia and Herzegovina	79,312	-	297,170	90,653
Bulgaria	44,286	-	158,619	-
Kazakhstan	65,666	-	85,466	-
Croatia	29,333	-	236,488	19,705
Romania	90,208	-	385,399	-
Russia	613,161	-	1,669,558	-
Serbia and Montenegro	172,374	1,357	414,656	53,525
Ukraine	376,358	-	565,644	-
North America	6,533	-	27,688	-
USA	5,275	-	26,391	-
Latin America	61,690	-	399,003	80,499
Brazil	32,930	-	207,582	-
Cuba	2,254	-	39,836	39,801
Peru	125	-	29,355	29,237
Venezuela	5,812	-	61,313	-

¹ Country data without comprehensive guarantees and guarantees by aval on bills of exchange. Guarantees issued (contracts) and guarantees outstanding in each case excluding guarantee offers.

Excluding outstanding receivables due to the guarantor (Republic of Austria) from claims paid under guarantees.

Sustainable services

Regions and countries	Guarantees issued (contracts) 2006		Guarantees outstanding Dec. 31, 2006	
in 1,000 Euro	Total	of which rescheduling guar.	Total	of which rescheduling guar.
Asia	1,139,490	374,993	5,389,421	748,520
Bhutan	-	-	31,249	-
China (incl. Hong Kong)	425,446	-	1,581,830	-
India	20,985	-	90,408	-
Indonesia	762	-	1,250,328	267,532
Iraq	373,482	373,456	373,925	373,456
Iran	59,382	-	735,441	-
Israel	52,146	-	61,709	-
Jordan	1,537	1,537	56,794	55,980
Malaysia	27,298	-	40,403	-
Pakistan	5,529	-	75,290	31,857
Philippines	227	-	220,441	3,996
Saudi Arabia	25,279	-	315,295	-
Singapore	8,960	-	36,049	-
Sri Lanka	2,941	-	46,732	-
South Korea (Republic)	18,410	-	87,032	-
Taiwan	57,341	-	82,252	-
Thailand	1,207	-	118,274	-
Vietnam	9,248	-	140,522	15,699
Africa	77,881	-	893,396	552,686
Egypt	19,011	-	436,131	393,479
Algeria	14,680	-	132,659	-
Côte d'Ivoire	-	-	71,775	71,775
Gabon	21,250	-	31,762	-
Ghana	-	-	42,043	-
Nigeria	-	-	43,375	43,375

4.1.1 Environmental impact assessment

- GRI 4.12** > The environmental impact assessment used by OeKB is based on implementation of the common approaches on environment and officially supported export credits. OeKB adds to this test procedure by including use of the “watchful eye procedure”, which pays attention to those products additionally that would fall below the requirements of the OECD testing procedures.
- GRI EN26** >
- GRI HR1, HR2** >
- GRI SO1** > Three project categories are distinguished in the testing system.

Category A products, for which normally an environmental impact assessment report is required, if the documents received are not regarded as adequate by our environmental auditors. These projects represent the highest risk and must be examined in the most detail.

Possible effects on the environment are identified in **Category B** projects, for which information is needed. Here also, if deemed necessary by our internal environment auditors an Environmental Impact Assessment may be necessary.

Category C projects represent minimal, or no significant environmental effects. In general these projects require no further analysis, the internal environment auditors provide a statement as to why no environmental effects are to be expected.

The allocation of the projects to the respective categories take place principally on the basis of the environment questionnaire.

Principally attention is paid during the examination to the likelihood of influence and the information situation of the exporter with regard to his share of the supply.

The set up of a so-called list of positives for environmentally benign investment goods has promoted awareness also in their exporters and at the same time contributed to a decrease in required administration. An example of export goods on the list of positives could be rail vehicles, such as rolling stock, as long as they are not to be employed on newly built track in environmentally sensitive areas. Another example would be fire engines. The list of positives enables closer concentration of testing activities on those export transactions that are the most environmentally sensitive.

Projects in the categories A and B must be reported to the OECD after the guarantee has been issued.

Four projects had to be reported last year owing to the OECD reporting requirements. 46 projects were examined, some of which still have not been authorised. The majority of these are projects that have been subjected to examination under “watchful eye procedure” in the sense of the special care to be taken regarding their environmental effects.

At the OECD-Export Credit Group meeting in 2006 the discussions were marked by considerations of revision of the “Common Approaches”. Agreement is expected to be reached on this in the first half of 2007. It will also be significant to see to what extent also non-OECD Export Credit Group members, such as China, Brazil and India for example, will fall into line with the results.

Assessment statistics

	2000	2002	2003	2004	2005	2006
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Environmental assessments carried out

Environmental audits, individual or in connection with other audits						
Category A	2	13	7	17	11	6
Category B	1	10	7	17	28	27
Category C	-	11	18	15	15	13
Total	3	34	32	49	54	46
Sector						
Power plant, thermic	-	4	4	3	1	1
Power plant, hydro	3	8	4	3	9	5
Refinery (oil, gas)	-	-	1	1	-	-
Chemical (synthetics)	-	-	1	7	1	1
Paper, pulp	-	2	4	6	6	9
Engineering	-	4	6	1	1	1
Iron, steel	-	5	7	15	22	16
Waste water	-	1	-	-	-	1
Transport	-	3	1	4	-	2
Vehicles	-	1	-	-	-	-
Tunnelling	-	3	-	2	-	-
Medical equipment (Medical technology)	-	1	2	-	4	1
Energy (Transfer and distribution)	-	-	-	1	2	1
Waste	-	-	-	2	-	1
Construction materials	-	-	-	2	-	2
Other	-	2	2	2	3	5
Agriculture	-	-	-	-	1	-
Transport infrastructure	-	-	-	-	4	-
Total	3	34	32	49	54	46

These examinations are necessary for project evaluations pursuant to the Austrian Export Guarantees Act carried out by the advisory committee that has been established within the Federal Ministry of Finance. Projects are subsequently recommended to the Federal Minister of Finance for assumption of liability. In 2006 acceptance of liability was issued in 640 cases, with a total volume of Euro 2.8 billion. 44 of these, i.e. 7 % of all approved cases, with a

total volume of Euro 760 million, i.e. 29 % of the total volume approved, were subjected to detailed individual environmental audits. The deviation from the number of investigated projects as mentioned in the table above results from examination and issuance of guarantee promise taking place at different points in time.

Individually examined cases are allotted as follows:

	No.	Volume in mil. Euro
Transactions assessed		
Category A	6	110
Category B	24	450
Category C	14	200

It is in the remit of OeKB to put some projects forward to public discussion. The power plant project Ilisu in Turkey can surely be mentioned here as a special

case, which is why we have awarded it more detailed description elsewhere in this report.

4.1.2 EIA projects registered with OECD for 2006

A majority of the 30 authorised category A and B projects in 2006 were furnished with a short-term payment target. Thus on our part they were examined according to the “watchful eye procedure” and conditions were set, in some cases. Reports to the OECD, however are limited to the following

projects that correspond with the OECD reporting criteria. This includes the duty to report sensitive project locations, even if project volume is less than Euro 10 million, e.g. a tourism-project in Serbia, illustrated in more detail, below.

Galvanising plant Kashira, Russia	
Sector	Iron and steel production
Components delivered	Galvanising plant
Capacity	180.000 t/a
Examination standards applied	International Standards
Environmental relevance	Category B
Total value of business	Euro 19 million (50 % of the total project)

The galvanising plant is to be built in a warehouse in an industrial area. Environmental aspects examined were in particular the adherence to standards

regarding airborne emissions. This project complies with international standards and no further conditions were necessary.

Strand casting plant Alchevsk, Ukraine	
Sector	Iron and steel production
Components delivered	Strand casting plant + degasification plant
Examination standards applied	International Standards
Environmental relevance	Category B
Total value of business	Euro 40 million

This concerns expansion and modernisation of an existing steel plant. The measure will achieve savings in energy use and in use of raw materials. The equipment delivered by the exporter is state

of the art technology and complies with international standards. Emissions in air and water were checked in detail. The new plant enables economic and ecological steel production.

Tissue machine, Poland	
Sector	Paper and pulp
Components delivered	Tissue machine
Environmental standards applied	European Standards
Environmental relevance	Category B
Project volume	Euro 20 million

The project concerns expansion of an existing paper factory. Regarding the environmental impact,

conformity with the strict European air and water norms was particularly closely examined.

Skilift in Stara Planina, Serbia	
Sector	Tourism
Components delivered	Lift equipment
Standards applied	European Standards
Environmental relevance	Category B
Project volume	Euro 3 million

As the construction site is situated in a sensitive project location this small project was also reported to OECD. It concerns the erection of two ski lifts in connection with the construction of a smallish skiing area. The project has already been authorised under specific preconditions by the Serbian Environment Protection Authority.

With regard to environmental relevance and examination procedures for classification by categories A, B and C, more details are available on the OeKB website under [www.oekb.at/Export_Services/Products & Services/Project- and Environmental Analyses](http://www.oekb.at/Export_Services/Products_&_Services/Project-_and_Environmental_Analyses).

4.1.3 Soft loans

Projects that contribute to the sustainable development of the recipient countries can be financed by OeKB with support from public authorities at soft loan conditions. Austrian soft loans are characterised by their low interest rates and long terms (including grace periods). The criteria for a project to receive a soft loan are set out in internationally agreed procedures (OECD-Consensus) on the one hand and the Austrian Soft Loan policy on the other.

In the course of refocusing of the Austrian Soft Loan policy two years ago greater emphasis was put on the sustainability of the projects. In order to be able to check this, reports have been demanded since that time, in which the sustainability of the delivery/service can be seen.

Because these must be non-profit projects (OECD criteria of the financial non-viability), and within the structure of the Austrian export economy, the main emphasis for Austrian soft loan authorisations is on the following sectors:

- Health
- Education
- Drinking and waste water
- Fire protection/fire fighting
- Railways
- Waste etc.

Projects in the health sector

Projects in the health sector always signify an improvement of medical provision for the general population in the recipient countries. Depending on contents of the project this could concern anything from basic provision up to special clinics, but must always be for the benefit of the general population. A significant proportion of these projects concern the education of local personnel.

The education programmes aim to train users in the operation and maintenance of the equipment, and to enable the maintenance personnel to carry out necessary maintenance work independently after expiry of a guarantee period. Only in this way can a sustainable improvement in the health system be achieved. Besides the improvement in acute medical provision some projects contain provisions focussed on prevention.

About 33 % (approx. Euro 20.1 million) of the soft loan projects concluded in 2006 are attributable to the health sector. Of these 33 % almost 80 % of the projects are in Asia. The Austrian export economy is very highly regarded in this sector.

Projects in the fire protection and fire fighting sector

The issue of soft loans for projects in the fire protection/fire fighting sector are limited to municipal establishments. This guarantees that poorer communities can afford high quality fire fighting systems as well, and they are available to the general population. With better fire protection more lives can be saved and homes, infrastructures and other buildings better protected. This improvement to fire protection is provided in the form of high quality and reliable extinguishers.

If there should be a shortage of drinking water (catastrophe protection) the tanks of the fire engines can be used to contain drinking water for the affected inhabitants. To guarantee sustainability these projects include intensive training measures.

About 32 % (approx. Euro 19.5 million) of the soft loan projects are attributable to fire prevention/fire fighting in Asia.

Projects in the drinking and waste water sector

Projects in the drinking and wastewater sector in the first place contribute to the improvement of health, starting with a reduction in the death of suckling babies up to the decrease in serious illnesses. Furthermore, such projects effect developments in the local economic areas, which can help against the frequent tendency to migrate out to the metropolitan areas.

The know-how of the Austrian export economy in the water sector is employed to an increasing extent in the Western Balkans. Cooperation with the Austrian development aid projects in this region should contribute to sustainable development.

About 20 % (approx. Euro 11.7 million) of the soft loan projects concluded in 2006 are attributable to the drinking and wastewater sector. Of these 20 %, about 70 % are in Asia and about 20 % in the Western Balkans.

Projects in the education sector

Projects in the education sector create a sustainable improvement of the education situation in the recipient countries. The proportion of qualified workers is increased, from manual workers to academically qualified experts. This again enables the building or expansion of businesses and industrial companies, which for its part signifies sustainable development of the region/province/country. The creation of work places prevents the migration to large towns and sustainably contributes to combating poverty.

About 5 % (approx. Euro 2.6 million) of the soft loan projects concluded in 2006 is attributable to the education sector and is all in Asia. Over the last few years many medium sized projects have been realised in Asia.

The utilisation of soft loans in relation to total use in the framework of the export financing process was about 7.8 %, respectively approx. Euro 2 billion.

Soft loans in 2006 according to sectors	Soft loans in 2006 according to regions
33 % medicine 32 % fire protection 20 % drinking and waste water 15 % education and miscellaneous	89 % Asia 11 % Western Balkans

4.1.4 Debt rescheduling and HIPC initiative

Furthermore, OeKB is active in the area of country rescheduling, whereby Federal guaranteed claims and development aid claims are negotiated and rescheduled, respectively issued in the framework of the Paris Club according to the export promotion law (see explanations on the HIPC-Initiative). There are presently rescheduling agreements in place with 31 countries. The rescheduling volume is about Euro 4.6 billion.

Of this volume about 36 % is attributable to the indebted countries in Asia and about 30 % to Africa and Eastern Europe respectively. Further information is available under [www.oekb.at/Export_Services/Products & Services/Rescheduling](http://www.oekb.at/Export_Services/Products_&_Services/Rescheduling).

OeKB implements agreed debt relief bilaterally with the affected countries in the framework of the HIPC-Initiative (HIPC = heavily indebted poor countries).

GRI EC8 >>

Sustainable services

The HIPC-Initiative was brought to life in 1996 by the World Bank (WB) and the International Monetary Fund (IMF), in order to reduce the debt of heavily indebted poor countries to a sustainable level. It was clear to the international body of creditors at the time that the debt situation of many countries could not be solved without drastic measures.

Traditional instruments for debt relief in the framework of the Paris Club – the so-called Naples terms, which allow for a 67 % debt cancellation – were not sufficient without these additional measures to ensure a lasting improvement in the foreign debts of these poorest countries, let alone guarantee prospects of economic growth and overcoming of poverty within a manageable time frame.

Thus the HIPC-Initiative in the first place makes possible coordinated debt relief by international financial institutions and the bilateral public creditors of the Paris Club. But also envisaged therein is the participation of all other bilateral creditors in the debt cancellation measures.

In 1999 the HIPC-Initiative was extended to become the so-called expanded HIPC-Initiative in the framework of the G8-Summit in Cologne. The aims of this expanded initiative are, besides a higher debt cancellation for the indebted countries (by decreasing the benchmark for qualification under the Initiative and expansion of bilateral debt relief to up to 100 %), a faster implementation of the cancellation and a better tie-up with the war on poverty in the affected countries. With regard to the latter more attention should be paid to the social aspects in the processing and implementation of plans for reform by the indebted countries themselves and with cooperation of the civilian population.

Conditions of the participation of an indebted country (in fact 40 countries qualify) in the expanded Initiative are:

- IDA-only Status (Recipient of aid concessions from the World Bank)

- The external debt quota (relationship between the cash values of external debts to exports) is over 150 % after taking into account traditional debt relief instruments
- The country carries out reform programmes in an orderly manner in cooperation with currency funds and the World Bank (track record)

The IMF assesses the costs of the loan cancellations in the framework of the expanded HIPC-Initiative for these 40 countries to be around \$ 65 billion (of which around \$ 30 billion is attributable to those 20 countries that have already concluded their debt cancellation procedures). The proportion of multilateral creditors (IMF, WB etc.) is at 46 %, that of the creditors of the Paris Club at 36 % (Source: IMF; costs are cash values as at the end of 2005).

In order to give the indebted countries additional financing scope for the fulfilment of the Millennium Development Goals, after conclusion of the debt cancellation process under the expanded HIPC-Initiative, the members of the G8 decided on the Multilateral Debt Relief Initiative in the summer of 2005 in the framework of the Gleneagles summit. This provides for the 100 % debt cancellation for the aforementioned post HIPCs by the IMF (International Monetary Fund), the World Bank and the African Development Fund for outstanding loans.

Of the 40 HIPC qualified countries 24 have liabilities to Austria in the framework of the Paris Club. The resulting debt cancellation contribution in the framework of the expanded HIPC-Initiative amounted to a nominal Euro 740 million at the end of 2006, whereby the bulk is attributable to those 12 countries for which the debt cancellation process on a bilateral level had already been concluded.

According to the OECD regulations the debt relief provided in the framework of the debt rescheduling of the development countries represents a service that can be set-off and thus contributes positively to achievement of the Millennium Development Goals that amongst other things provides for a halving of poverty by 2015.

4.1.5 Audit of environmental projects as exemplified on the Ilisu embankment dam

The hydroelectric power plant Ilisu was the most intensively debated and examined project in the framework of the Austrian Export Promotion Initiative in the 2006 year of report. It concerns a hydroelectric power plant on the Tigris in the principally Kurdish East Anatolia near the town of Hasankeyf.



A power plant is planned with a performance of 1200 MW and a dam depth of 135 m. It is to be built by a syndicate of Turkish building firms as well as Austrian, German and Swiss companies. The principal is the highest Turkish water authority DSI (General Directorate of State Hydraulic Works).

The environmental aspects have been examined since December 2005 by three Export Credit Agencies (ECAs) Euler Hermes, Germany, Serv (formerly ERG), Switzerland and OeKB. These examinations are based on the Environmental Impact Assessment Report (EIAR) and the Resettlement Action Plan (RAP) published by the Ilisu syndicate in November 2005 on the website www.ilisu-wasserkraftwerk.com.

During the audit comments of the affected local people and contributions by non-governmental organisations were taken into account. As did both the other export credit insurers, OeKB also identified a series of problems that would have to be clarified, respectively solved before taking over of a guarantee could be recommended to the deciding committee. These concern the areas of repatriation and compensation, water rights, cultural monuments, water quality, flora and fauna.

The Ilisu syndicate has been informed of these problems and the ECAs demand, in respect of every problem area, that

- comprehensive project plans and timetables and an adequate and exactly defined budget for the necessary measures are available,
- the institutions responsible have been identified,
- willingness is recognisable to implement the necessary measures and ensure the necessary funds.

Action plans (resettlement, environment, cultural monuments) were demanded from the project carrier DSI as well as a revision of the Resettlement Action Plan and Environmental Impact Assessment Report from the syndicate. These documents were presented in June 2006, and after examination of them by the three ECAs the principle still open points were put in writing to the DSI.

Parallel to the audit ongoing consultations with CSOs are taking place.

In August 2006 representatives of the ECAs and the guardian authorities travelled to Turkey. They met with the DSI and the other involved ministers in Ankara. Finally they visited the project region of the planned power plant (projected water storage area, villages, Hasankeyf and other cultural cities, towns in the region as indirectly affected). One of the main points was the meeting with affected people (officials, citizens, NGOs) with whom the main problem areas of the project were discussed.

Sustainable services

The ECAs together with DSI agreed further procedures in Ankara, which could quickly give out a positive signal to the Turkish side (promissory note) without cutting back on any of the still necessary clarification and documentation of important open/incomplete/insufficient points. A significant step towards clarification of questions was a pro-active participatory process in the shape of a five-day meeting in Ankara between DSI, syndicate, ECAs and independent experts.



This meeting took place in October 2006. DSI and the ECAs agreed on the necessary measures, timetables and documentation obligations. Concretely the meeting concerned assignment of tasks for the critical areas of the project, which are recorded in so-called Terms of Reference (TORs). Each TOR contains, besides its heading, a description of the task to be carried out, a reason why the task still has to be fulfilled, a completion date and determination of who has to fulfil the TOR.

At the same time it was noted with each TOR which contents of the TORs has to be made available to the public on the website.

In content this concerns the TORs on environmental aspects, such as for example

- measures to ensure water quality in free running river course and in the reservoir (including waste water treatment plants)
- measures to counter eutrophication, assurance of a residual water mass in the underflow
- measures to protect flora and fauna
- planning and budget themes.

With regard to the topic of cultural inheritance the legal basis for the transfer of the Hasankeyf monuments to the culture park location and the measures for the careful and timely protection of the finds in the Tigris basin must be in place.

The resettlement information contains among other things

- measures for repaying lost income
- a mechanism to deal with complaints
- obligation to provide suitable alternative estate
- budget and legal aspects.

Further matters that need to be assured are binding Turkish agreements to cover the budget for all necessary measures outside the pure building activity, such as the resettlement, the protection of cultural heritage, environmental aspects etc.

Furthermore, it is envisaged that an independent expert committee of experts comprising internationally recognised and local experts shall take part in monitoring the project.

At the end of 2006 cover agreements/promissory notes, respectively basic agreements were issued, which can only be changed to final guarantees after fulfilment of the duties by the Turkish project carrier DSI. These duties concern the aforementioned TORs.

For an update on the status of the negotiations please see the website www.oekb.at and click on *Export Services/Project Information*.

4.2 Climate protection

4.2.1 CO₂ emissions and climate change

GRI
EC2; EN18 >

Climate change and global warming have been hot topics in public discussion for years already, but so long as the related situations seem to refer to a future generation only, only half-hearted attention is paid to them. Global weather phenomena are making their mark on the media and in politics and the inclusion of economic considerations indicate that there seems to be a change of emphasis in 2006/2007.

In 1997 the Kyoto-Protocol was passed, in which for the first time concrete goals for reducing CO₂ and other greenhouse gases were set out. However, the protocol was only to come into force when at least 55 countries, which together account for more than 55 % of the global carbon dioxide emissions in the year 1990, had ratified the agreement. This happened with the ratification of Russia in February 2005. So it took a whole eight years to put the agreement in force. The USA and several other countries, although signing the protocol, have not yet ratified it. 168 countries, including all those in the EEC, had ratified the protocol by January 2007. Austria declared that it would reduce annual emissions by 13 % compared to 1990, the year of reference, by 2012.

Even though progress has been made on paper, in reality hardly any has been made. The envisaged 8 % reduction is still a long way off, the United Nations foresee an increase in emissions by 2010 of more than 10 % than in 1990. Austria managed to reduce its emissions in 2004 by 1.3 % as compared to 2003, but that is still 15.7 % higher than in 1990.

(Source: Kyoto-Fortschrittsbericht des Umweltbundesamtes, Datenstand 2006)

In the framework of the Climate Protection Agreement in Kyoto, it was decided that instruments with flexible mechanisms were to be employed that should effect a reduction in the gases contributing to global warming – primarily CO₂:

■ Clean development mechanism (CDM)

CDM-projects allow an industrial country to relatively economically implement emission-reducing projects in a developing country and receive reduction certificates in return (“carbon credits”).

■ Joint implementation (JI)

contains the opportunity for industrial nations to use an existing gap between high and low reduction costs (regulated in Annex-1 of the Kyoto Protocol), again to receive “credits” that can be set off against the reduction target of one’s own country.

■ Emission trading

this mechanism is the one with the most marketable approach, trade with the certificates for the maximum permitted CO₂ emissions of countries, respectively businesses in the countries.

OeKB sees itself to be playing a major part in all three instruments as the central service provider. In the Environment Promotion Law it is named as the collection point for Joint Implementation and Clean Development Programmes. Furthermore, OeKB participates in the ECRA (Registration Office for CO₂-Certificates in Austria) and the EXAA (Energy Exchange Austria), where, according to the Austrian Emission Certification Law CO₂-certificates are traded on the exchange. OeKB Business Services GmbH also offers market participants, for whom membership of the exchange is not necessarily a sensible option, the opportunity to place buy and sell orders on the EXAA as a brokerage service.

¹ The other gases are:
methane, nitrous oxide, halogenated fluorocarbons,
perfluorinated hydrocarbons and sulphur hexafluoride

4.2.2 Energy market centre of excellence

GRI EN6 >

With the liberalisation of the electricity market in 2001 and the gas market in 2002 clearing centres for balance energies became necessary in Austria, that could guarantee secure and reliable clearing of all business transactions carried out.

The application of the existing OeKB competence in the area of securities clearing on the liberalised Austrian energy market was almost a done deal. In the initial critical phase of liberalisation it was the valued competence of this neutral expert for creditworthiness checking, risk management and financial clearing that was a major reason for the smooth and timely start of the APCS (Austrian Power Clearing and Settlement AG) on 1st October 2001 and the AGCS (Austrian Gas Clearing and Settlement AG) one year later.

Since then, OeKB, as an independent financial clearing office, has been acting as the clearing centre for the evaluation and clearing of balance energy on the electricity market in the control area APG (APCS) and on the gas market in the control zone East (AGCS) and further settles transactions fulfilled on the EXAA energy exchange. OeKB also conducts the risk management for APCS, AGCS and EXAA.

The liberalisation of the energy markets formed the basis for the providers of eco-power, as equal value partners to provide their contributions to environmental damage in the production of energy.

The implementation of the Kyoto Protocol in the countries of the European Union comprises various measures and mechanisms, whereby the EEC-wide trading in emission certificates represents an important instrument in achieving the reduction targets.

The Energy market centre of excellence in 2005 could make use of the valued competence of OeKB in the area of security and energy market clearing also in the environment sector, by the introduction of trading in CO₂ certificates in Austria.

The implementation of an international trade in emission certificates necessitated the establishment of a registration service office. Its main task is operating a standardised and secure registration system to register tenders, ownership, transfer and cancellation of emission certificates. As co-founder of the ECRA Emission Certificate Registry Austria GmbH OeKB was significantly involved in the successful establishment of this Austrian registration service office.

In 2005 the Austrian Energy Exchange began trading in environmental products. OeKB Business Services GmbH functions as member of the exchange and offers interested market participants, for whom membership of the exchange is not necessarily a sensible option, a simple and economical opportunity to buy and sell CO₂ certificates on the EXAA.

From the point of view of sustainability this has created the opportunity for industrial companies to fulfil their environmental goals and carbon reduction obligations as economically as possible.

4.3 Capital market

OeSFX



The OeKB Sustainability Fund Index (OeSFX) was the first OeKB product developed from Sustainability Management. This made it possible for an interested investor to compare all the ethical-ecological equity funds on the Austrian market on an up-to-the-minute basis. It demonstrated that investment in ethical

or ecological oriented funds did not only need to be a matter of personal conviction, but could also be backed up by concrete economic factors. In the past, the performance of these funds was indeed quite remarkable as compared to other types of funds, as demonstrated by a comparison with the MSCI:



Comparison OeKB Sustainability Fund Index (OeSFX)



The direct comparison should enable ethical share funds to become more attractive and counter prejudices, in that it is clearly illustrated that ethical considerations and economic key numbers do not exclude one another. A wider – ideal and economically motivated – circle of investors should assist sustainable investments to reach a wider coverage. This is supported by an up-to-date calculation of the change in net assets in the fund held by the OESFX since the start.

The development of the OeSFX proved to be very pleasing in the year 2006, the performance of the Index amounts to more than 12 %. If one compares the development of the OeSFX to the MSCI World Equity Return, drawn in for comparison (in Euro), development is better by more than 4 % – and this, even though the management fees of the funds in the OeSFX cost about 1.5 % p.a.

A further pleasing development is the clear increase in the assessed financial means in the OESFX funds. Since the start date of the OeSFX (30st December 2004) the funds contained in the Index increased by more than 60 % (adjusted for performance). If one takes the performance-adjusted growth in volume of the Austrian Public Fund in comparison, then there is a lesser growth, namely nearly 20 % to report.

So economic success is not seen as second-rate by sustainable companies. To the contrary, such companies act very innovatively, enjoy good employee motivation and are managed professionally. The real message should be that happy stakeholders are the basis of just as happy shareholders.

Further information about the OESFX are available found at www.oesfx.at.

Own portfolio

The valuation of the own portfolio with regard to sustainable investment products shows little change owing to the existing buy-and-hold strategy. The categorisation into Eco-papers continues to focus with regard to the Dow Jones Sustainability Index, the DJSI-Stoxx, respectively shares in it, as to whether the issuer is listed in the DJSI. If so the DJSI is applied to company valuation because it is assumed that bonds of a company listed in this index follow just as sustainable criteria as its shares.

Nevertheless, at a meeting with a member of the Ethics Committee (Max Deml) of the OeSFX the possibility of focussing the own portfolio ecologically was discussed, whereby in principle the introduction of exclusion criteria was assumed.

Furthermore, meetings were held with providers of "Eco-investments". As a restructuring of the own portfolio could be concluded in 2006 and further measures, as a result of regulatory and organisational changes can be expected in 2007, the following considerations are derived for the year 2007:

The measures that must be carried out with regard to the mixed special funds are the ascertainment of the status quo analogous to the internally managed bond part. A possible definition of exclusion criteria is to be discussed with the managers of the mixed special funds in respect of their manageability and costs.

5 Conclusion

GRI 1.1 >> Three years have passed since the publication of the first sustainability report, and three years in which sustainability at OeKB as well as in public opinion has continued to increase in importance.

As service provider for the domestic economy we shall continue to make efforts to progress the interlocking of economy, environment and society and implement it for the benefit of society, in general.

Sustainability programme

6 Progress report summary

The targets described in the following were concluded in 2006. The progress report shows that a large proportion of them could be successfully implemented, others had to be postponed or they serve as the basis of the new sustainability programme.

- **Strengthening the communication of enduring themes on an international basis**

Experts from all over the world debated the topic of export credit insurers and the environment in Vienna from 3rd to 5th April 2006. OeKB hosted this event as part of the United Nations Environment Programme (UNEP).

A total of 65 experts from the Export Credit Agencies (ECAs), environment and social NGOs (non-governmental organisations), financial institutions, government offices and private companies met for a workshop in OeKB-Reitersaal. The focus was an OECD-Agreement (Organisation for Economic Cooperation and Development) that allows the ECAs to offer special financing conditions in the area of renewable energy and drinking water projects, that create “clean” technological competitive advantages in the market.

- **Increased observation of eco-investments**

Besides increased observation of eco-investments meetings were held with providers of such investments. In the year 2006 restructuring of the own portfolio was concluded.

Further measures as a result of regulatory and organisational changes are expected for 2007, as well as further meetings with regard to an enduring focus for the portfolio.

- **Revaluation of the assessment criteria of the own portfolio**

In a meeting with a member of the Ethic Committee (Max Deml) of the Austrian Sustainability fund Index (OeSFX) possibilities for an ecological focus of the own portfolio were discussed, whereby in the main the introduction of exclusion criteria was assumed. As the aforementioned restructuring hinders further procedures, the agreed target was written forward to 2007.

- **Effective sustainable target in employees performance**

A catalogue of criteria was postponed, for the time being.

■ **Building awareness beyond the employment sector**

The increase in energy prices moves renewable energy alternatives increasingly into the foreground. This information event on the topic offered all participants the opportunity to gain information on offers, costs and promotions according to their own personal life situation.

■ **Put more emphasis on Family & Career**

The implementation plan was anchored in the sustainability management meeting; the basic certificate was presented to OeKB in September.

■ **Christmas market for charity**

From the middle of November up to 24th December 2006 a charitable Christmas market took place in the heart of Vienna under the patronage of OeKB and other sponsors. Charity organisations were provided with stalls free of charge, at which they had the chance to sell the products they had produced themselves, and to present themselves to the public.

■ **Relieve the family work of the employees**

The implementation plan of the Audit Family & Career also contained an audit on emergency care in company-owned kindergarten facilities. Unfortunately the audit showed a 100 % capacity utilisation, so that emergency care cannot be installed at present.

In the middle of 2006 an Employee Assistance Program (EAP) was installed, to be available to all employees free of charge and anonymous.

■ **Expansion of management competencies**

In the autumn of 2006 an information lecture took place in order to expand management competencies on the topic of Family & Career.

■ **Agree and coordinate company and employee interests**

In December 2005 the project group for the working out of principles of the Audit Family & Career was integrated into the existing sustainability team/operation, the points in the implementation plan thus put on the same level as the other sustainability targets.

■ **Integration of risk management and employee protection into the management system**

Employee protection was merged with the existing management system and all documentation updated. To integrate risk management did not seem appropriate to the targets at present.

■ **Status of personnel data**

Data collection takes place all the time; regular exchanges of opinion with other family-audited companies; participation in various studies, most recently in “Economic Effects of Family-Friendly Measures” under the chairmanship of the Institute for Ecological Economic Research (*Institut für Ökologische Wirtschaftsforschung*).

■ **Energy savings of 5 % as compared to 2002**
(Am Hof: 554,573 kWh, Strauchgasse: 2,018,830 kWh)

As at 31st December 2006 total use of electrical energy was 2,670,545 kWh (Am Hof: 477,510 kWh, Strauchgasse: 2,182,840 kWh), which did not reach the target.

The number of servers and switches in the middle of 2005 was almost 50 servers (200 Watt) and about 20 Switches (300 Watt) more than in the year 2002. This shows a growth of about 131,000 kWh. The increase in hardware has not slowed down since. Further measures to save energy were defined in order to compensate for this increase.

■ **Keep the use of paper constant**
(3,762,000 as at 31st December 2004)

Use of paper increased by nearly 14.5 % as compared to 2004 to 4,304,500 sheets of copy paper, to decrease slightly again at the end of 2006 to (3,920,000 A4 sheets). All the same the target was not achieved.

■ **Increase recycled paper quota**
(Reference Value 70.2 % as at 31st December 2004)

At the end of 2006 the recycling quota stood at just over 80 %. Targeted demand with regard to larger internal orders is likely to have been the cause.

■ **Sustainable procurement**

OeKB did not buy any advertising gifts in 2006, offered by handicap-workshops in general. But suppliers were basically identified, of whom use would be made when possible.

■ **Apply improved waste separation at all Reitersaal events**

At employee functions waste disposal bags are used that are coloured according to the different types of waste. When outside events take place the waste is taken away by the catering firms and disposed of in an orderly way.

■ **Avoidance of fire damage**

The annual fire protection practices were carried out, the presentations taking place thereafter also significantly contributed to the improvement in security levels.

■ **Use of renewable energy sources also in the heating of buildings**

This ambitious target could not unfortunately be implemented, as increased pellet prices, but also rebuilding measures made necessary by the projects in the total in-house technology system of OeKB, made it no longer viable.

7 Sustainability programme

GRI EN26 >

GRI 1.1 >

Target	Measures	Responsibility	by
7.1 Products			
Cooperation with the reworking and the following implementation of the OECD-Recommendation on Environment and Officially Supported Export Credits	Consultation from the Federal Finance Ministry and cooperation with other environment auditors from the OECD-ECAs. Communication of any innovations	Project and Environmental Analyses	06/2007
Pick out corruption and money laundering as a central theme	Training events together with the Austrian Chapter of Transparency	Export Guarantees/ Claims Management	06/2007
	Formulation of relevant working instructions for Guarantee consultants	Export Guarantees/ Claims Management	06/2007
Insurance of an ethical assessment of the own portfolio	Evaluation of the special fund by auditing the databases with regard to available data stocks and the chances of link-ups	Bond Market and Notification Office under the Capital Markets Act	06/2007
	Audit of the suggestions and recommendations received in 2006 with respect to the assessment criteria for the own portfolio	Bond Market/ Project Management Group	06/2008
Enhancement of the communication of sustainable themes on an international basis	Observe international development in the area of renewable energies	Project and Environmental Analyses	12/2007
Development of sustainable products	Check as to how far micro-loans can be transposed into OeKB instruments and be implemented in day to day business	Export Guarantees/ Claims Management	12/2007
Fortification of the sustainable financial market	Cooperation with the Media with regard to the OeSFX	Public Relations	12/2007

Target	Measures	Responsibility	by
Increase the quality rating of the OeSFX	Initiation of an umbrella fund, that represent the OeSFX	Securities Department Financial data service	06/2008
Evaluation of soft-loan application according to sector	Monitoring und cross-sectional analysis of soft-loan-projects of a sector over a longer period of time	Project and Environmental Analyses	12/2008

7.2 Information and documentation

Promote the image of OeKB as a sustainable company	Merge the separated information on the website	Public Relations	06/2007
Highlight aspect of the compatibility of ethics and economics	Carry out an event at OeKB in the development cooperation area together with the Institute for cooperation on Development Projects (ICEP)	Public Relations	12/2007
	Support a series of functions on questions of the economic ethics of the Association for the Promotion of Company responsibility of and in companies (respACT Austria)	Public Relations	12/2007
Commence cooperation with the Global Reporting Initiative (GRI).	Focus on a mutual event in the Reitersaal	Organisation, Construction, Environmental Issues and Security	12/2007
Extension of the EMAS certification to the "OeKB Südosteuropa Ges.m.b.H."	Integration of the "OeKB Südosteuropa Ges.m.b.H." into the sustainable management system at OeKB inclusive of key figures, documentation and presumption of awareness	Organisation, Construction, Environmental Issues and Security	06/2008
Extension of the EMAS certification to the subsidiary "Österreichische Exportfonds" GmbH	Integration of the "Österreichische Exportfonds" GmbH into the sustainable management system at OeKB inclusive of key figures, documentation and presumption of awareness.	Organisation, Construction, Environmental Issues and Security	06/2008

Target	Measures	Responsibility	by
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7.3 Social responsibility including measures in the Audit Family & Career

Flow of information to those on maternity leave	Set up of an information concept and introduce it for people on maternity leave	Personnel Department Public Relations	06/2007
Evaluation of family-orientated measures	Raise key figures relevant to the company in the part time and education sector	Personnel Department	12/2007
	Data model for personnel policy		12/2007
Preparation of decision-making principles for possible new working hours models	Check of further flexibility in the working hours model with regard to recalculation timeframes and transfer amounts	Personnel Department/ Works Council	12/2007
Reduce absences	Check possibilities of tele-working in special family situations (development of concept)	Personnel Department/ Works Council	12/2007
Employee health care	A "Health Dice", whose pages show different exercises, should proactively influence the negative effects of sedentary work.	Organisation, Construction, Environmental Issues and Security	12/2007
Quality insurance by external assistance in the implementation of the Audit Family & Career	Annual implementation workshop with consultants/ project group (report to the Federal Ministry for Social Security, Generations and Consumer Protection)	Personnel Department	12/2008

GRI EN18 >

Target	Measures	Responsibility	by
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7.4 Business ecology

Lengthen material circuits	Repair out of range equipment or pass in on to R.U.S.Z.	Sustainability and Waste Management Officer	12/2007
Improve the separation rate by 2-5 % (Basis 40 % as at 31st December 2006)	Waste separation initiative	Sustainability and Waste Management Officer	12/2007
Reduce the company's ecological CO ₂ emissions	Switch the water heating from natural gas to district heating	Sustainability and Waste Management Officer	06/2008
Save energy by compensating the increasing energy in the IT-sector	Make a topic of hidden energy consumption (leaving equipment on stand-by)	Sustainability and Waste Management Officer	06/2008
Reduce the CO ₂ -balance at OeKB indirectly by cutting down on air miles	Identification of projects that would enable a sensible CO ₂ compensation	Sustainability and Waste Management Officer	12/2008

7.5 Risk management

Avoidance of fire damage	Fire practices	Organisation, Construction, Environmental Issues and Security	Annually
Avoidance of risks	Edit the emergency manuals	Organisation, Construction, Environmental Issues and Security/Organisation	12/2007
	Implementation and training in the crisis management sector	Organisation, Construction, Environmental Issues and Security/Organisation	12/2008

Target	Measures	Responsibility	by
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7.6 Targets of OeKB Versicherung AG

Create awareness of sustainability	Participate in sustainable OeKB events	Sustainability Officer / OeKB Versicherung AG	12/2007
Direct sponsoring according to sustainable criteria	Prepare a catalogue of criteria for sustainable sponsoring	Sustainability Officer / OeKB Versicherung AG	12/2007
Above-average performance in the internal environmental ranking of OeKB	Increased ecological acquisition via SAP	Sustainability Officer / OeKB Versicherung AG	12/2007

GRI content index and validation

8 GRI content index

GRI 3.12 >

With the inclusion of companies and the most varied of stakeholders this report is based on the regulations issued by the Global Reporting Initiative (more on this at www.globalreporting.org) for the production of sustainability reports (G3).

The following table gives an overview as to which GRI content and key indicators have been handled in the report and where they can be found. On the whole the picture is quite pleasing.

The present sustainability report is in compliance with GRI G3 application level **A+**.



APPENDIX A – FINAL VERSION GRI APPLICATION LEVELS APPROVED BY THE GRI BOARD OF DIRECTORS JULY 2006

Report Application Level	C	C+	B	B+	A	A+
Standard Disclosures						
G3 Profile Disclosures	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Same as requirement for Level B	Report Externally Assured	Report Externally Assured	Report Externally Assured
G3 Management Approach Disclosures	Not Required	Management Approach Disclosures for each Indicator Category	Management Approach disclosed for each Indicator Category	Report Externally Assured	Management Approach disclosed for each Indicator Category	Report Externally Assured
G3 Performance Indicators & Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.	Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.	Respond on each core G3 and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	Report Externally Assured	Respond on each core G3 and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	Report Externally Assured

* Sector supplement in final version

Status:

- treated
- partially treated
- missing
- not relevant

1. Vision, strategy

1.1	Comment by the Managing Board		Foreword by the Board of Executive Directors
			Foreword by the OeKB Versicherung AG Board of Executive Directors
			1.1 Main idea
			5 Conclusion
			7 Sustainability programme
1.2	Risks and opportunities		3.1.2 Core competencies and opportunity evaluation
			3.1.3 Risk management at OeKB
			4 Responsibility in OeKB's core business

2. Profile of the Organisation

2.1	Name of the organisation		2.1	Company profile
2.2	Products and services		2.1.2	Key business activities
2.3	Company structure		2.1.4	Investments/participations
			2.1.5	OeKB organisational structure
2.4	Head office		2.1.6	Head office and locations
2.5	Locations		2.1.6	Head office and locations
2.6	Legal form		2.1.3	Shareholders and share capital
2.7	Geographical division according to markets		4.1	Export market
2.8	System limits, results, employees		2.1.6	Head office and locations
2.9	Significant changes		2.1.1	History
2.10	Awards		1.3	Highlights of 2006

3. Framework conditions of the report

3.1	Reporting period		11	Imprint
3.2	Date of the last report		11	Imprint
3.3	Report cycle		11	Imprint
3.4	Contact partner		11	Imprint
3.5	Focuses of the report		3.2.2	Evaluation of ecological aspects
			3.4.1	Stakeholder analysis
3.6	Report system constraints		2.1.6	Head office and locations
			3.2.3	Input-output analysis and key figures
3.7	Non-reported contents		1.1	Main idea
			3.2.3	Input-output analysis and key figures
3.8	Basis for the report on the subsidiaries		1.1	Main idea
			2.1.4	Investments/participations
			3.2.3	Input-output analysis and key figures
3.9	Principles of data collection and elicitation		3.2.2	Evaluation of ecological aspects
3.10	Unchanged reporting principles		3.2.2	Evaluation of ecological aspects
3.11	Main changes in reporting		1.1	Main idea
3.12	GRI content index		8	GRI content index
3.13	Certification		9	Validation

4. Governance

4.1	Corporate Governance		2.1.5	OeKB organisational structure
			2.2.1	Organisation of sustainability management
4.2-4.3	Independence of the supervisory bodies		3.1.4	Corporate Governance
			3.1.4	Corporate Governance
			3.1.4	Corporate Governance

4.4	Shareholder inclusion		3.1.4	Corporate Governance (described in the Austrian Corporate Governance-Code)
			3.4.1	Stakeholder analysis
4.5	Content components dependent on success		3.3.2	Living and working at OeKB
4.6	Avoidance of conflicts of interest		2.2.2	Control system of steady improvement
4.7	Summary of the Supervisory Board		3.1.4	Corporate Governance
4.8	Codes of Conduct		1.2	Sustainability policy
			3.3.2	Living and working at OeKB
4.9	Audit		2.2.2	Control system of steady improvement/ Internal Audits
4.10	Check by the highest management levels		2.2.2	Control system of steady improvement/ Internal Audits
4.11	Risk Management		3.1.3	Risk management
4.12	Outside obligations		4.1.1	Environmental impact assessment – Common Approaches
			3.3.2	Living and working at OeKB – Audit Family & Career
			9	Validation
4.13	Memberships		3.3.3	Commitment to society
4.14	Stakeholder of the company		3.4.1	Stakeholder analysis
4.15	Principle of stakeholder identification		3.4.1	Stakeholder analysis
4.16	Frequency and type of stakeholder inclusion		3.4.1	Stakeholder analysis
			3.4.2	Overview of events
4.17	Consequences of the stakeholder dialogue		1.1	Main idea

Indicators

Economy				
EC-1	Value added account		3.1	Commercial development OeKB Group
EC-2	Financial effects of climate change		4.2.1	CO ₂ emissions and climate change
EC-3	Hedging of company pension provision		3.3.2	Living and working at OeKB
EC-4	Funding from public offices			<i>OeKB did not receive any funding from public offices.</i>
EC-5	Starting salaries as compared to minimum wage		3.3.2	Living and working at OeKB
EC-6	Proportion of local suppliers		2.1.6	Head office and locations
EC-7	Proportion of local employees		2.1.6	Head office and locations
EC-8	Investments in the public interest			Is the original company purpose: 4 Responsibilities in OeKB's core business Investments such as the company-owned kindergarten directly relieve the local authorities: 3.3.2 Living and working at OeKB
EC-9	Indirect economic effects			See EC-8

GRI content index and validation

Environment		
EN-1	Material input	3.2.3 Input-output analysis/ stationery and hardware
EN-2	Proportion of recycled materials	3.2.3 Input-output analysis/ Stationery and hardware
EN-3	Direct input according to primary energy sources	3.2.3 Input-output analysis/energy
EN-4	Indirect input according to primary energy sources	3.2.3 Input-output analysis/energy
EN-5	Energy savings of efficiency measures	3.2.3 Input-output analysis/energy 3.4.6 Event on energy saving measures
EN-6	Offer of energy-efficient products and services	3.2.3 Input-output analysis/energy 4.2.2 Energy market centre of excellence
EN-7	Activities to reduce the use of indirect energy	3.2.3 Input-output analysis/energy
EN-8	Use of water according to source	3.2.3 Input-output analysis/water
EN-9	Wetlands affected by water extraction	<i>Not relevant</i>
EN-10	Proportion of recycled and restored water	<i>Not relevant</i>
EN-11	Estate with high bio-diversity quota	<i>There is no estate with high bio-diversity quota.</i>
EN-12	Business activities and bio-diversity	<i>Not relevant</i>
EN-13	Countryside protection areas	<i>Not relevant</i>
EN-14	Strategies and products for bio-diversity management	<i>Not relevant</i>
EN-15	Locations and threatened species	<i>Not relevant</i>
EN-16	Emission of greenhouse gases	3.2.3 Input-output analysis/CO ₂ emissions
EN-17	Other relevant greenhouse gases	<i>Due to the service character, there are no other relevant greenhouse gases.</i>
EN-18	Measures for reduction of greenhouse gases	3.2.3 Input-output analysis/CO ₂ emissions 4.2.1 CO ₂ emissions and climate change 7 Sustainability programme
EN-19	Emission of ozone damaging substances	<i>Due to the service character, there are no other ozone damaging substances.</i>
EN-20	Other emissions (SO _x , NO _x)	<i>Due to the service character, there are no other emissions.</i>
EN-21	Waste water volume	3.2.3 Input-output analysis/water/waste water
EN-22	Waste volumes	3.2.3 Input-output analysis/waste
EN-23	Spillages and leaks	<i>Due to the service character, there are no spillages or leaks.</i>
EN-24	Transport of hazardous waste	<i>We do not transport hazardous waste.</i>
EN-25	Influence on the environment of waste water	<i>Ordinary waste water, disposed of via the public sewage system.</i>
EN-26	Measures to alleviate the environmental impact of services	7 Sustainability programme 4.1.1 Environmental impact assessment
EN-27	Products and packaging taken back	<i>Not relevant</i>
EN-28	Monetary fines in the environmental sector	3.2.2 Evaluation of ecological aspects
EN-29	Transport and mobility	3.2.3 Input-output analysis/business transport
EN-30	Cost of environmental protection measures	3.2.3 Input-output analysis/waste

Human rights		
HR-1	Human rights in investments and acquisitions	<i>No direct relevance; indirectly:</i> 4.1.1 Environmental impact assessment
HR-2	Screening of suppliers	<i>No direct relevance; indirectly:</i> 4.1.1 Environmental impact assessment
HR-3	Employee training	3.3.2 Living and working at OeKB
HR-4	Cases of discrimination	3.3.3 Commitment to society
HR-5	Breach of rights to hold meetings	3.3.3 Commitment to society
HR-6	Measures against child workers	3.3.3 Commitment to society
HR-7	Measures against forced labour	3.3.3 Commitment to society
HR-8	Training of security staff	3.3.2 Living and working at OeKB
HR-9	Damage to the human rights of natives	3.3.3 Commitment to society
Work		
LA-1	Key employee numbers	3.3.1 OeKB employee data
LA-2	Fluctuation rate	3.3.1 OeKB employee data
LA-3	Employee benefits	3.3.2 Living and working at OeKB
LA-4	Number of employees in the collective contract	3.3.2 Living and working at OeKB
LA-5	Information of the works council about restructuring measures	3.1.4 Corporate Governance
LA-6	Employees in health and safety committees	3.3.2 Living and working at OeKB
LA-7	Key figures on industrial illnesses and accidents at work	3.3.2 Living and working at OeKB
LA-8	Health provisions	3.3.2 Living and working at OeKB
LA-9	Employee protection measures agreed by trade unions	3.3.2 Living and working at OeKB
LA-10	Hours of training per employee	3.3.1 OeKB employee data 3.3.2 Living and working at OeKB
LA-11	Further education measures	2.2.2 Control system of steady improvement 3.3.2 Living and working at OeKB
LA-12	Career development programmes	2.2.2 Control system of steady improvement 3.3.2 Living and working at OeKB
LA-13	compilation of the management tier	3.3.1 OeKB employee data
LA-14	Salary levels men/women	3.3.2 Living and working at OeKB
Social Issues		
SO-1	Influence on the company	3.1.4 Corporate Governance <i>No direct relevance; indirectly:</i> 4.1.1 Environmental impact assessment
SO-2	Corruption	3.1.5 Battling corruption and money laundering
SO-3	Strategy against corruption	3.1.5 Battling corruption and money laundering
SO-4	Measures against actual cases of corruption	3.1.5 Battling corruption and money laundering
SO-5	Publicly represented positions	2.1.3 Shareholders and share capital 3.4.2 Overview of events

SO-6	Financial contributions for the lobbying of political parties			<i>There are no financial contributions for the lobbying of political parties.</i>
SO-7	Complaints of contraventions against the competition		3.1.5	Battling corruption and money laundering
SO-8	Monetary fines for competition contraventions		3.1.5	Battling corruption and money laundering
Product Responsibility				
PR-1	Responsibility for the provision of services, product life cycles		4	Responsibility in OeKB's core business
PR-2	Breaches against product health regulations			<i>Not relevant</i>
PR-3	Obligation to publish product information			<i>Services are illustrated in detail in the general terms and conditions.</i>
PR-4	Breaches against product information			<i>Not relevant</i>
PR-5	Customer satisfaction			<i>Not ascertained at the time of reporting</i>
PR-6	Advertising and sponsoring		3.2.3	Input-output analysis/ Stationery and hardware
			3.3.3	Commitment to society
PR-7	Infringement of marketing regulations			<i>No reports on any infringement of marketing regulations.</i>
PR-8	Infringement of data protection			<i>No reports on infringement of data protection.</i>
PR-9	Monetary fines for the non-provision of services			<i>No litigation with regard to monetary fines for the non-provision of services.</i>

9 Validation

Environmental Auditor

GRI 3.13 >

GRI 4.12 >



ETA Umweltmanagement GmbH was commissioned as an independent environmental verifier organisation.

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ETA is organizational stakeholder (OS) of the Global Reporting Initiative (GRI) and supports the GRI mission.



Certificate and validation

ETA Umweltmanagement GmbH, Sustainability Auditors, was commissioned to

- evaluate the 2003 Sustainability Report on the basis of the available data, systems, and methods;
- verify whether the published data are correct and whether they provide a comprehensive illustration of OeKB performance;
- critically review the scope, balance, and interpretation of the presentation;
- evaluate the management system and the sustainability report as to its compliance with the requirements of Regulation (EC) No. 761 / 2001 (EMAS Regulation) and EN ISO 14001:2004 and to
- certify the sustainability report.

We have based our mandate on the evolving standards for the evaluation of sustainability reports. These are

- Criteria of the Global Reporting Initiative (GRI application levels for version G3),
- AA1000 Assurance Standard, issued by Accountability, and the
- Guidelines issued by the Federation of European Accountants (FEE) titled “Providing Assurance on Sustainability Reports”.

Our audit consisted of

- a survey of the persons responsible for data and information in the sustainability report, as well as random checks of the underlying management systems and procedures;
- a visit to the OeKB premises;
- an assessment of the correct, balanced, and consistent presentation of sustainability aspects and data;
- the analysis of systems for data collection and evaluation of performance figures in economic, social, and environmental areas.

In our opinion, the data and information presented in connection with the ecological, social and economic aspects of sustainability were presented in a comprehensive, balanced, and appropriate manner and are not inconsistent with other information and evidence provided by the company.

An internal report with detailed recommendations on the further development of the sustainability report was presented to management.



The present sustainability report is in compliance with GRI G3 application level A+.

Validation

In our capacity as independent environmental auditors in accordance with the Environmental Management Act, Federal Law Gazette I 99/2004, we have reviewed the information presented in the consolidated sustainability report 2006

of **OeKB – Oesterreichische Kontrollbank AG** and **OeKB Versicherung AG** at the offices in **Vienna** and **Linz**

in accordance with the requirements of **Regulation (EC) No. 761/2001** (EMAS Regulation) as well as **EN ISO 14001:2004**, and certified its validity.

In addition, detailed information and the underlying criteria of the OeKB Sustainability Index (OeSFX) have been examined.

Information presented on the OeKB website and in the OeSFX Folder (OeSFX – OeKB Sustainability Fund Index) that is tagged with the EMAS Logo “verified information” is represented correctly and in compliance with the requirements according to the EMAS Regulation on Publication of Information, Annex III, item 3.5.

Vienna, 5th March 2007

Dr. Christine Jasch

Senior verifier,
public accountant

Dr. Stefan Gara

Senior verifier,
managing director

The next comprehensive sustainability report will be published in 2010.
A validated update will be published every year.

10 Glossary

AFG	Export Promotion Act 1981, Federal Law Gazette. No. 215/1981, as amended from time to time
AFFG	Export Financing Promotion Act 1981, Federal Law Gazette. No. 216/1981, as amended from time to time
AFVO	Export Promotion Regulation 1981, Federal Law Gazette. No. 257/1981, as amended from time to time
Agenda 21	<p>“Agenda” is a Latin term meaning “things to be done”.</p> <p>The number 21 stands for the 21st century. The Agenda 21 was adopted at the UNCED in Rio de Janeiro in 1992 by 178 countries and is also described as an “Action Programme for the 21st Century”. Although Agenda 21 is not legally binding, it is well established on all political levels. The document contains 40 chapters which deal with policy areas that are relevant for a sustainable development. The mandate of this conference for all UN Member States is to introduce the term “sustainable development” in all policy areas.</p>
Audit Family & Career	The Audit Family & Career adapts the American “family-friendly-index” to Austrian conditions and should promote the unity of Family & Career (work-life-balance). Businesses which implement this audit are awarded the Federal Ministry for Social Security, Generations and Consumer Protection’s seal of approval.
<hr/>	
Basel II	The Second Basel Capital Accord is currently being discussed in the Basel Committee. The Accord provides for a replacement of the flat-rate coverage system of eight percent with a system giving greater consideration to risk after the end of the year 2006. This will gradually increase the role of ratings of companies applying for credit. Accordingly, bad ratings will not only require a higher equity capital cover by the bank granting a credit, but will also lead to higher credit interest rates, or even completely obstruct access to capital from banks. The objective is to increase the stability of the international financial system.
Brundtland Report	In 1987, the UN “World Commission on Environment and Development” headed by the Norwegian Gro Harlem Brundtland presented its report on “Our Common Future” which illustrates the inextricable links between the environment and development for the first time, calling for a global change in awareness. As a result of the close interconnection of the ecosystem, the impact of massive environmental destruction does not remain confined on individual states but poses a global problem that the committee believes can only be solved in cooperation between the industrial and developing countries. In this context, there is an urgent need to solve the global debt crisis.
<hr/>	
CDM, Clean Development Mechanism	According to this mechanism, Annex 1 countries may introduce measures for the reduction of emissions in another country (non-Annex 1 countries) but have these credited to their own targets. However, no exact amounts were defined. The exact details, e.g. in connection with the type of the projects, were also expected to be defined and adopted at the conference in The Hague in November 2000.
Civil Society Organisation (CSO)	Institutions of civil society, in general. Associations for the protection of the interests of various sections of the population – employers, public authorities, finance sector, NGOs, local organisations, etc.
CO₂ Carbon Dioxide	This greenhouse gas is produced primarily through the combustion of fossil fuels such as coal, oil, and gas. While coal releases the largest amount of CO ₂ per energy unit produced, gas is the cleanest in this respect. The second largest source of carbon dioxide is deforestation through burning to make room for agriculture or housing.

CO₂ Equivalent	Since greenhouse gases have a different global warming potential, one needs a common unit to compare them. This unit is called CO ₂ equivalent and results from the amount of emissions caused by a certain gas, multiplied with its global warming potential (GWP).
Corporate Governance	The term defines how all the relations between a company's management, the supervisory board, the shareholders, and other stakeholders are organised. Corporate Governance also defines a structure which defines or regulates the corporate targets, the means to achieve these targets, and the monitoring of the company's performance (OECD Code on Corporate Governance 1999).
Corporate Social Responsibility (CSR)	According to this concept, a company is responsible for all relevant stakeholders. Companies agree to take responsibility for the well-being of their employees, their families, the local community, and for society as a whole. Despite the social focus, this comprehensive aspect also includes ecological factors.
<hr/>	
Eastern European Countries	Albania, Bulgaria, Poland, Romania, Hungary, former CSFR, former Yugoslavia, and former USSR and the countries which emerged after its collapse.
Eastern European OECD Countries	Poland, Slovakia, Czech Republic, Hungary.
ECF - Elementary Chlorine Free	Means that no (basic) chlorine will be used to bleach paper, but that chlorine compounds could well be present.
EFV	Export financing procedure of Oesterreichische Kontrollbank AG.
EMAS	Since 1993, the Environmental Management and Audit Scheme (EMAS) has been the European system for environmental management throughout the EU (and the EEA), in which organisations may participate on a voluntary basis. Although it was initially intended for commercial businesses, EMAS became accessible to all organisations in 2001. EMAS was conceived as a preventive instrument of environmental protection to encourage the assumption of responsibility by organisations. It allows environmentally aware and innovative companies and organisations to ensure their legal compliance using a recognised environmental management system, to continuously improve their environmental record, reflected in their environmental declaration. EMAS supports organisations in detecting and removing environmental and economic deficiencies. Throughout the development of its environmental management, an organisation determines where it could save material or energy – and thus costs. The implementation of environmental protection measures offers a significant cost-cutting potential – especially in the long run.
Environmental Management Systems (EMS)	Environmental management includes the planning, control, monitoring, and improvement of all measures of environmental performance, as well as an ecologically oriented corporate and staff management. Environmental management systems give a systematic structure to operational procedures in order to increase economic and environmental performance and demonstrate environmental awareness. They are conducive to the implementation of a company's environmental policy and the achievement of its environmental targets. This implementation mainly focuses on preventive measures subject to continuous improvement. This helps plan and implement measures to avoid wasting resources as efficiently and early as possible, thus systematically enhancing a company's environmental performance. The essence of these systems is access to and forwarding of information. Two standards for the development of corporate environmental management systems have gained wide acceptance: Apart from the European Union's EMAS Regulation ("Environmental Management and Audit Scheme", No. 761/2001) there is also DIN ISO 14001. The ISO procedure ends with a certification, while the EMAS system provides for an environmental declaration by the company, an audit carried out by an approved environmental verifier, and the public registration of the company's participation in the procedure.
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Flexible Mechanisms/ "FlexMex"	<p>In the Kyoto Protocol, various possibilities were suggested for attaining the reduction goals. These "Flexible Mechanisms" (FlexMex) are: Trade in Emission Rights, CDM, JI.</p>
Global Reporting Initiative (GRI)	<p>The Global Reporting Initiative (GRI) reflects the international efforts of several stakeholders to create a system for a harmonised, voluntary reporting on economic, social, and environmental impacts at corporate and organisation level.</p> <p>The vision and target of GRI, founded in 1997, was to set up internationally recognised and comparable guidelines for reporting economic, social, and environmental activities. Initially, these guidelines were intended for companies but were subsequently extended to cover all business areas, government organisations, and non-governmental organisations (NGO's). GRI operates with the active participation of companies, of human rights, environmental, labour, and state organisations, and other stakeholders. The aim of its guidelines is to promote sustainable development worldwide and to support companies, governments, investors, employers, etc. in their decisions on issues of sustainable development. After issuing the first set of guidelines in London in 1999, GRI carried out pilot tests with 21 companies and organisations, followed by the publication of improved guidelines in June 2000. GRI is a permanent, independent, international authority wishing to disseminate its guidelines through continuous support and commitment.</p>
Guarantor	<p>The Federal Ministry of Finance on behalf of the Republic of Austria.</p>
Investment Funds	<p>Investment companies direct the money of several investors into investment funds in order to invest them in various assets and have them managed by experts under the principle of risk diversification. Investment funds may consist of different securities. There are, for instance, equity funds, bond funds, real estate funds, or money market funds.</p>
ISO 14001 (DIN EN)	<p>ISO 14001 has been introduced in 1996 and is globally applicable, contrary to the EMAS that only applies to the EU. Similar to EMAS, ISO 14001 is an instrument for the systematic integration of ecological aspects in operational processes. While the results (key figures) of the environmental declaration under ISO 14001 must not necessarily be made publicly accessible, this is a mandatory provision under EMAS.</p>
JI, Joint Implementation	<p>This is the second "flexible mechanism" that Annex 1 countries may use to reduce their greenhouse gas emissions without implementing measures on their own territory.</p> <p>The JI mechanism allows an Annex 1 country to carry out emission mitigation projects in another Annex 1 country and have these reductions credited to its own territory. Contrary to the "Clean Development Mechanism", JI does not involve developing countries. So far, no exact amounts have been defined. The exact details were to be discussed and resolved in The Hague.</p>
Kyoto Protocol	<p>The Kyoto Protocol is a United Nations framework agreement on climate change and greenhouse gases. The first meeting of the parties to the agreement took place in 1995 in Berlin. The meeting ended with the adoption of the Berlin Mandate. Only as a result of Russia's ratification in November 2004 were all the conditions fulfilled (Ratification by at least 55 states, which together were responsible for more than 55 % of worldwide CO₂ emissions in 1990) for the paper to come into force. This happened in February 2005.)</p>

NGO	Common abbreviation for non-governmental organisations. These include associations, federations, institutions, and educational entities. These form part of the civil society.
OECD / EU / EFTA	Classification of countries according to the Austrian Bureau of Statistics.
ÖGUT	The Austrian Society for Environment and Technology (ÖGUT) is the non-party platform for environmental, economic, and administrative issues.
Rio+10*	World Summit on Sustainable Development 2002, UN summit in Johannesburg. The UN summit in September 2002 in Johannesburg, South Africa – 10 years after the UNCED – dealt with strategies on explosive issues such as poverty, environmental protection, health, employment, and coexistence on earth in the future.
Stock price index	A figure indicating the development of the average share price. A well-known stock price index is the Deutsche Aktienindex (DAX) introduced in 1988.
Stakeholder (Claim groups)	The term stakeholders is used to describe all those groups that are influenced by a company's activities. The relationship is often reciprocal, so that stakeholders can also exert an influence on the company. The typical stakeholder groups include: shareholders, consumers, employees, local population, authorities, NGO's, and consumer protection groups.
TCF – Totally Chlorine Free	Means that no chlorine was used for bleaching; we consider such products as more environmentally friendly.
Trading in Emission Rights	This system provides that a state may purchase parts of its reduction obligations on a "carbon market". The theoretical principle is based on the assumption that reductions should take place where it is cheapest. As a result, country A could reduce more than it has to, while country B could reduce less. Country B may then purchase emission rights from country A, allowing it to meet its reduction targets. The Kyoto protocol did not define any exact amounts. Nor was it decided how this trade would work, so that this task was expected to be taken up in The Hague in November 2000. The coupled guideline combines the trade in emissions with the Flexible Mechanisms of the Kyoto Protocol, whereby here national maximum limits are defined. In Austria, this is governed by the national Allocation Plan (NAP II).

11 Imprint

GRI
3.1-3.4 >

This report covers the calendar year 2006.
All the underlying figures in this report are also from 2006, unless otherwise stated.

The report will be updated annually. A detailed report such as this will be published every three years. The previous detailed report appeared in 2003. Up-dates were issued 2004 und 2005.

This Sustainability Report is also published in German.

The Nachhaltigkeitsbericht and the Sustainability Report are available over the Internet.

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