

SUSTAINABILITY

REPORT 2018



**Taking the
long-term view**

HIGHLIGHTS

OeKB GROUP HIGHLIGHTS

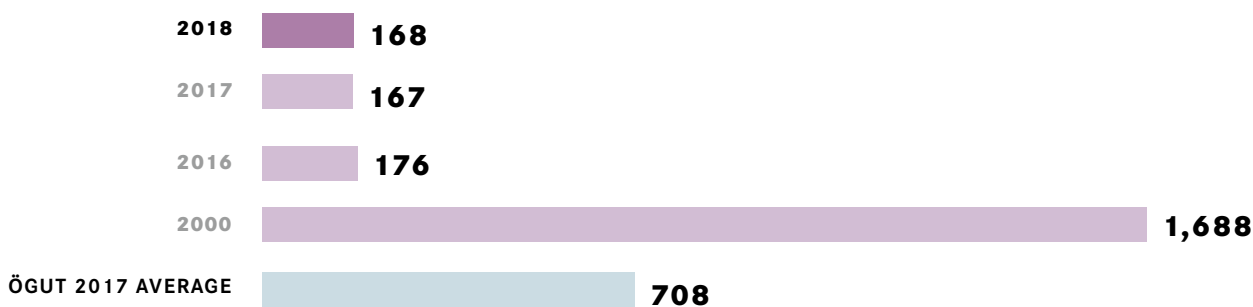
Monetary values in € million	2016	2017	2018
Consolidated financial statements			
Total assets at 31 December	26,430	26,005	28,714
Equity including minority interest	766	801	791
Profit for the year	43	40	32
Net other comprehensive income after tax	-3	19	-5
Total comprehensive income for the year	40	59	27
Return on equity in % *	5.3%	7.5%	3.4%
Cost/income ratio in %	59.3%	59.7%	61.5%
Non-financial performance indicators			
OeKB Group's average number of employees	406	402	410
Proportion of management positions held by women in percent	38.5%	35.0%	39.0%
Guarantees of the Republic of Austria under the Export Guarantees Act			
Number of guarantees in place	3,544	3,773	5,897
Number of new guarantee contracts issued	824	965	1,033
New guarantee contracts issued	3,566	5,355	5,720
Aggregate guarantee exposure limit at 31 December	50,000	40,000	40,000
Utilisation of the guarantee exposure limit at 31 December	22,501	24,436	26,431
Premium and interest income	157	146	154
Gross claims paid by the Guarantor	77	47	39
Recoveries on claims paid	154	49	41
OeKB Export Financing Scheme			
New commitments issued	4,464	5,282	7,600
Total lending commitments outstanding at 31 December	19,210	20,585	23,174
Disbursements outstanding	15,701	17,539	19,901
Loan funds disbursed	3,778	4,795	6,243
Repayments received	6,450	2,958	3,881
(Decrease) in net loans outstanding	-2,672	+1,838	+2,362
Guarantees of the Republic of Austria under the Export Financing Guarantees Act			
Limit on aggregate guarantee exposure under Export Financing Guarantees Act	45,000	40,000	40,000
Utilisation of the guarantee exposure limit at 31 December	21,959	24,513	26,283
Total new guarantees issued	9,244	13,274	12,732
Capital Market Services			
Austrian Government Bonds administered by OeKB	12,939	13,316	11,031
OeKB CSD Custody assets – Nominal value	315,750	328,493	326,422
Number of units in millions	10,120	9,328	8,199
OeKB CSD Settlement volume – Nominal value	512,693	701,474	658,219
Number of units in millions	21,297	11,594	8,191
OeKB CSD – Categories of securities	15,933	15,924	15,668

* RoE = (Total comprehensive income attributable to the owners of the parent company/equity attributable to the owners of the parent company)

HIGHLIGHTS

CO₂-EQUIVALENTS

Energy and business travel in kg/employee



OeKB EXPORT FINANCING SCHEME

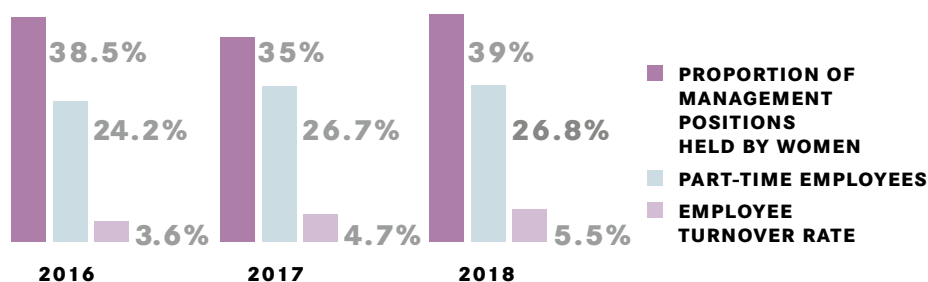
(Monetary values in € million)



NEW FINANCIAL INSTRUMENTS IN OeKB'S SECURITIES DATABASE

	2016	2017	2018
Debts	1,548	2,298	1,687
Warrants	4,334	4,286	2,965
Certificates	1,690	2,923	2,635
Funds	208	884	266
Other	63	37	64
Total	7,843	10,428	7,617

EMPLOYEES OF OeKB GROUP



RATINGS

ISS-OEKOM RESEARCH
Prime C+

RFU SUSTAINABILITY RATING
qualified

SUSTAINALYTICS
Outperformer

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About the report

GRI 102-1, 12, 50,
51, 52, 53, 54

This sustainability report covers the OeKB bank group, in other words the members of OeKB Group that hold banking authorisation. The OeKB bank group consists of Oesterreichische Kontrollbank AG (OeKB) and the fully consolidated subsidiaries Oesterreichische Entwicklungsbank AG (OeEB) and OeKB CSD GmbH (OeKB CSD).

We have published an annual sustainability report since 2001. We published an integrated report in the years from 2013 to 2016. As the reporting requirements had become more and more extensive, we published the reports separately again starting in 2017. We hope that this target-group-oriented reporting will better satisfy the information needs of our stakeholders.



This PDF sustainability report for the 2018 financial year was prepared in accordance with the GRI Standards: Comprehensive option. Ernst & Young conducted an external audit on the report with limited assurance regarding the sustainability coverage in accordance with the GRI (Global Reporting Initiative) Standards and the EMAS (Eco-Management and Audit Scheme) Regulation. The 2018 annual financial report was not part of the audit. The current and previous reports can be found on the OeKB website www.oekb.at.



The sustainability report also qualifies as an Advanced Level progress report for the UN Global Compact. The OeKB bank group maintains an environmental management system according to the EMAS Regulation. The EMAS environmental statement is included in this report. Central Counterparty Austria (CCP.A) and Kollik Hammermüller Krassnigg Rechtsanwälte GmbH, tenants in the Strauchgasse building, are not EMAS certified, but are included in the environmental statistics provided. Our ecological performance indicators document the energy savings for the Green Building Partner certificate.

More information about the “workandfamily” audit can be found in the section “To help employees advance”.



We have been “workandfamily” audit certified since 2006. This is a process that actively involves employees and that helps to continuously improve the work environment and culture.

OeKB has been in ISS-oekom research’s “Prime” category since 2005 and improved its rating from “Prime C” to “Prime C+” in 2018. ISS-oekom research bases its corporate ratings on over 100 social and ecological criteria that are specific to each sector. Companies that meet these standards are awarded “Prime” status and consequently count among the leading players in their respective industry.

As a future-oriented company, we welcome your comments, questions, and feedback about our report. You can contact us at: nachhaltigkeit@oekb.at.

Preface

by the Supervisory Board of OeKB AG

**Ladies and Gentlemen,
dear Reader,**

GRI 102-14, 26, 28 Oesterreichische Kontrollbank AG (OeKB) and the other companies in the OeKB bank group continued on their successful path in 2018. In their distinct roles as the official export credit agency, development bank of the Republic, and central service provider for the capital and energy markets, the members of the OeKB bank group actively lived up to their responsibility for the economic development of Austria, for society, and for the environment.

A capable, broadly based financial infrastructure is a key factor in ensuring the growth, stability, and innovative strength of a country. With its services, the OeKB bank group again made a substantial contribution to this in 2018. One part of this is also a clear commitment to sustainable and responsible action, including the integration of sustainable values into the core activities of each company. Because this makes it possible to create added value with the services while also having a positive impact on the environment and society.

The commitment of the OeKB bank group is also evidenced by membership in various networks. For example, it is a member of the Global Compact and part of the Steering Committee of the United Nations Global Compact Network Austria. OeKB as a service provider of the Republic of Austria orients itself strongly towards the Sustainable Development Goals of the United Nations in all it does in the interests of the general public. OeKB has maintained an EMAS-certified environmental management system since 2001, and has published the associated annual reports since then. Participation in an environmental management system was a strategic cornerstone when Oesterreichische Entwicklungsbank AG and OeKB CSD GmbH were established.

This report shows how the OeKB bank group continuously deals with the challenges surrounding sustainability. Sustainability management has become an integral part of the Group's business policies over the past years. And this is a fundamental requirement for fulfilling a wide range of responsibilities in the interests of the Austrian economy and capital market and for creating added value.

With that in mind, the Supervisory Board of OeKB AG would like to thank all employees of the OeKB bank group, who make a key contribution to these efforts, who increase the trust placed in their companies with their dedication, and whose achievements are documented in this report.

Vienna, March 2019
The Supervisory Board of Oesterreichische Kontrollbank AG

Robert Zadrazil, m.p. Chairman

Preface

by the Executive Board of Oesterreichische Kontrollbank AG

**Ladies and Gentlemen,
dear Reader,**

GRI 102-10, 14, 15 We can again look back on a year full of hard work and success. Our customers profited from the positive growth of the economy in 2018. Combined with the high level of dedication displayed by our employees, this trend enabled us to again achieve satisfactory results.

As Oesterreichische Kontrollbank AG (OeKB), we are here for all customers. As an agent of the Republic of Austria, we manage export guarantees and assist exporters with operating credit lines for small companies as well as with attractive financing solutions for major foreign investments. To enable us to advise small, medium-sized, and large enterprises completely from a single source, we integrated our wholly owned subsidiary Österreichischer Exportfonds GmbH into OeKB in 2018 and took over all of its employees.

Digitalisation is becoming more and more important for our customers and our industry. Automation, speed, and a commitment to good service are essential. For this reason, we are using digital technologies to optimise our contact points and internal processes and to develop online solutions for our customers. We also involve our stakeholders in the development of new products where possible and sensible, so as to be able to offer products that meet concrete needs. We took a number of measures in this area during the reporting period and plan this year to launch an online Exportfonds loan and to enable banks to submit loan applications for our SME customers digitally.

We are also looking to the future in terms of technology. OeKB made use of blockchain technology for the first time in the Austrian government bond auction in the autumn of 2018 as an additional support process for the notarisation of the data for the auction procedure. For us, the notarisation of data using blockchain technology is the logical next step in the age of digitalisation and clearly shows our commitment to finding innovative solutions. This use case was extremely successful, so this process will be applied in future government bond auctions, as well.

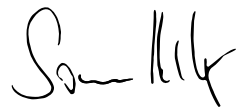
In the Future Work internal strategy programme that we launched during the reporting period, we are thoroughly evaluating the challenges of the modern working world from a practical perspective. New ways of working together, sustainability, digitalisation, Future Office, and innovation are some of the aspects that we are examining and that we will use to position ourselves optimally to meet the evolving challenges stemming from the economy, environment, and society. We intentionally included the topic of sustainability in this project and plan to incorporate further sustainability aspects into our core areas of operation in 2019.

In 2018, we also considered various approaches and scenarios for the future of OeKB Group in general. Committed to placing OeKB Group on sound competitive footing for the

PREFACE

long term, we redefined our vision and mission and set a range of objectives on this basis. These provide clear orientation for our thoughts and actions. We place great value on staying ahead of global developments and using this knowledge to create individual solutions for our stakeholders. We want to make a tangible contribution to Austria's economy and society with our know-how. And we will strive to take a forward-looking and sustainable approach in implementing all future measures.

We hope that this report provides you with a detailed look at our activities from a sustainability perspective and invite you to stay in dialogue with us. We sincerely thank the employees of the OeKB bank group for their dedication. Together with you – our clients, customers, and stakeholders – we can build partnerships that allow lasting growth.



Mag. Angelika Sommer-Hemetsberger



Mag. Helmut Bernkopf

Preface

by the management of OeKB CSD GmbH and the Executive Board of Oesterreichische Entwicklungsbank AG

**Ladies and Gentlemen,
dear Reader,**

GRI 102-10, 14, 15

As a wholly owned subsidiary of Oesterreichische Kontrollbank AG, we again made a substantial contribution to the attainment of the strategic objectives and overall success of OeKB Group in 2018. In terms of sustainability, we focused heavily on the Sustainable Development Goals (SDGs) as pursued by the OeKB bank group, in particular measures in the core business areas.

As a separate company, OeKB CSD GmbH (OeKB CSD) has acted as the central depository for all transferable securities in Austria since 2015. Another key step was taken during the reporting period. We were officially authorised as a central depository according to the EU's Central Securities Depositories Regulation, which enables us to continue providing our services for the Austrian capital market. We see this as confirmation that we conduct our core business activities with a high degree of competence and that we are a reliable partner for our stakeholders on the capital market.

Oesterreichische Entwicklungsbank AG (OeEB) celebrated its tenth anniversary in 2018 and can look back on a true success story. With nearly 300 projects, OeEB contributed to sustainable growth and economic development around the world in its first decade. During this time, it has advanced to become a successful player in the Austrian development cooperation landscape. Our international climate financing arrangements are a crucial instrument for helping developing countries in their fight against climate change. We are now one of the largest providers of climate financing for developing countries in all of Austria. This falls in line with our climate strategy and makes a strong contribution to attaining the SDGs.

We intend to refine our services further in 2019, including accounting for sustainability aspects. In this, we will orient ourselves towards the common goals that have been defined for the OeKB bank group and will strive to continue making a material positive contribution to the economy and society. We would like to sincerely thank our employees for their hard work during the past financial year.



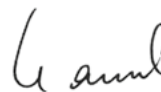
Mag. Peter Felsinger



Mag. Sabine Gaber



Dr. Georg Zinner



Mag. Michael Wancata

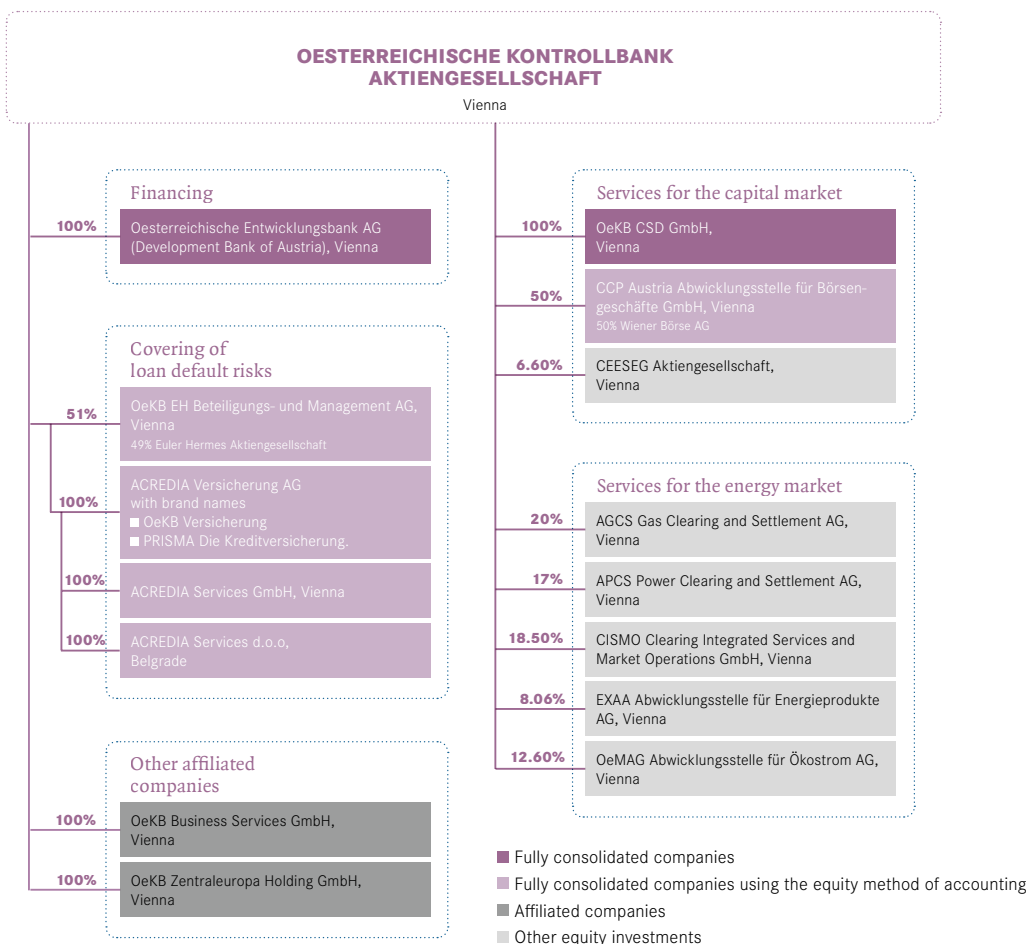
OeKB Group

GRI 102-1, 2, 3, 5, 45

OeKB has been strengthening Austria as a business location since 1946 with numerous services for small, medium-sized, and large enterprises and for the Republic of Austria. OeKB manages the export promotion programme of the Austrian federal government as an authorised agent. OeKB Group is based in Vienna and plays a special role as a central financial services provider. OeKB Group has a broad range of competencies and focuses on four major segments: Export Services, Capital Market Services, Energy Market Services, and Development Financing.

GRI 102-11

OeKB Group consists of the OeKB bank group, which is the subject of this report, and of various equity holdings. The OeKB bank group comprises the companies of OeKB Group that hold banking authorisation, in other words OeKB AG, Oesterreichische Entwicklungsbank AG (OeEB), and OeKB CSD GmbH. In the interests of completeness, these companies are listed here to provide an overview of all of our activities.



Other equity investments below 3% are not stated.
As of 31 December 2018

Shareholders and share capital of OeKB

GRI 102-5 OeKB has a share capital of €130.0 million. In view of the special functions performed by OeKB, its shares are registered ordinary shares that may only be transferred with the consent of the Supervisory Board. They are not listed.

Shareholder structure as at 31 December 2018

The current shareholder structure can be viewed at www.oekb.at/en/oekb-group/oekb-ag/oekb-shareholders.html

Shareholders	Number of shares	Shareholding in %
CABET-Holding-GmbH, Vienna (UniCredit Bank Austria Group)	217,800	24.750%
UniCredit Bank Austria AG, Vienna	142,032	16.140%
Erste Bank der oesterreichischen Sparkassen AG, Vienna	113,432	12.890%
Schoellerbank Aktiengesellschaft, Vienna	72,688	8.260%
AVZ GmbH, Vienna	72,600	8.250%
Raiffeisen Bank International AG, 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	3.889%
Beteiligungsholding 5000 GmbH, Innsbruck	26,888	3.055%
BKS Bank AG, Klagenfurt	26,888	3.055%
VOLKSBANK WIEN AG, Vienna	13,200	1.500%
Total shares	880,000	100.000%

Business model of OeKB Group and material shareholdings

GRI 102-2, 6
GRI 103-1
GRI 203-2
FS5
GRI 201-1 see **2018 annual financial report**

OeKB Group plays a special role as a central financial services provider. It sees its role as promoting economic growth and strengthening Austria's competitiveness in a global environment. We fulfil this role by using economically relevant services to support the Austrian export industry, the domestic capital market, the commercial banks, and the Republic of Austria. We provide our services neutrally for all companies and in all sectors.

The following also shows the shareholdings of OeKB AG that are recognised according to the equity method because they round out the services of the OeKB bank group. These especially include Acredia Versicherung AG and CCP Austria (CCP.A).

More information about the services can be found at group.oekb.at

Exporting and investing abroad are both ways in which Austrian companies can grow and secure jobs in the country. OeKB manages the export guarantees from the federal government for small, medium-sized, and large companies and facilitates attractive financing for foreign business. We cover receivables in Austria and abroad with the private credit insurance company Acredia Versicherung AG.

More details on funding operations can be found in the **2018 annual financial report**

We are the second-largest Austrian issuer on the international capital markets after the federal government. Our bonds are used to fund the Export Financing Scheme.

group.oekb.at

Our capital market services cover key functions relating to securities: Every Austrian security comes into contact with the capital market services of the OeKB Group multiple times in its "lifetime", including in relation to a number of legally mandated tasks. Among other things, OeKB is the Notification Office under the Capital Markets Act and holds auctions for Austrian government bonds. OeKB CSD GmbH (OeKB CSD) is Austria's central securities depository. As a local infrastructure provider, it provides an extensive range of services for capital market participants including the safekeeping and administration of securities and the efficient settlement of securities transactions.

CCP Austria (CCP.A) guarantees the proper and transparent settlement of the transactions conducted on the Vienna Stock Exchange in its role as the relevant capital market infrastructure. As a central counterparty, CCP.A assumes and manages the fulfilment and default risk for the transactions on the Vienna Stock Exchange (clearing, risk management).

OeKB Group also applies its decades of experience in financial clearing and risk management for the liberalised Austrian energy market through its energy market services. We assess the creditworthiness of market participants and handle the relevant financial clearing, payment processing, and risk management.

As the official development bank of the Republic of Austria, Oesterreichische Entwicklungsbank AG (OeEB) offers private companies tailored financing solutions for economically viable projects in developing and emerging countries that are aligned with Austria's development policy. The inclusive and sustainable growth that is generated in this manner improves the living conditions of the people in these countries. Project-related programmes of OeEB enhance the development-policy impact of the projects.

OeKB can also offer financing for projects that meet certain requirements in selected developing and emerging countries through soft loans from the Federal Ministry of

Finance (FMF). These development aid loans, which can be offered at very low cost thanks to government assistance, are also intended to promote the sustainable development of the target country.

The effects of our business model on environmental and social issues

More information can be found in the **2018 annual financial report**

The following table describes the business model of the OeKB bank group and its effects on environmental and social issues in the form of an income statement. It shows what output we generate from our input – the capital provided by our shareholders – and what impact we have.

Broken down by the business segments, we show any material direct, indirect, and positive effects and where there are connections to the Sustainable Development Goals (SDGs) on which the OeKB bank group focuses.

Results from equity-method holdings (primarily Acredia Versicherung AG and CCP Austria) are beyond the scope of this report and are not included in the sustainability management. Nevertheless, we also identified the effects from these companies in at least a general fashion during our screening.

Core business	Item on the OeKB bank group income statement	Direct environmental and social effects*	Indirect environmental and social effects	Positive environmental and social effects	OeKB Group SDG focuses	Negative impacts	Positive impacts
Services for the export market							
Covering credit default risks (export guarantees).	Net fee and commission income	x	x	x	8, 9	<p>We are subject to the Common Approaches of the OECD and the "watchful eye" principle with regard to assessing the indirect effects of the suitability of the environmental and social conditions.</p> <p>Negative impacts are possible on all environmental and social aspects. These are minimised in advance or through special requirements.</p>	<p>Positive impacts are also possible: securing jobs and promoting economic growth in difficult markets. Reduction of poverty. Numerous projects in the fields of renewable energy, hospitals, and education facilities.</p>
Financing of export transactions through the main bank and SME credit facilities.		x	x	x	8, 9, 13	<p>As financing is only provided on the basis of guarantees, the impacts are assessed in connection with the guarantees.</p>	
OeEB – long-term loans and venture capital as well as assistance for supporting projects.	Interest and similar income	xx	x	x	1, 7, 8, 9, 13, 17	<p>Assessment of the projects on the basis of the EDFI Harmonised Principles and IFC standards, including in terms of potential impacts.</p> <p>Increased direct effects: Long-distance travel to the projects in the focus countries causes correspondingly higher fuel consumption. OeEB compensates for the CO₂ emissions through reforestation projects of the University of Natural Resources and Life Sciences in Vienna.*</p>	<p>OeEB only supports projects with a positive assessment according to the IFC (International Finance Cooperation) Performance Standards.</p>

* More information can be found at <http://www.boku.ac.at/wissenschaftliche-initiativen/zentrum-fuer-globalen-wandel-nachhaltigkeit/themen/nachhaltigkeit/boku-co2-kompensationssystem/klimaschutzprojekte/>

Core business	Item on the OeKB bank group income statement	Direct environmental and social effects*	Indirect environmental and social effects	Positive environmental and social effects	OeKB Group SDG focuses	Negative impacts	Positive impacts
Refinancing on the international and domestic financial markets by issuing bonds, tailored private placements, medium-term notes, and short-term money market instruments and by taking out loans.	Interest and similar expenses	x			8, 9, 13		The first sustainable bonds are planned in 2019. This will strengthen the market for sustainable investments.
Services for the capital market							
Provision of financial data and performance indicators, process and IT solutions for the investment fund industry, office for the issue of government bonds.	Net fee and commission income	x			8, 9		Raising awareness through participation in discussions about the possibilities offered by the sustainable capital market.
The functions of OeKB CSD are: Notary services and safekeeping, securities account management, cash account management, settlement, and asset servicing.		x			8, 9		
As the central counterparty for clearing and risk management, CCP.A assumes and manages the fulfilment and default risk for all securities on the Vienna Stock Exchange that are eligible for CCP handling.	Results of equity-accounted investments	x			8, 9		

Core business	Item on the OeKB bank group income statement	Direct environmental and social effects*	Indirect environmental and social effects	Positive environmental and social effects	OeKB Group SDG focuses	Negative impacts	Positive impacts
Services for the energy market							
Services for the electricity and gas balancing energy market, Energy Exchange Austria, the green electricity settlement office, the energy spot market, and CO ₂ emissions trading.	Net fee and commission income	x	x	x	8, 9, 13		Key infrastructure for the energy market, including for renewable energy.
Other services							
<ul style="list-style-type: none"> - Media monitoring relating to economic and financial issues - SWIFT connection service - Rental of business space - Climate-neutral Reitersaal hall 	Other operating income	xx	x	x	8, 9, 13	The waste generated by the businesses that rent space in the Strauchgasse building is higher than in general business operations and cannot be influenced as easily.	Renting the Reitersaal hall with zero climate impact raises awareness of the environmental impact from events. Easily accessible by public transportation.
Services from other subsidiaries							
IT services of OeKB Business Services GmbH.	Other operating income	xx	x		8, 9	High energy consumption and thus CO ₂ emissions from the operation of two data centres.	
Acredia Versicherung AG assesses the creditworthiness of business partners for its customers and insures receivables against the risk of insolvency. It not only covers bad claims on goods deliveries and services in key industrialised countries and in Austria, but especially in emerging markets.	Results of equity-accounted investments	x		X	8	Soft factors are taken into account in the credit assessment. The credit assessment is based not only on the balance sheet, but also on where the company stands relative to its peers, including in terms of ecological and social aspects.	Economic importance of the leading credit insurance in Austria.

Core business	Item on the OeKB bank group income statement	Direct environmental and social effects*	Indirect environmental and social effects	Positive environmental and social effects	OeKB Group SDG focuses	Negative impacts	Positive impacts
	Operating income						
	Staff costs	x		x	4, 8		We offer good and secure jobs for nearly 500 employees. OeKB Group considers a good work-life balance to be a fundamental prerequisite for motivated and healthy employees. Clear rules require the Executive Board, line managers, and employees to act reliably, lawfully, and with due care.
	Other administrative expenses and write-downs	x	x		9	Procurement for IT systems and infrastructure to offer customers the best possible service.	Sustainable procurement criteria are applied. GRI 102-9
	Administrative expenses						
	Income taxes	x			8		The tax expenses consist of actual and deferred taxes.
Dividend payments to the owners of OeKB	Dividend				8		Ensures the continued existence of the OeKB bank group.
	Retained earnings				8,9		To strengthen the capital base for future business growth.

* All of our services generate commercial waste similar to household waste and energy and fuel consumption as direct environmental impacts from general office operations and business travel. They are only listed separately in the impacts when they exceed the level of a general effect.

Materiality analysis

GRI 102-15, 27, 29, 40, 42, 43, 44, 46, 47, 48, 49
GRI 413-1

The materiality analysis process is described in detail in the **2017 sustainability report**.

The materiality analysis assists the OeKB bank group in identifying the topics that are most important for its operations and for its stakeholders. To this end, the economic, ecological, and social impacts of our activities within and outside of the OeKB bank group are carefully assessed. Because of the constantly changing conditions and the new EMAS Regulation requirement to complete a context analysis, the materiality matrix was completely revised in 2017.

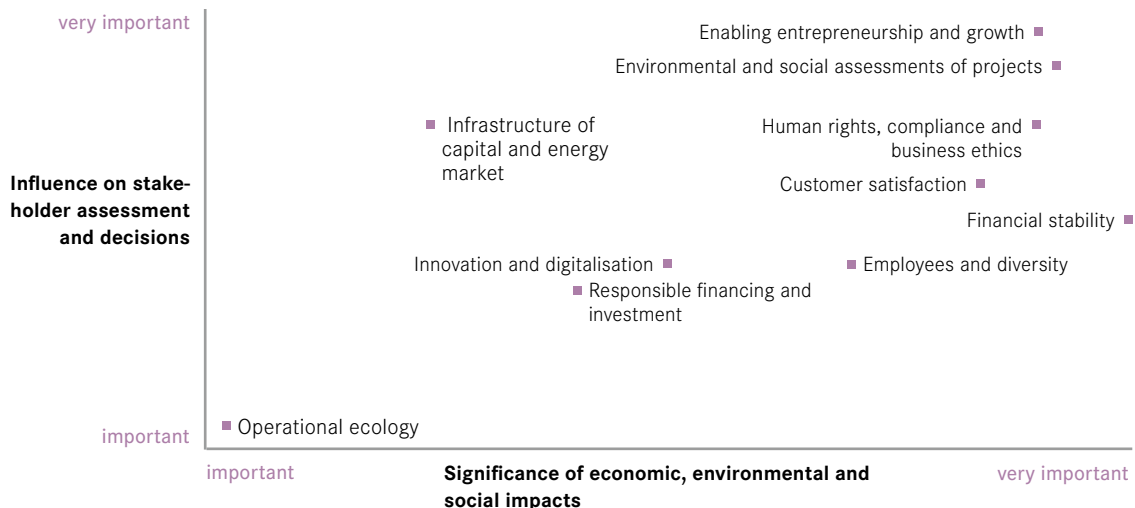
We involved our stakeholders in this and identified and applied various methods to analyse trends and developments. The results of the context analysis of the material future trends, their effects on and through the OeKB bank group, the resulting opportunities and risks, and the material concerns of the stakeholders were evaluated by an expert committee together with the Executive Board, taking the business strategy into account. We evaluated these again in 2018 and made no changes compared with the previous year.

The most important stakeholders of the OeKB bank group (in alphabetical order) remained unchanged and were taken into account when evaluating the material topics:

- Customers,
- Employees,
- Federal Ministry of Europe, Integration and Foreign Affairs as the coordinator for development financing,
- Federal Ministry of Finance as the guarantor,
- Investors,
- NGOs/the public/the media,
- Shareholders,
- Supervisory bodies/lawmakers.

This matrix is not a complete representation of all aspects, but simply depicts the material topics.

Materiality Matrix – important to very important



List of material topics

Aspects and topics	GRI KPIs	OeKB bank group SDG focuses	Description in the sustainability report
Enabling entrepreneurship and growth	Management approach – described in the report 203-1, 203-2, FS1, FS5, FS6, FS7, FS8, FS13, FS14, FS15	1, 8, 9,17	Business model of OeKB Group To help business grow Export Services Covering credit default risks Development Financing Capital Market Services Sustainability programme 2019
Environmental and social auditing of projects	Management approach – described in the report 412-1, 412-2, 412-3, 413-1, 413-2, FS2, FS3, FS9, FS11,	8,13	To help business grow Covering credit default risks Development Financing Policies Sustainability programme 2019
Human rights, compliance, and business ethics	Management approach – described in the report 205-1, 205-2, 205-3, 418-1, 419-1	8, 17	Covering credit default risks To help society succeed Compliance Sustainability programme 2019
Infrastructure for the capital market and energy market	Management approach – described in the report	7, 9	Business model of OeKB Group To help business grow Capital Market Services OeKB CSD GmbH Energy Market Services Sustainability programme 2019
Customer satisfaction	Management approach – described in the report	8	Customer satisfaction and customer care Sustainability programme 2019
Financial stability	Management approach – described in the report 201-1, 201-2	8	Business model of OeKB Group To help business grow Development Financing Policies Annual financial report 2018 Sustainability programme 2019
Employees and diversity	Management approach – described in the report 401-1, 401-2 401-3, 404-1, 404-2, 404-3, 405-1, 405-2, 406-1, FS4	4, 8	To help employees advance Competencies Diversity Sustainability programme 2019

Innovation and digitalisation	Management approach – described in the report	7, 8, 9	To help drive innovation Sustainability programme 2019
Responsible financing and investment	Management approach – described in the report FS10, FS12, FS16	8	To help business grow Sustainability programme 2019
Operational ecology	Management approach – described in the report	7, 13	To help the environment flourish Sustainability programme 2019
Energy	302-1, 302-2, 302-3, 302-4		Energy management Ecological key indicators
Emissions	305-1, 305-2, 305-3, 305-4, 305-5		Energy management Ecological key indicators

Sustainable Development Goals

The OeKB bank group made an initial assignment of the Sustainable Development Goals (SDGs) to its core business activities in 2016. The SDG focuses were expanded during the update of the materiality analysis in 2017. The update in 2018 brought a change in the SDG focuses of OeEB.

In a discussion process with different internal interest groups, we agreed that we can make an important contribution for OeKB in meeting SDGs 1, 4, 8, 9, and 13. SDGs 1, 7, 8, 9, 13, and 17 were identified for OeEB.

As the official export credit agency and development bank of the Republic of Austria and a central service provider for the capital and energy market, OeKB bears key responsibility for the domestic economy together with its subsidiaries OeEB and OeKB CSD. The services of OeKB Group strengthen the international competitiveness of Austrian companies and of Austria as a business location and help to create better living conditions in the developing and emerging countries. In this, we orient ourselves towards the SDGs in the interests of the Austrian public. We also critically monitor trends and assess the resulting opportunities and risks as described in the SDGs. Climate change, limited resources, digitalisation, and Industry 4.0 are just some of the current challenges. We also see the SDGs as a compass for future activities. But they also affirm that we should maintain existing and proven processes such as the environmental and social audits for projects handled through us.

The SDGs are firmly anchored in our business strategy and business model. As the export credit agency of the Republic of Austria, OeKB facilitates exports to and investments in regions of the world that would otherwise be unable to profit from the know-how and goods of local companies or from the inflow of foreign capital.

Specific SDG projects:



OeKB extends subsidised loans, so-called soft loans, on behalf of the Federal Ministry of Finance. These are earmarked for sustainable projects that are implemented by Austrian companies and that benefit the general public in less-developed countries. This type of financing benefits the recipient countries and domestic companies alike.

The SDGs are a key part of OeEB's business strategy. All of its activities are aimed at contributing to the reduction of poverty and to sustainable development in developing and emerging countries by strengthening the private sector. OeEB improves access to economic resources for persons at risk of poverty and exclusion above all through its projects in the financial services sector, including microfinance.



Numerous projects of OeKB Export Services and of OeEB contribute to expanding renewable energy and climate protection.

For example, direct project financing from OeEB for wind farms and other renewable energy sources helps to reduce greenhouse gas effects, thus making a tangible contribution to protecting our climate. The project development company Rendcor was established to this end, among other undertakings.

More information about how we address climate protection and reducing CO₂ emissions in our daily operations can be found in the section "To help the environment flourish".



We also have a strong commitment to innovation. We have been active in the weXelerate start-up hub as a corporate leader since 2017. OeKB also launched its first real-time blockchain operation in October 2018 as part of a government bond auction. Further details on this can be found in the section "To help drive innovation".

OeKB and OeEB jointly host a project of the UN Global Compact Network Austria that focuses on SDG 9 – Industry, innovation, and infrastructure. We have also found partners to join this project group: ILF Consulting Engineers, Verbund AG, KPMG, Erste Group Bank AG, AIT – Austrian Institute of Technology GmbH, and Climate KIC, an accelerator for start-ups in the field of climate protection.



We make an important contribution to high-quality education for the benefit of future generations through measures such as our involvement in the START programme and in Teach for Austria.



The mandate of the Austrian development bank to implement projects with private sector entities is multi-faceted, and includes financing and equity investments as well as the effective and targeted expansion of capacities in developing countries. This supports the global partnership for sustainable development.

Impact measurement

OeKB has conducted a high-level quality mapping of the 17 SDGs since 2018. In the first step, all export guarantees and bill guarantees worth €10 million or more and with a loan term of at least two years along with all soft loans, Exportinvest financing arrangements, and other selected applications with positive environmental effects that are reported as part of the climate financing are assigned to a primary goal.

Additional goals that are positively or negatively impacted by the project application are also assigned. It is crucial for the OeKB employees to have a well founded understanding of the SDGs, so specific training and workshops about the SDGs were launched in the different business segments in 2017. The employees can also access information and documents about the SDGs on the intranet.

www.oe-eb.at/en/news/news/2018/development-report.html

As a development bank, OeEB orients itself towards the SDGs in all of its activities on the basis of its mandate. It reworked the precise definition of the SDG contribution of its projects in 2018. A range of general information and development-policy indicators are now used to assess each project in terms of whether it makes a primary or secondary contribution to one or more SDGs. A primary contribution is made when the development-policy objective of the project contributes to the achievement of the respective SDG. Aside from their primary field, our projects also often generate effects that represent added development-policy value for the purposes of the SDGs and that are thus measured and reported as an “other material contribution” (such as promoting women in the staff).

Sustainability strategy



We drafted a sustainability strategy for the OeKB bank group for 2017–2020 based on the results of the context analysis and in collaboration with our stakeholders. It covers five areas:

■ **To help business grow:**

We develop sustainable products and services to contribute to the sustainable operation of the OeKB bank group.

■ **To help drive innovation:**

We collect, prepare, assess, and market new possibilities. To this end, we build an environment and internal and external networks to cover this broad topic.

■ **To help employees advance:**

We pay attention to the health of our employees, to a good work-life balance, and to imparting necessary know-how. This will enable all of us to make a contribution to the sustainable success of the OeKB bank group.

■ **To help the environment flourish:**

We document and optimise the direct and indirect ecological impacts of our activities.

■ **To help society succeed:**

We take an active role for the sustainable development of our society as a shaper and educator.

The sustainability report is also structured by topic in line with this. The measures that are intended to achieve these goals are shown in the sustainability programme and progress report.

Stakeholder relations and dialogue

GRI 102-40, 42, 43, 44
GRI 413-1, FS1, FS5

More information on the most important stakeholder groups can be found in the **Materiality analysis**

Our stakeholders and stakeholder relationships are just as diverse as the broad range of services of the OeKB bank group. We view transparent communication and an open dialogue as key to finding common solutions to controversial, challenging, and critical topics and interests. We openly address differing viewpoints. Engaging stakeholders, in other words people and groups who have a justifiable interest in or influence on our direct or indirect business activities, is an integral part of our business processes. We strive to use our contacts to initiate and realise joint projects for the economy, environment, and society. We use different forms of dialogue for this depending on the stakeholders in question.

Publications

Read RELEVANT online at: www.oekb.at/en/oekb-group/news-und-wissen/relevant-magazine.html
Subscribe to RELEVANT free of charge: relevant@oekb.at

OeKB Group publishes the magazine RELEVANT every quarter to present well founded, clear information from the world of OeKB Group. Each issue has a specific focus. The following topics were featured in 2018: protectionism, diversity and resilience, Austria as a financial centre, and a RELEVANT OeEB Spezial on the ten-year anniversary of OeEB. RELEVANT is not only a platform for executive and line managers. Experts from all departments contribute greatly to the contents of each issue. They share their highly specialised knowledge with interested members of the public.

reports.oekb.at

The current reports – annual financial report, Export Services annual report, and the Disclosure Report – along with brochures and fact sheets can be found on the OeKB website.

Exchange with employees

The Executive Boards of OeKB and OeEB and the management of OeKB CSD value regular, direct dialogue with their employees. This takes various forms ranging from regular meetings to the Executive Board of OeKB sitting down with small groups of employees below management level for breakfast to discuss current issues in the business segments, developments in the bank and industry, or personal matters.

The “Frühstück mit Weitblick” (Breakfast with a View) series was launched in 2018. Every quarter, our employees have the opportunity to learn about a current topic over breakfast. After a brief keynote speech by an external speaker, the participants can discuss the topic of the day with colleagues and external experts.

The first such breakfast was organised by Innovation Management and featured the topic of “embracing failure”. The keynote speaker and “failure enthusiast” was Dejan Stojanovic, who brought the “FuckUpNights” to Vienna. Forty employees were inspired and discussed how each individual can contribute to a positive approach to dealing with failure.

Customer satisfaction and customer care

GRI 103-1, 2, 3 The OeKB bank group’s clients are diverse and often have different needs and desires. It is essential to be familiar with these wishes in order to continuously refine our product range and adapt our processes to our clients’ requirements. The OeKB bank group’s employees obtain this knowledge in personal conversations, structured interviews, electronic surveys, and at special client forums and workshops. Representatives of all OeKB business segments come into direct contact with clients by attending external events and appearing on discussion panels. The findings flow into the conception, structuring, and forming of innovations.

The OeKB Executive Board and the Export Services team also attend corporate client events held by commercial banks and events hosted by the Federal Economic Chamber all over Austria. Here, they report on further developments in our services, explain the benefits of using our instruments, and provide information on trends in important target markets for the Austrian export industry and concrete ways of mitigating business risk and of financing business together with OeKB.

OeKB offered its first webinar to this end in collaboration with the Federal Economic Chamber in 2018. Experts from OeKB and OeEB also participated in the annual export day, the Africa day, and the Federal Economic Chamber’s “Forum Wirtschaft”, where Austrian companies learned about its services. In addition, OeEB organised a workshop on the topic of “Bankable projects – designing projects attractively for the Austrian development bank” together with AUSSENWIRTSCHAFT AUSTRIA in February 2018.

The companies in the OeKB bank group also place high value on collecting regular feedback from their customers. In autumn, Export Services invited banks and export companies to a one-day workshop where they could explore their wishes and needs for smooth collaboration. Participants not only talked about the challenges and problems, but also worked together on possible solutions.

Under the aegis of the Federal Ministry of Finance

OeKB has been assisting Austrian exporters since 1950. It offers export guarantees in the name of the federal government, thus mitigating economic and political risk for business abroad. It also facilitates attractive financing for foreign projects. OeKB acts as the export credit agency (ECA) of the Republic of Austria in this capacity.

The OeKB bank group continuously coordinates with the Federal Ministry of Finance (BMF) with regard to guarantees and financing. The basic parameters for covering export transactions in the individual countries are set based on our proposals and then published in the form of country policies on our website. For soft loans, we submit proposals to the BMF regarding recipient countries and specific terms. The necessary funds are raised and the terms set in coordination with the BMF based on the valid legal framework.

OeKB evaluates applications for transactions from a bank perspective and submits a summary opinion to the BMF and from there to the members of the Advisory Committee, and also to the Export Financing Committee in the case of soft loans. In addition, OeKB and the BMF exchange information on a regular basis, more intensively with regard to specific, major cases and in the case of critical current developments (such as substantially increased political risk in the target country).

We prepare quarterly reports that the BMF uses to inform the parliament. Moreover, we provide basic data to the BMF for the annual report to the Main Committee of the National Council, i.e. the Activity Report of the Advisory Committee pursuant to § 6 Austrian Export Guarantees Act. We also supply the BMF with the information needed to answer enquiries.

OeEB was established as the development bank of the Republic of Austria in 2008 and works on behalf of the Austrian government to improve living conditions for people in developing and emerging countries. The legal basis for the activities of OeEB is largely defined in the Export Guarantees Act. It is also bound by the principles of development cooperation as defined in the Development Cooperation Act. It works on behalf of the BMF as well as for the BMEIA (Federal Ministry for Europe, Integration and Foreign Affairs).

Investor Relations

Regular roadshows are a prerequisite for the diversification and expansion of OeKB's investor base. Investors in Asia, the USA, South America, Great Britain, and the Middle East were visited at a variety of issuer and investor conferences in 2018. There, OeKB meets with central banks, official organisations, insurance companies, asset managers, bank treasuries, and investment funds. These investors are interested in the issues of OeKB due to their very high credit quality, the guarantee of the Republic of Austria, their scarcity value, and their excellent performance on the primary and secondary markets. To measure its success as an issuer in the capital markets, OeKB continuously compares its performance with that of its peer group, which includes sovereign issuers, multilateral organisations, and other export credit agencies.

Rating agencies

www.oekb.at/en/investor-relations/rating.html

The OeKB issues that are guaranteed by the Republic of Austria are rated Aa1/AA+ (long term) and P-1/A-1+ (short term) by Moody's and Standard & Poor's. Annual due diligence meetings are held with these rating agencies. Rating reports are published regularly and can be found on the OeKB website.

Additionally, specialised sustainability rating agencies analyse and assess OeKB's performance from an ecological and social perspective at regular intervals. In 2018, OeKB improved its "Prime" status rating with ISS-oekom research to C+. OeKB is ranked seventh of 28 companies in its sector. sustainalytics ranks it at number 44 of 395 companies and as an "outperformer". OeKB has held "qualified" status in the rfu sustainability rating since 2016.

Dialogue with civil society

GRI 102-13, 17, 21
GRI 413-1
FS5

Members of civil society (committed citizens and the groups representing their interests) primarily approach the OeKB bank group in its role as a national export credit agency acting on behalf of and for the account of the Federal Ministry of Finance (BMF). More concretely, this pertains to large projects with potentially high impact on the environment, social issues, and human rights that OeKB assesses or for which the federal government has either provided a guarantee or indicated the prospect of one being provided.

The relevant non-governmental organisations (NGOs) are organised in the platform Finance and Trade Watch (FT Watch) Austria. We have maintained a dialogue with this platform for many years. We actively provide information as soon as project information according to the OECD Common Approaches is published on our website. At the same time, FT Watch Austria asks questions about potential projects. We use this information to ensure a holistic view of a given project and its context in the event that we audit it. As part of the evaluation of the North Stream 2 pipeline, we opened an active dialogue with a group of international NGOs. We also actively participate in surveys for the preparation of academic studies. NGOs come to us with their concerns through this exchange.

After being invited by the Austrian National Contact Point, we participated in the peer review of the Organisation for Economic Co-operation and Development (OECD) and answered the questions of the OECD in the panel. We maintain regular contact with the Austrian National Contact Point and participate in its events to interact with other Contact Points and experts.

GRI 102-33
GRI 413-1

More information can
be found in the section
“Business ethics”

In addition to an internal whistleblower system, an external complaint mechanism has been set up for every credit institution in the OeKB bank group. This enables our customers to approach us with their concerns in the form of feedback, suggestions, or constructive criticism. This in turn allows us to recognise, analyse, and correct recurring potential legal and operational risks. This is also required by the legal regulations on complaint processing in § 39e of the Austrian Banking Act (BWG). The complaints are reported to the Financial Market Authority (FMA) once per year. These can include expressions of dissatisfaction with certain IT services or the manner in which applications are processed, for example.

OeKB's and OeEB's websites also contain contact options for directly submitting questions and comments.

“Schüler gestalten Wandel” – Students Shaping Change

A large group discussion was held at the Viennese school BHAK WIEN 10 on the topic of “students shaping change” on 9 January 2018. As in the first discussion on 21 December 2017, high-profile guests again spoke with students at the BHAK and VBS Schönborngasse business schools.

In addition to OeKB Executive Board member Angelika Sommer-Hemetsberger, guests included Magdalena Isbrandt (Bitcoin), Arnim Wahls (firstbird), Olaf Peter Poenisch (Santander Bank), Martin Winkler (Oracle), Manfred Immitzer (Porsche Informatik), and Christian Bernhardt (Schindler Aufzüge).

The students were again very well prepared and highly motivated. All present enjoyed a

very pleasant and at times lively discussion about digitalisation and the professions of tomorrow. The discussion covered topics such as data protection, banking transactions, future career models, payment systems, cryptocurrencies, social media, and many more. The participants on both sides gained new knowledge from the respectful dialogue.

European Forum Alpbach

OeKB discusses specialisation and diversification

OeKB, as represented by Executive Board member Helmut Bernkopf, explored what role specialisation and diversification play in delivering top performance at the Alpbach economic symposium in August 2018.

Central topics of discussion were:

- What findings in the field of genetics can help companies prepare effectively for the future?
- What are the decisive success factors in the diversification of business segments and target markets?
- What role does internationalisation play in this?

A wide variety of speakers took to the podium:

Markus Hengstschläger, director of the Institute of Medical Genetics at the Medical University of Vienna, presented the concepts of specialisation, generalisation, and diversity in his keynote speech. He focused on what companies should know from the latest findings in the field of genetics.

Ulrike Klemm-Pöttinger, Executive Vice President of Finance at Kapsch TrafficCom AG, Barbara Potisk-Eibensteiner, CFO at Heinzl Holding GmbH, and Helmut Bernkopf, member of the Executive Board of Oesterreichische Kontrollbank AG, addressed different business aspects.

CEO round table discussion

“Leading the Sustainable Development Goals (SDGs) through partnerships”

The Global Compact Network Austria and the United Nations Information Service (UNIS) in Vienna hosted a CEO round table discussion at the Vienna International Centre on 8 November 2018. The OeKB bank group was represented by Angelika Sommer-Hemetsberger. CEOs of Austrian companies spoke with NGOs and UN representatives about the Sustainable Development Goals (SDGs). This was a fitting response to the call from UN Secretary General António Guterres for increased collaboration between the United Nations and the private sector.

CEOs and experts alike agreed with Angelika Sommer-Hemetsberger, member of the Executive Board of Oesterreichische Kontrollbank AG: “Being open for new partnerships. ... Openness is indeed one measure for implementing the Agenda 2030 for sustainable development.”

The changing face of growth

Social and environmental experts and business and government representatives from throughout Europe met at the Austria Center Vienna on 14 and 15 November to talk about “Europe’s Transformation: Where People Matter”.

The OeKB bank group had two panellists at the conference: Sabine Gaber, Executive Board member at OeEB, contributed her expertise on “How to Develop Sustainable Infrastructure Projects”.

And Nastassja Cernko, sustainability manager at OeKB bank group, contributed to the session “Bringing the SDGs to Life: From Status Quo to a Sustainability Transformation”, in part with information about cooperation projects with political institutions, businesses, and civil society as a key factor in implementing the SDGs.

Networks and memberships

GRI 102-13 The memberships of the OeKB bank group companies focus on organisations and initiatives that are essential for achieving their business and sustainability objectives.

The most important memberships are as follows (in alphabetical order):

- Aktienforum,
- Austrian Bankers’ Association,
- Berner Union,
- C.I.R.A. – Cercle Investor Relations Austria,
- Club of Rome – Austrian Chapter
- European Development Finance Institutions (EDFI),
- Federation of Austrian Industry (IV),
- ICMA – International Capital Market Association,
- International climate financing working group (AGIK) of the Federal Ministry of Sustainability and Tourism (BMNT),
- ÖGUT – Austrian Society for Environment and Technology,
- respACT,
- Transparency International – Austrian Chapter,
- UN Global Compact – Austrian Network,
- UN Women – Austrian National Committee,
- VÖIG – Association of Austrian Investment Fund Management Companies,
- WIIW – Vienna Institute for International Economic Studies,
- WIFO – Austrian Institute of Economic Research,
- WKO – Austrian Federal Economic Chamber.

The OeKB bank group attends meetings of the European Union (EU), the Organisation for Economic Co-operation and Development (OECD), and the Paris Club as an adviser to the BMF.

Events

FS5 The OeKB bank group has organised events for several years to promote an exchange of information between businesses, government, the scientific community, and civil society.

Videos from the closing event and an e-book with articles from the project are available free of charge at schoenedigitalewelt.clubofrome.at/ergebnisse.

We strive to play an active role as a shaper and educator for the sustainable development of our society. We held a series of events again in collaboration with partner organisations and independently in 2018. These included:

Wonderful digital world? Opportunities and risks of the next society.

What effects is digitalisation likely to have on society and business? And what boundaries need to be set to turn the risks of digitalisation into opportunities? These questions were at the heart of the “Wonderful digital world” project that OeKB conducted in cooperation with the Club of Rome – Austrian Chapter and SERI. The closing event for the project was held on 28 February. A highlight was a podium discussion about the challenges that digitalisation poses for society and the economy. The aspects that were addressed included new business models, changed ways of working, artificial intelligence, and data as a new currency. The monitoring of the general population and the dangers of a highly technological world in terms of the resilience of a society were also discussed.

OeKB >Export academy

The OeKB >Export academy is an event for banks, exporters, consultants, and export promotion agencies, intended to raise their awareness of the services offered by OeKB Group and to enable them to exchange experiences and make contacts. Participants learn a great deal about OeKB Group’s covering and financing solutions over a period of two consecutive days. The experts from OeKB Export Services and the subsidiary ACREDIA present their offerings and provide the participants with an overview of the uses and advantages of the financing arrangements, guarantees, and insurance for export transactions.

Export breakfast

Once a year, OeKB organises an information/dialogue breakfast in its Reitersaal hall for bank employees. Here, they see short presentations on current topics in the areas of covering and financing with OeKB Group. Afterwards, there is an opportunity to pose questions and engage in discussions in smaller groups.

OeKB Capital Market Services business breakfast

The business breakfast that was held for the first time allowed customers and other stakeholders to gain insights into the topic of digitalisation in an informal atmosphere. Behavioural researcher and evolutionary biologist Gregor Fauma laid the theoretical foundation with his keynote speech, after which the latest developments in OeKB Group and the integration of blockchain technology into the auction process for Austrian government bonds were presented.

Börsianer Fair 18

The Börsianer Fair was held for the first time at Hofburg Palace in Vienna on 25 and 26 September. The OeKB was an event partner, and Executive Board member Angelika Sommer-Hemetsberger joined a number of other high-calibre speakers.

Climate change – opportunity or risk for the financial sector?

The Federal Environment Agency held a workshop on 30 November with the support of OeKB. The event was attended by experts from the consulting field, public administration, and financial sector and addressed concrete ways in which the Paris climate goals and the corresponding emission pathways can be achieved. RiskFinPorto – the first Austrian research project on climate risks in the financial sector – was also presented.

Vienna Roundtable

For over 25 years now, the Executive Board of OeKB has been inviting respected economists and financial market experts from around the world to a two-day winter conference in the Reutersaal hall. At the round table discussion, they examine significant developments for society, the economy, and finance.

Key topics in 2018 were the increasing political and economic polarisation, the emergence of new dichotomies, and the advance of robotic automation and artificial intelligence. One keynote speech addressed “The Road to Unfreedom”. Timothy Snyder, Levin Professor for History at Yale University, elucidated current threats to liberal societies. His opinion was that authoritarianism is on the rise again despite the fact that liberal democracies seem to have emerged victorious from the Cold War and despite the fact that confidence in a peaceful, globalised future has increased.

Stian Westlake, Policy Adviser to the UK’s Minister of State for Universities, Science, Research and Innovation, was the second keynote speaker. He presented his theory about the rise of the “intangible economy” and explained what effects the increasing importance of intangible capital is having on companies, the economy, society, and the financial system.

Transparency International – Austrian Chapter review for 2018

OeKB was the host of the Christmas get-together for private and corporate members of Transparency International (TI) – Austrian Chapter and interested persons, where the chairwoman of the executive board and president of the advisory committee of TI – Austrian Chapter presented a review and outlook of relevant topics and activities.

Events of Oesterreichische Entwicklungsbank

OeEB has been a successful player in Austrian development cooperation for ten years and is a respected expert in sustainable private sector development. The development bank contributed its know-how to a number of top-level events in 2018 again, including at the High Level Forum Africa-Europe, the Vienna Energy Forum, the High Level Workshop on Renewable Energy Financing of the Federal Ministry for Sustainability and Tourism, at a round table discussion organised by the European Commission Representation in Austria in cooperation with AUSSENWIRTSCHAFT AUSTRIA and the Federal Ministry for Europe, Integration and Foreign Affairs on the topic of the European Investment Plan for Third Countries, and at the Beyond Europe round table discussion organised by the Internationalisation and RTI Foreign Policy working group.

OeEB was also involved in the panel discussion on “Impact Investment – from Theory to Practice” at the Erste Asset Management sustainability conference and the discussion on “The way forward on climate and sustainable finance” at the Austrian Climate Change Workshop of Kommunalkredit Public Consulting. The experts at OeEB also regularly contribute their knowledge to various events and presentations, for example at the IUFE (Institut für Umwelt, Friede und Entwicklung) conference “SDGs as a way forward – Perspectives for development cooperation and the economy” and at the Economic Development Days of the Vienna University of Economics and Business in the 2018 reporting period.

OeEB works closely with the other key figures in Austrian development cooperation and organised a number of joint events. Events were held on the topics of “Development Investments”, “Energy Solutions for Rural Africa”, “Urban Development Markets”, and “Africa’s Path to Prosperity” together with Institut zur Cooperation bei Entwicklungs-

Projekten (ICEP). An event on “The role of trusts in development cooperation” was organised with Fundraising Verband Austria.

Further forms of dialogue in alphabetical order

Information Objective: create transparency	Consultation Objective: gather perspectives, expectations, and possible solutions	Cooperative dialogue Objective: promote open exchange and realise joint projects
Employee information events held by the Executive Board members and senior managers	Advisory Committee meetings	Employee visits to exporters and banks
Export Services newsletter	Gathering expertise, for example as part of the Vienna round table discussion	Exchange and collaboration with start-ups as part of the weXelerate start-up hub
Intranet	Organisation of expert presentations for employees, for example on learning from failure	Exchange with the Federal Ministry of Finance
OeEB development report	Personal discussions, for example during performance reviews and small group activities such as the breakfast talks	Expert presentations and exchange with academic universities and universities of applied science
OeKB press review	Sustainability meetings of the focal points	Information and dialogue events with employees from OeKB and other banks
Participation in studies and surveys on sustainability and in the financial industry, sustainability reporting, environmental management systems, etc.		OeKB >Export academy
RELEVANT ANNUAL RELEVANT magazine RELEVANT OeEB Spezial		Organisation and participation in events to discuss with different stakeholders (such as European Forum Alpbach)
Reports: annual financial report, sustainability report, Export Services annual report, OeKB Group disclosure report, OeEB annual report, OeKB CSD GmbH annual financial statements		UN Global Compact Steering Committee member
Social media		
Website		

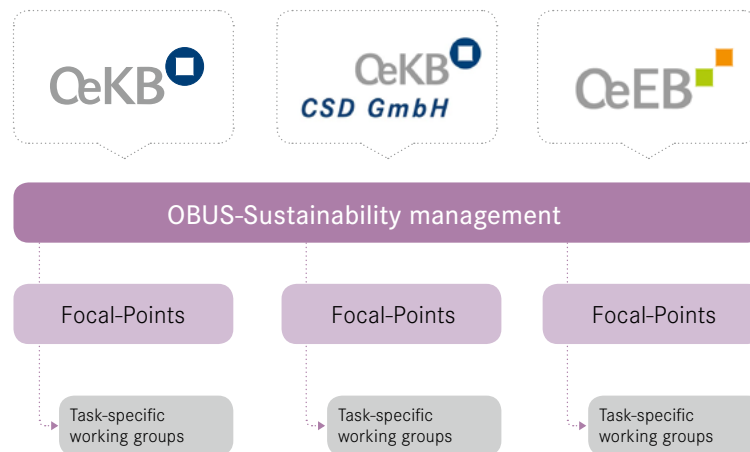
Sustainability management

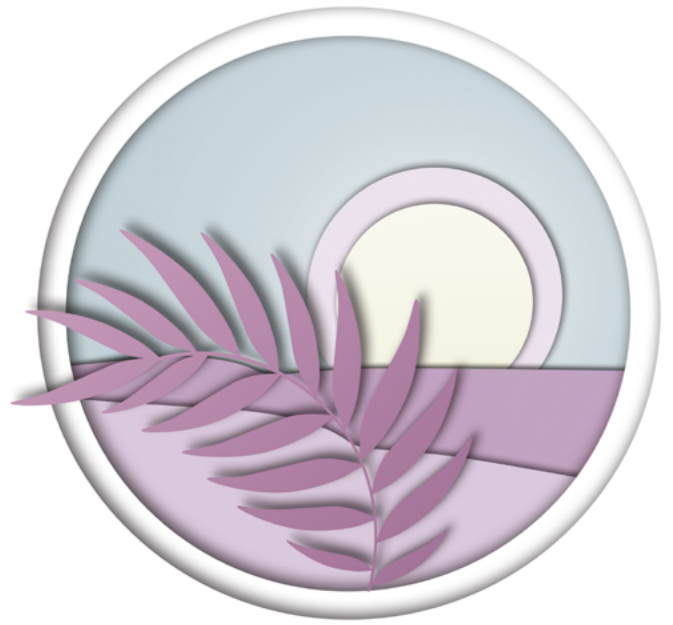
GRI 102-19, 20, 26, 27, 28, 31
GRI 103-3
FS9

The Organisation, Construction, Environmental Issues, and Security department (OBUS) and the sustainability management unit that is located there report directly to the Executive Board. Sustainability affects all segments and units of the OeKB bank group and is an integral part of the strategic orientation of OeKB Group. For this reason, the Executive Board of OeKB, the Executive Board of OeEB, and the senior managers of OeKB CSD decide on the sustainability strategy and measures. They are updated on the progress of the implementation of the sustainability management activities on a regular basis. This governance group also conducts a management assessment according to the EMAS requirements once per year.

The business segments in OeKB and the subsidiaries are another focal point of sustainability management. The heads and managers serve as fixed points of contact and communication interfaces between the sustainability management structure and the business segments and subsidiaries. They also help to identify the employees in their units who will implement the measures from the sustainability programme in task-specific working groups.

The implementation of the sustainability management objectives and measures and of the management approach is assessed internally at least once per year by Internal Audit/ Group Internal Audit. The audit reports are made available to the external auditor that assesses the management system every year.





To help business grow

GRI 102-6, 15
GRI 103-1, 2, 3
GRI 201-2

New protectionist tendencies, international political instability and uncertainty, internal and international conflicts on the distribution of resources, human rights violations, climate change, and resource scarcity are just some of the current challenges that we must surmount in a globalised world. And by “we”, we mean both the stakeholders of the OeKB bank group and all of us as individuals. How closely we are intertwined is also shown by the fact that all of these topics also have further economic, ecological, and social implications at the local, national, and international levels.

The OeKB bank group regularly assesses global and local trends and contexts. This enables us to ensure that our economic activities have a positive impact on the economy, environment, and society. This also requires that we are constantly ready to refine and adapt our business models, services, and processes. The management of the OeKB bank group addresses these topics in regular strategy development processes. The objective is to continue acting as a responsible partner for the Austrian economy going forward.

In its role as the official export credit agency, the development bank of the federal government, and a central service provider for the capital and energy markets, the OeKB bank group bears particular responsibility for the Austrian economy and in respect of its numerous stakeholders. This is reflected in our business and risk policy.

Financing with a holistic view

GRI 203-1, 2

Companies that invest abroad have different motives. The goal is often to tap new sales and procurement markets. Another frequent objective is improving competitiveness by accessing lower-cost production opportunities in other countries. A globally operating company is also in a better position to weather regional crises. These benefits are offset by the costs and risks of going abroad. No matter how well a company prepares for the local situation and conditions, there is often still a considerable risk that an investment could lose its value, for example because of political changes.

Companies can cover political risks by way of a federal guarantee through the OeKB bank group. This type of promotion also entails great responsibility. We take our role seriously in investment guarantees and evaluate the impact of every transaction on the environment, employees, and local population through a screening and an environmental and social audit. Experience has shown that many Austrian investors set a good example in the target country – for example with codes of conduct for suppliers, extensive training programmes, and excellent environmental protection and safety standards that often go far beyond the local regulations.

In many of the lowest-income countries in the world, small and medium-sized enterprises (SMEs) and microbusinesses are often the entire economy. They account for as much as 90% of the companies and for half or even two-thirds of all jobs. At the same time, they are often the “missing middle” in development financing. Microfinance has enjoyed great prominence since the 2006 Nobel Peace Prize was awarded to Muhammad Yunus, one of the pioneers of this movement. Large companies have the capacity and know-how to develop projects whose economic benefits are easy to communicate, and therefore have an easier time accessing financing.

This is why Oesterreichische Entwicklungsbank AG (OeEB) strives to maintain a focus on those in the middle. We provide venture capital to enable smaller companies to start or expand through investments managed by OeEB as a fiduciary for the Republic of Austria. OeEB reacts to the lack of capital in developing countries by providing financing for SMEs. OeEB can also combine this financing with local training measures and with the development of the capabilities of local partners. This transfers crucial know-how to small companies and especially creates jobs and better living conditions for people in developing countries.

The Federal Ministry of Finance (BMF) took advantage of the high-level Africa-Europe forum held under the title “Taking cooperation to the digital age” in December 2018 to launch a new €10 million investment fund for small-scale investments by Austrian SMEs in Africa. The fund is to be managed by OeEB with the goal of facilitating sustainable projects in Africa, thus contributing to employment and stabilisation in these countries.

The BMF will finalise the instrument at the beginning of 2019 with experts from OeEB. OeEB also intends to expand its activities in Africa to around 20% of its new business, which equates to roughly €55 million per year.

FS10 Responsible financing and investment also pertains to our proprietary portfolio. The responsible investment team handles all of these investments on the basis of the “magic triangle”, balancing the three economic objectives of security, liquidity, and return. We also evaluate the effects that our investments have on others by accounting for the non-economic objectives of ethical action and sustainability. The OeKB bank group uses exclusion criteria to avoid conflicts between the consequences of an investment and the purpose of our institutions, and also to avoid risks.

For this reason, the defence industry is currently excluded from the proprietary portfolio of the OeKB bank group based on the data from SIPRI and Bloomberg Defense. The strategic asset allocation team decides whether additional exclusion criteria or positive criteria will be added to the catalogue.

Export Services

GRI 102-2, 6
GRI 203-1, 2

Good risk management and attractive financing are crucial for the lasting success of export business and investments abroad. We have specialised in this since 1950. We offer instruments that make companies stronger in global competition on behalf of the Federal Ministry of Finance. The key feature is always the assumption of default risks to create a basis for attractive financing. In this, we stay true to the values of the OeKB bank group by serving all sectors, acting impartially, and adhering to our sustainability policy.

GRI 203-2
GRI 413-1, 2
FS6, FS9

Covering credit default risks

Administration of guarantees by OeKB on behalf of the Republic of Austria

A statistical overview of the guarantees pursuant to the AusfFG can be found in the **OeKB 2018 Export Services annual report**

OeKB is a reliable partner of the Republic of Austria and the Austrian export industry. As an agent of the Republic of Austria, OeKB provides guarantees for export sales and Austrian foreign direct investment. The export guarantees are limited to non-marketable risks. Cover for marketable risks is available from private export credit insurers. The guarantee system is based on the provisions of the Export Guarantees Act (AusfFG) and the respective regulations.

Information about the OeKB Export Services can be found on the Internet at www.oekb.at/en/export-services.html

The guarantees for covering political and commercial risks and the use of bill guarantees give customers access to the Export Financing Scheme (EFS). The EFS facilitates the easier low-interest refinancing of exports and foreign direct investments.

Guarantees by region and country group

	Commitments 2017			Valuated guarantee exposure 31.12.2017			Commitments 2018			Valuated guarantee exposure 31.12.2018		
	Number	Million euros	%	Number	Million euros	%	Number	Million euros	%	Number	Million euros	%
Europe (including Turkey/CIS)	295	747	14.4%	751	3,822	15.7%	265	470	8.2%	721	3,675	13.9%
EU	70	82	1.5%	215	640	2.6%	56	124	2.2%	211	627	2.4%
North America	7	3	0.1%	16	60	0.2%	7	4	0.1%	18	19	0.1%
Latin America	114	107	2.0%	286	733	3.0%	90	169	3.0%	297	784	3.0%
Asia	178	681	12.7%	692	3,712	15.2%	136	576	10.1%	663	3,454	13.1%
Australia, Oceania	-	-	-	2	19	0.1%	1	10	0.2%	2	28	0.1%
Africa	46	94	1.8%	157	990	4.1%	63	311	5.4%	164	1,095	4.1%
Blanket guarantees (BG)	-	-	-	7	1,065	4.4%	-	-	-	6	1,040	3.9%
Total of guarantees	640	1,632	30.5%	1,911	10,402	42.7%	562	1,539	26.9%	1,871	10,096	38.1%
Guarantee commitments (GC) *	306	3,501	65.4%	1,770	13,024	53.4%	453	3,927	68.7%	3,926	15,282	57.7%
Guarantees for OeEB	19	222	4.1%	92	952	3.9%	18	254	4.4%	100	1,089	4.1%
Total	965	5,355	100%	3,773	24,378	100%	1,033	5,720	100%	5,897	26,467	100%
Thereof (without BG, GC, OeEB):												
OECD	125	174	3.2%	345	990	4.1%	102	323	5.5%	346	1,107	4.2%
Developing countries	323	830	15.5%	1,092	5,248	21.5%	527	1,472	25.7%	1,770	8,782	33.2%
OPEC	59	103	1.9%	130	785	3.2%	47	77	1.3%	114	492	1.9%

* The merger with Exportfonds must be taken into account in the comparison.

GRI 102-11, 29, 31
 GRI 203-2
 GRI 304-2, 4
 GRI 412-1, 2, 3
 GRI 413-1, 2
 FS2, FS3, FS9

More information about environmental audits, the Common Approaches, and the projects can be found at www.oekb.at/en/export-services/about-oekb-export-services/environmental-and-social-aspects.html

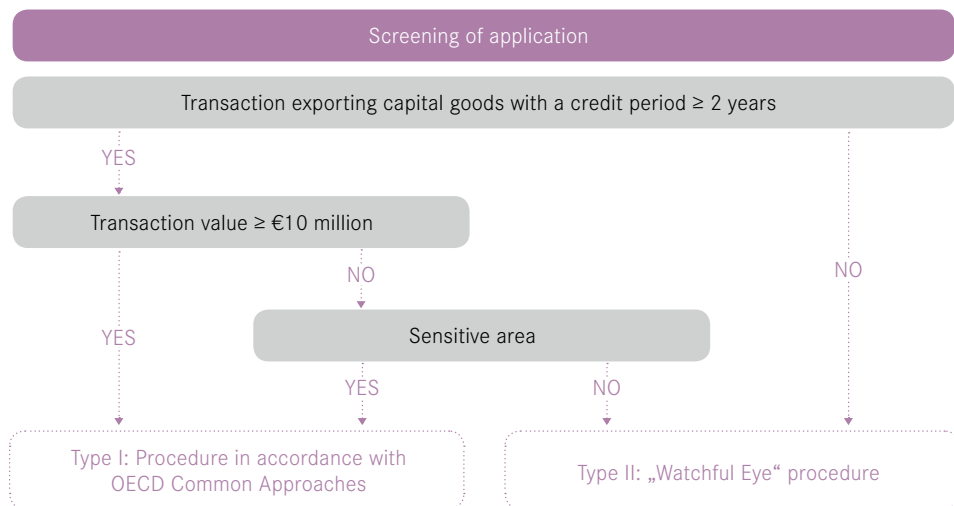
Environmental and social aspects

OeKB reviews every application by a company for a federal government guarantee for various risks. In its capacity as fiduciary, OeKB is obliged to accept all applications for review. Products that are subject to the War Material Act or the Nuclear Energy Security Monitoring Act are ineligible. OeKB is not entitled to define its own exclusion criteria. After reviewing a proposal, OeKB prepares a proposal that is submitted to the Advisory Committee of the Federal Ministry of Finance (BMF) for a final decision by the BMF.

When assessing the compatibility of the environmental and social aspects, OeKB (as the Austrian export credit agency) must adhere to the Common Approaches of the OECD (Organisation for Economic Co-operation and Development). These rules stipulate how to proceed with assessments, thus establishing standardised conditions for competition among the export credit agencies represented in the OECD. Human rights have taken on an even higher weighting in the assessment requirements since the revision of the Common Approaches in 2016.

Projects that do not fall under the Common Approaches due to their scope or duration but that will presumably have an environmental and social impact are evaluated separately using the “watchful eye” principle. This ensures that as many of the submitted projects as possible are evaluated for their impacts in these areas. A total of 25 projects were evaluated for their environmental and social impact in 2018.

The assessment procedure divides projects into the categories of A, B, C, and E depending on the extent of the project’s potential impact. Project financing in Category A must be accompanied by monitoring at regular intervals. For all other projects, the experts conducting the assessment decide whether monitoring is appropriate.



We decide which environmental and social audit procedures are necessary when screening the applications.

TO HELP BUSINESS GROW

	2018	2017	2016	2015
Category A	2	7	4	6
Category B	8	10	7	4
Category C	5	7	6	10
Category E	10	9	3	3
Total	25	33	20	23

Sectors	2018	2017	2016	2015
Thermal power plant	-	-	2	-
Hydroelectric power plant	3	6	2	4
Renewable energy	1	3	-	1
Chemicals (plastic)	1	1	1	-
Pulp and paper	1	-	4	1
Iron and steel	7	3	4	4
Drinking water, water treatment	2	5	-	-
Transport	-	-	-	-
Agriculture, lumber	1	-	-	-
Transport infrastructure	2	2	1	2
Other *	7	13	6	11
Total	25	33	20	23

* Other: health care, (2), others (5)

Example: Electro-mechanical equipment including turbine components and generator components for a hydroelectric power plant in Armenia

Exporter	Voith Hydro GmbH & Co KG
Project name	Modernisation of the Vorotan Cascade hydroelectric plant
Environmental category	B
Location/country	Vorotan/Armenia
Project description	Electro-mechanical equipment including turbine components and generator components for the water cascades
Basis for evaluation	Information from the exporter (environmental and social questionnaire), environmental and social review summary, IFC, own research
Applied standards	Relevant local and international standards

The existing hydroelectric power cascade on Vorotan river in Armenia was modernised in this project. The exporter Voith Hydro GmbH & Co KG is supplying electro-mechanical equipment including turbine components and generator components and supervising the installation and startup. The client is ContourGlobal Hydro Cascade CJSC in Armenia, of which IFC holds 19.7%.

The following can be stated on the basis of the available documents and the research that was conducted:

- Around 1,100 GWh per year of renewable energy is to be produced per year by the three modernised power plants,
- No relocations or expropriations are necessary,
- The existing flow regime is not being altered and the impacts on the environment are minimal,
- The environmental and social audits of the IFC and KfW were concluded with positive results, and
- Monitoring is intended including site visits by IFC, KfW, and an independent consultant.

Projects under review

Projects that are assigned to Category A in the assessment according to the environmental and social standards of the Common Approaches of the OECD can have significant negative, irreversible effects on the environment and society. We present Category A projects that may be awarded a federal guarantee on our website at least 30 days before a guarantee is issued.

OeKB was evaluating possible involvement in the Nord Stream 2 project in 2018 and at the time that this report was published. This is a gas pipeline from Russia to Germany. The objective of the evaluation is to determine whether the project meets all requirements and prerequisites for the involvement of OeKB as an agent of the Republic of Austria.

We attach considerable importance to dialogue with all stakeholders, including relevant non-governmental organisations, to come to a comprehensive understanding of the environmental and social impacts of a project. This dialogue is currently under way.

OECD Recommendation on Bribery and Officially Supported Export Credits

GRI 205-1

The international community is working to prevent corruption and bribery. The OECD adopted the Action Statement on Bribery and Officially Supported Export Credits to this end in 2000, and then expanded it and converted it into an OECD recommendation in 2006. This recommendation aims to prevent the bribery of foreign officials relating to officially supported export credits.

OECD intends to further raise awareness for preventing corruption with this recommendation. To this end, exporters are also called upon to set up internal control systems in their management organisation to avoid potential cases of bribery in advance.

The OECD recommendation calls upon export credit insurance agencies such as OeKB to enact further measures to effectively prevent the bribery of foreign officials in connection with export transactions. The Republic of Austria has committed to adhere to all of these anti-corruption measures. In its capacity as national export credit insurer acting on behalf of the Republic of Austria, OeKB fully complies with the regulations set forth in the OECD Recommendation on Bribery and Officially Supported Export Credits.

For the export guarantees, this means that the applicant must confirm for every application according to the Austrian Export Guarantees Act (AusfFG) that no foreign officials will be bribed as defined in § 307 of the Austrian Criminal Code (StGB) by the applicant or, to his knowledge, by his representatives or agents in connection with the transaction or transactions to be covered. We then check whether the applicant is included on any exclusion

Information on preventing corruption is available on the OeKB website
www.oekb.at/en/export-services/about-oekb-export-services/combatting-corruption.html

The International Chamber of Commerce (ICC) recommendations on preventing corruption iccwbo.org/publication/icc-rules-on-combating-corruption/

lists of certain international financial institutions (IFI) such as the World Bank or European Bank for Reconstruction and Development. If this is the case, OeKB initiates an intensified assessment procedure to investigate in detail the structure of the transaction and the applicant's internal set of regulations in terms of avoiding and preventing corruption. The application is not processed until all concerns have been rectified.

There is also an ongoing monitoring process. An intensified assessment can also be conducted here, if appropriate.

The OeKB bank group assists its customers in their efforts to proactively fight corruption. One primary instrument in this is raising awareness.

Country reports on risk assessment

To present the country risk in a more transparent manner in the evaluation of projects, additional social, development and ecological indicators were added to the corruption perception index in the country reports in 2018 (if there are such assessments for the countries in question):

- The Human Development Index is a prosperity indicator for economies and is based on the three pillars of life expectancy, education, and income. The higher the ranking, the more developed the country is. (Data source: United Nations Development Programme)
- The Gini coefficient is a measure of the distribution of income and wealth in a country. The scale ranges from 0 for absolute equality among the individuals/households to 100 for absolute inequality, in other words a concentration of all income on a single person. (Data source: United Nations Development Programme)
- The World Risk Index for Natural Disasters indicates to what degree a country is at risk from natural disasters. The higher a country is in the ranking, the greater the risk. The index takes into account not only how often a country is stricken by natural disasters in statistical terms, but also how well the country is prepared for such a disaster. (Data source: United Nations University Institute for Environment and Human Security and Bündnis Entwicklung Hilft).
- The Doing Business Index ranks economies by business friendliness and business regulation. A high ranking is indicative of relatively low bureaucratic hurdles and relatively high legal certainty in the country in question, among other things. (Data source: World Bank)

OeKB's Export Financing Scheme (EFS)

Information about the OeKB's EFS can be found at www.oekb.at/en/export-services.html

OeKB's Export Financing Scheme enables exports and foreign investments to be financed. It is available to domestic and foreign banks as a source of refinancing, subject to certain criteria (such as a suitable credit rating). We are bound by Austrian laws and also international regulations in this, in particular EU guidelines and OECD agreements.

The current EFS interest rates can be found at www.oekb.at/en/export-services/interest-rate-overview.html

Financing at commercial terms

The WAL (weighted average life) calculator can be found at wal.oekb.at

Financing for bank supplier and buyer loans and for equity investments is extended in euros and in foreign currencies at variable and fixed interest rates. The interest conditions are set based on the weighted average life (WAL) of the refinancing loan. In the case of euro financing, the interest rates are published on our website, where a WAL calculator is also provided to calculate the interest conditions. Furthermore, the refinancing products are simple, standardised, and strongly orientated towards market practices.

Find out more about financing special projects – soft loans in the Development Financing section

Current developments in 2018

The product that has been offered since 2017 for the financing of investments in Austria for the fulfilment of export orders was expanded in 2018. Together with the Federal Ministry of Finance (BMF), OeKB has created the opportunity to obtain refinancing when the new or replacement investments are financed through lease arrangements. This is a new milestone in export promotion, because every investment made by an exporter in Austria increases export activity and improves the current account balance, and also creates additional value and jobs in Austria.

The former 100% subsidiary „Österreichischer Exportfonds“ GmbH (Exportfonds) was fully integrated into OeKB effective 28 July 2018. Due to the merger, advisory services for small, medium-sized, and large enterprises will now be offered directly by OeKB. Thanks to the switch of the Exportfonds portfolio to the terms of the Kontrollbank Credit Line and with the assistance of the Federal Ministry of Finance, the costs for the financing arrangements for this portfolio's customers were reduced. All employees of Exportfonds, who serve around 2,000 customers, were taken over by OeKB as part of the merger.

More information can be found in the **2018 Export Services annual report**.

A total of 5,720 guarantees were assumed in 2018 (a 6% increase over 2017 and 38% increase over 2016). The net credit growth of €2.3 billion caused the total of used guarantee facilities to rise to €26.2 billion. This was driven by the growth of Austrian export activity, but also by the commitment of the employees of OeKB to successfully process this high volume of new guarantees and loans.

Development Financing

Financing for special projects through soft loans from OeKB

GRI 201-2
GRI 203-1, 2
FS7, FS8

The criteria for the extension of soft loans and the financing conditions can be viewed at www.oekb.at/en/export-services/covering-and-financing-exports/concessional-financing-soft-loan.html

New and less-developed markets offer great opportunities for Austrian companies. In order to be able to access these more easily, OeKB also offers soft loans for certain countries under the Export Financing Scheme in collaboration with the Federal Ministry of Finance (BMF). These development cooperation loans, which can be offered at very low cost thanks to government assistance, are also intended to promote the sustainable development of the target country. This is subject to the relevant provisions of the OECD Arrangement and dependent on the approval of the Export Financing Committee. Federal funds used for this purpose are viewed as part of Austria's official development assistance.

Financing stable development through Oesterreichische Entwicklungsbank

GRI 102-2, 6, 7, 29, 31
GRI 203-1, 2
GRI 412-1, 2, 3
GRI 413-1, 2
FS2, FS3, FS7, FS8, FS9,
FS11, FS13, FS14, FS15

As an agent of the federal government and the official development bank of the Republic of Austria, OeEB supports the establishment and expansion of private sector projects in developing and emerging countries and is committed to furthering the objectives of Austria's development cooperation policy. It is one of 15 European development finance institutions and is one of the numerous entities that works together to implement Austria's development policy.

More information about OeEB, its projects, and its services can be found at www.oe-eb.at/en/

The share capital totals €5 million and is entirely held by OeKB. The company focuses on its core business: the identification, structuring, implementation, and management of eligible projects. All supporting functions such as accounting, IT, human resources administration, internal audit, and asset management have been outsourced to OeKB on a paid basis with the approval of the Financial Market Authority (FMA). This lean organisation allows for high efficiency.

The development bank has been incorporated in the sustainability management system of the OeKB bank group since its establishment.

Ten-year anniversary of OeEB

As measured by its portfolio, OeEB has become the sixth-largest development bank in Europe over the past ten years. In addition to its broad geographical mandate, which enables appropriate risk diversification, OeEB puts forth the specific expertise that it has built up and the ability to structure complex international private sector projects in developing countries bilaterally and in collaboration with international entities as key advantages.

A lack of access to long-term financing and capital is a major impediment to opening private businesses in developing countries. But it is in fact private businesses that create important direct jobs and a wide variety of indirect jobs through value creation chains, generate local revenue especially through higher tax receipts, and that bring foreign currency into the country. A key factor in customer selection is the concept of “responsible financing”, which refers to OeEB’s focus on international environmental and social standards, transparency, good corporate governance, and especially the creation of development policy value.

OeEB acts as a complement to domestic and foreign commercial banks in its activities. It offers credit financing at near-market terms (senior loans, subordinated loans, risk sub-participation, etc.) with the required long terms and higher risk profile on the basis of guarantees from the Federal Ministry of Finance (BMF). The development bank can also invest capital in funds or companies in a fiduciary capacity on behalf of the federal government. Under the business advisory services, technical aid is also offered in advance of and during projects in the form of lost grants as another instrument intended especially to increase the development policy effects.

OeEB finances and assists with private sector projects when they are economically feasible and contribute to the attainment of the development policy goals. For example, the projects of OeEB contribute to the creation of jobs and national income, to the improvement of access to modern infrastructure, and to the improvement of the energy supply (especially through renewable energy projects and energy efficiency projects). Adherence to international environmental, social, and labour standards is a focus for all projects. Human rights issues are also taken into account, as is gender equality.

OeEB is permitted to act in all developing countries according to the OECD DAC list, but is obligated to assist the poorest countries. Its geographical focus is Africa, the South Caucasus/Central Asia, Southeastern/Eastern Europe, and Central America/the Caribbean. In terms of specific activities, OeEB concentrates on promoting micro, small, and medium-sized enterprises (MSMEs), renewable energy, and resource efficiency.

In addition to the local and national environmental and social regulations of the country in question, OeEB also strives to bring financing projects in line with international environmental, social, and human rights standards. If necessary, OeEB prepares a

measures catalogue with the customer in the form of an action plan that then becomes a binding requirement for the credit agreement. Compliance with the environmental and social standards is verified at regular intervals over the course of the project.

OeEB views the environmental and social standards adopted by the EDFI Group, the Association of bilateral European Development Finance Institutions, as a benchmark. These include the Performance Standards on Social and Environmental Sustainability drafted by the World Bank subsidiary IFC, which have become a market standard; the Environmental, Health and Safety Guidelines of the World Bank Group; and the international conventions of the International Labour Organization (ILO).

Renewable energy for developing countries

FS8 More than one billion people around the world have no access to an electrical grid. But access to energy is a key prerequisite for economic development. The demand for energy is still rising rapidly in frontier and developing countries. At the same time, developing countries are being impacted especially significantly by climate change.

In order to promote growth and climate protection at the same time, it is important to bank on renewable energy sources from the start. This is why promoting renewable energy and energy efficiency in developing countries is a core focus of OeEB. Over 40% of OeEB's project portfolio consists of climate-relevant projects. Since it was established, OeEB has already provided financing in an amount of over €590 million for climate-relevant projects. This makes OeEB the largest Austrian provider of climate financing for developing countries.

More than 300 million people in India still have no access to electricity. In light of the expected economic growth and further industrialisation, the energy system is one of the key factors for the economic development of the country. OeEB provided USD 20 million for a credit line totalling USD 135 million arranged by the World Bank subsidiary IFC for the Indian power generation company Azure Power with the objective of increasing the use of renewable energy in India. Some 100 GW of new solar power capacity is to be installed by 2020 – 40 GW of this in the form of rooftop solar systems. OeEB is supporting this goal. More than 500 small ground-level and rooftop solar power projects with a total capacity of around 200 MW are to be installed and operated with the credit line partially financed by OeEB.

Microfinance and SME financing: creating jobs

FS7, FS13, FS14, FS15

Since OeEB's founding in 2008, microfinance has been part of the bank's toolkit for improving access to financial services in developing countries. The instrument is not a panacea for reducing poverty. But when taken beyond mere lending and viewed as a way of building up savings and obtaining insurance, it makes a sustainable contribution to development in the financial sector.

More information about the projects of OeEB can be found at: www.oe-e.at/en/our-projects/projects-at-a-glance.html

It is critical for the success of small-loan programmes that the loans are granted responsibly and that customers are protected from accumulating excessive debt. Both goals are realisable through transparency in the microfinance sector. This makes it important to not only provide capital, but also to focus on capacity building, to provide consulting and training, to establish financial knowledge, and to support local banks and funds in better assessing risks and developing tailored products.

Micro loans make it possible for many people to build their own small businesses. Micro, small, and medium-sized enterprises (MSME) are the backbone of the economy in many developing countries. OeEB thus not only provides capital for microfinance, but also for the development of SMEs. Especially in crisis-affected regions, these financial instruments help provide a stable income and jobs for many people.

For example, OeEB is contributing to strengthening small and medium-sized enterprises in North Africa through a €6 million investment in Maghreb Private Equity Fund IV LLC (MPEF IV). The goal of this fund is to provide small and medium-sized companies in Morocco, Algeria, Tunisia, and Egypt with access to equity capital so as to support them in their growth. The fund invests primarily in established SMEs with high growth potential in sectors such as IT and media, health care, trades, and services.

In this way, OeEB is contributing to the sustainable securing and creation of jobs in a region suffering from an especially high level of unemployment. By working closely with the management of the portfolio companies, the fund can also transfer crucial knowledge to help secure the long-term existence of the target companies.

OeEB also uses Business Advisory Services funds to finance a mentoring programme of the SANAD Technical Assistance Facility (SANAD TAF). The objective of this six-month programme that is run by the British non-profit organisation Mowgli Mentoring is to assist Syrian refugees who operate small businesses in Jordan through personal, professional mentoring. This is intended to facilitate sustainable growth and the creation of jobs.

Small companies play a large role in the creation of jobs and stable incomes, which makes them crucial for economic development and reducing the high unemployment in the region. OeEB has provided funding for the SANAD Technical Assistance Facility since March 2017. The OeEB contribution, which is financed from the budget of the Federal Ministry of Finance, is used to support Lebanon and Jordan in a targeted manner, as they have been impacted very substantially by the refugee crisis.

Development policy effects

FS9

More information about the development-policy effects of our projects can be found at: www.oe-eb.at/en/development-effects/development-effects.html

A results framework was drawn up in 2011 to allow the various objectives pursued by OeEB to be measured. This planning and management tool includes a wide range of indicators including targets, and in this way provides information about to what extent OeEB is fulfilling its legal mandate.

Different indicators were defined for the development policy, economic, and strategic goals of OeEB – for example newly installed renewable energy capacity, the regional project breakdown, and the number of people who have benefited from capacity building measures – and are evaluated at the portfolio level. This allows goal attainment to be tracked continuously and operational changes to be made at an early stage when needed.

Our publications – **RELEVANT OeEB Spezial, OeEB Development Report**, and the **OeEB annual report** – can be found here: www.oe-eb.at/en/publications.html

The Economy and Development committee is composed of representatives from the finance ministry, the Federal Chancellery, the foreign affairs and economic ministries, the Austrian Development Agency (ADA), the Austrian Federal Economic Chamber, the Chamber of Labour, and OeEB and assesses these development policy effects. This also ensures close contact with our principal, the Republic of Austria, and with representatives of interest representation groups and development cooperation organisations.

The various indicators in the results framework are compiled on an annual basis and shown in the OeEB Development Report.

Developments in products and services in 2018

GRI 102-8
FS8
The year 2018 saw highly positive growth and also brought many requests for financing from new and existing customers as a result of intensified project acquisition activities, with a number of deals being signed.

There were 60 employees as at 31 December 2018. The total transaction volume based on contracts signed in 2018 was around €275.45 million. The profit for the year was €6.761 million.

Capital Market Services

GRI 102-2, 6
GRI 103-2, 3
GRI 203-2

More information on all services and responsibilities can be found at www.oekb.at/en/capital-market-services.html

As an independent institution, OeKB Capital Market Services offers central services for the Austrian capital market, thus making an important contribution to the success of our economy. Commissioned by the federal government to complete a number of different tasks, we develop infrastructure services that result in greater efficiency for all market participants.

Organisation and administration of Austrian government bond issues

More information can be found at: www.oekb.at/en/capital-market-services/government-bond-auctions-for-the-republic-of-austria.html

OeKB is the agent for the issuance of bonds of the Republic of Austria through auctions. The auctions are held according to a clear procedure. The special Austrian Direct Auction System platform (ADAS) that was developed by OeKB is used for this.

At the end of every year, the Austrian Treasury (OeBFA) announces the expected issuance volume of Austrian government bonds and the auction calendar for the next year. The auctions are generally held monthly. Besides being issued through the auction procedure, bonds are also issued through a syndicate of banks.

Furthermore, OeKB acts as the paying and calculation agent for government bonds of the Republic of Austria.

The use of blockchain technology for issuing government bonds

OeKB started its first real-time blockchain operation in October 2018. The new technology was used during auctions of bonds of the Republic of Austria for the purposes of data notarisation. This notarisation service documents the authenticity of the reports sent to the auction participants, thus ensuring maximum data security. Notarisation by means of blockchain technology is a new, supplementary support process for the auction procedure.

Legal Entity Identifier (LEI)

As a service partner of the world's third largest LEI registration agent WM Datenservice, OeKB reviews LEI applications from Austrian companies, providing this agent with an experienced contact in Austria. OeKB currently manages around 20,000 LEIs of Austrian applicants and entities. WM Datenservice manages some 131,000 LEIs, and roughly 1.3

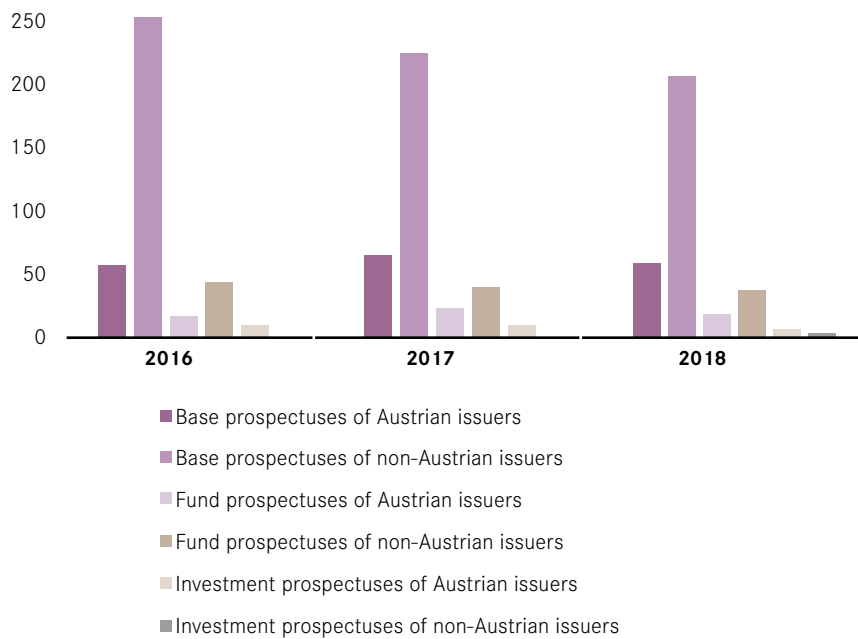
million LEIs have been assigned worldwide to date. The steady increase in the number of LEI applications also shows that the importance of this identification number is growing.

Notification office under the Capital Markets Act and issue calendar

The notification office provides information about compliance with the publication requirements for entities offering products on the capital market as specified in the Capital Markets Act. A list of investment prospectuses and investment supplements filed with the notification office can be called up on the Internet. Copies of the filed prospectuses according to the Capital Market Act (KMG), Investment Fund Act 2011 (InvFG), and Real Estate Investment Fund Act (ImmoInvFG) can be obtained for a fee upon request.

All planned and past issues can be viewed in the issue calendar free of charge via the online notification office. The issue calendar has proven to be an important source of information for the capital market.

Number of filed prospectuses for financial instruments offered in Austria



Notices and calculations for investment funds

The exact calculation of the tax assessed against a fund is a complex task that OeKB conducts centrally on the basis of its legal mandate and the reported data. The calculated tax treatment is published on the OeKB's Profitweb data portal and forwarded to the banks through interfaces to enable the exact assessment of the capital gains tax. Tax-relevant data were forwarded and the income tax treatment determined for around 46,500 domestic and foreign funds in 2018.

OeKB Group over the life cycle of a security

We see ourselves as a neutral party between the various market participants. As a central service provider for the capital market, we strive to strengthen Austria's competitiveness in a global environment. Our goal is to support the Austrian capital market and to enhance Austria as an internationally respected financial market by offering economically relevant services.

OeKB Capital Market Services and the OeKB subsidiaries OeKB CSD GmbH and CCP.A offer highly specialised services at every stage in the life cycle of a security. We have been commissioned by the federal government to offer part of these services, and we also independently develop infrastructure services that are attractive alternatives to proprietary developments for capital market participants. In this way, we boost the efficiency and cut the costs of our customers' processes.

Our innovations are driven above all by the requirements of our customer base, suggestions from our employees, and the advancing harmonisation of the European internal market for securities. When refining our services, we collaborate closely with the Vienna Stock Exchange and the participants on the capital market and coordinate with the Federal Ministry of Finance (BMF), the Financial Market Authority (FMA), and Oesterreichische Nationalbank (OeNB).



OeKB CSD GmbH

GRI 102-2, 6
GRI 103-2, 3

OeKB CSD GmbH (OeKB CSD) is a 100% subsidiary of OeKB and acts as the central depository of transferable securities in Austria.

More information on all services and responsibilities can be found at www.oekb-csd.at/en/

The customers of OeKB CSD consist primarily of banks and issuers. It conducts its business in close cooperation with the Vienna Stock Exchange and CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH (CCP.A).

OeKB CSD draws on its expertise to support the legislative process and the implementation of EU Directives. It provides infrastructure for capital market transactions and thereby supports Austria as a business location.

Simple and reasonable financing is offered to Austrian companies via the capital market within the legal framework. This supports the competitiveness of Austrian companies in a globalised environment. At the same time, a functioning domestic capital market secures highly qualified jobs.

Notary services and safekeeping

Taking delivery of securities into the safekeeping and custodianship of OeKB CSD and the registration in OeKB CSD's IT system are a precondition for being able to settle securities transactions electronically.

Collective custody offers the banks that hold deposits at OeKB CSD a high level of efficiency and security in the safekeeping of securities, thereby saving them time and reducing costs in their in-house securities account business.

		31.12.2017	31.03.2018	30.06.2018	30.09.2018	31.12.2018	
Securities with nominal value in million euros	Issuer CSD	312,985	308,613	312,099	314,825	312,390	
	Investor CSD	15,508	13,866	14,141	13,718	14,032	
Unit-listed securities	Market value in million euros	Issuer CSD	282,231	281,241	294,518	298,839	263,565
		Investor CSD	3,275	2,622	2,185	2,120	1,827
	Units in million	Issuer CSD	8,908	8,743	7,856	7,895	7,801
		Investor CSD	420	402	394	397	398
Number of securities categories	Issuer CSD	14,510	14,372	14,078	14,763	14,285	
	Investor CSD	1,414	1,486	1,391	1,364	1,383	

The number of securities categories held as an issuer CSD came to 14,285 at the end of the year.

The decline in unit-listed securities can be attributed to the negative price trend and the delivery of positions in an equity asset that was originally held in safekeeping by OeKB CSD but that was merged with a foreign corporation in 2017.

Settlement

A transfer effected by book entries on deposits at OeKB CSD replaces the movement of actual securities certificates. T2S facilitates the harmonised settlement of securities transactions in central bank money throughout Europe. This eliminates barriers in cross-border settlement and increases security and efficiency.

		Av./m 2017	Av./m 2018	Av./m 03/2018	Av./m 06/2018	Av./m 09/2018	Av./m 12/2018	Σ 01- 12/2018
Number of transactions	Intra	101,839	106,759	111,427	102,531	99,506	113,572	1,281,106
	Cross/ external	1,177	2,978	2,774	2,710	3,228	3,199	35,734
Settled Volume Nominal Value in Euro million	Intra	55,693	54,580	55,574	50,270	46,961	65,513	654,956
	Cross/ External	2,763	272	414	237	169	268	3,263
Settled Volume Units in million	Intra	955	675	847	767	482	605	8,100
	Cross/ External	11	8	8	11	6	5	91

OeKB CSD processed nearly 1.3 million intra transactions in 2018, 4.8% more than in 2017. This equated to a settled volume of €654.96 billion for securities with a nominal value, a 2% decrease over 2017, and a 29.3% year-on-year decrease in the volume of unit-listed securities to 8.10 billion units.

The number of cross and external transactions rose by 153% in annual comparison to just under 36,000 transactions. Nevertheless, the settled volume of securities with a nominal value fell by 90.2% compared with 2017 to €3.26 billion, though the reference figure from 2017 was unusually high due to a one-off effect.

Asset Servicing

OeKB CSD does all the administrative work that can arise in the course of a complete securities cycle for the national and international securities placed in its safekeeping. This includes the redeeming of due securities, such as coupon payments and redemptions.

Current developments in 2018

Following the applications filed with the Financial Market Authority (FMA) in September 2017, OeKB CSD was authorised by the FMA on 1 August 2018 as a central depository and to provide banking-type ancillary services according to the CSDR Regulation (Regulation [EU] No. 909/2014).

The business application “Digital transfer of global certificates” (DTG) went into production as planned in the middle of July. OeKB CSD provides issuers with an electronic interface through DTG. This interface allows the delivery of digital securities certificates to OeKB CSD, thus eliminating the need for the delivery of physical certificates.

Iteration 1 of the “MegaCor Phase 2” project went online in the third quarter. Iterations 2 and 3 are planned for 2019. The objective of the “MegaCor Phase 2” project is to replace the existing IT systems for capital measures by expanding the existing MegaCor system, as well as to facilitate the more efficient, secure, and customer-friendly settlement of capital measures.

You can read more about digital transfer and global certificates in Relevant Q4/2018 at www.oekb.at/en/oekb-group/news-und-wissen/relevant-magazine.html

As planned, a request for information (RFI) was sent to selected software providers and detailed talks held with two potential providers as part of the “Preliminary analysis for project 3 issuer CSD” project. The objective of the project is the retirement of the existing business application for vault management and the processing of the redemption of maturing issues including the extension of the scope of services provided to issuers and payment offices.

Energy Market Services

GRI 102-2, 6
GRI 103-2, 3
GRI 203-2

More information can be found at www.oekb.at/en/energy-market-services.html

Since the Austrian energy market was liberalised, OeKB has been commissioned to conduct financial clearing, risk management, and credit rating services by the following companies as a central and neutral agency:

- A&B Ausgleichsenergie & Bilanzgruppen-Management AG,
- AGCS Gas Clearing and Settlement AG,
- APCS Power Clearing and Settlement AG,
- EXAA Energy Exchange Austria,
- OeMAG Abwicklungsstelle für Ökostrom AG.

Financial clearing includes posting, invoice creation, invoice dispatch, and payment processing. The individual settlement agents and the electricity exchange provide all master and billing data. OeKB calculates and posts the receivables and payables on the basis of these data.

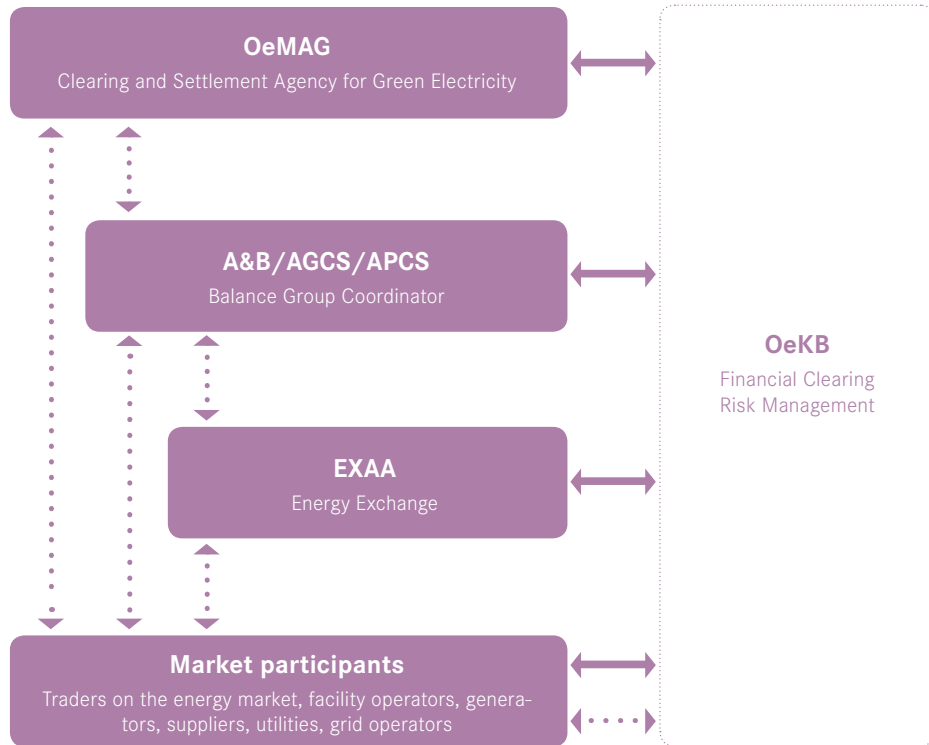
The value of the required collateral is recalculated on an ongoing basis as part of our risk management service. We manage collateral pledged for the settlement agents and the electricity exchange and realise this collateral when payment obligations are not met.

During the credit check, OeKB evaluates the economic, legal, financial, and staff situation of the market participant and assigns it to a rating class.

As an additional service for the market participants, OeKB also offers the management of cash deposit and settlement accounts.

OeKB has also been providing clearing bank services with European Commodity Clearing AG (ECC) since 2012 and is an active general clearing member (GCM). ECC is an important European clearing house that handles settlement for a number of energy exchanges. As a GCM, OeKB handles collateral management and financial spot transaction clearing on selected energy exchanges for non-clearing members (NCM) of the ECC.

Smooth and cost-efficient processing



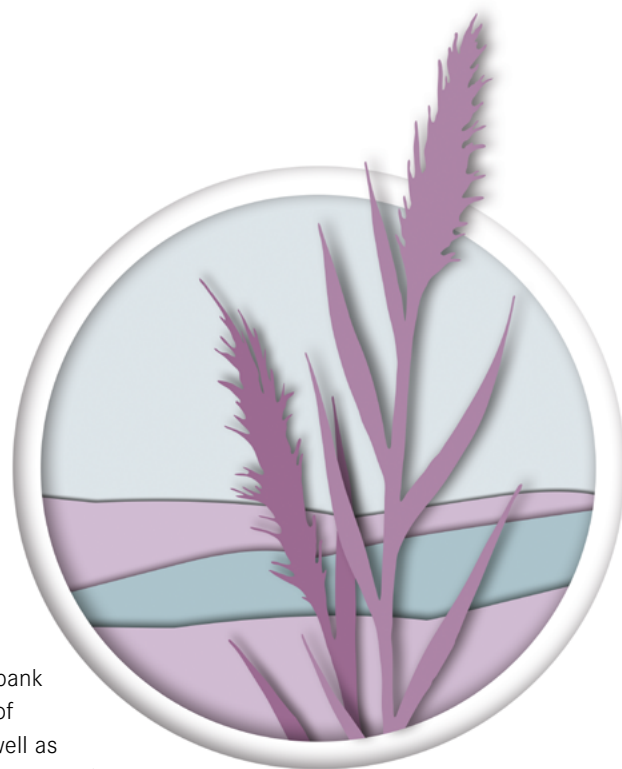
The participants on the Austrian energy market profit from the processing by OeKB – including the settlement agents and NCM that trust in OeKB as a GCM. Cost-efficient processing benefits all consumers in the end. And the environment benefits from an attractive promotion system for alternative energy, which OeKB also helps to drive forward.

Current developments in 2018

In addition to the settlement of monthly and annual tariff receivables for green electricity, OeKB was commissioned by OeMAG in July 2018 to process and pay out investment grants for photovoltaic and electricity storage systems.

The common electricity price zone between Austria and Germany has been separated since October 2018. Since then, the daily financial settlement has been handled for the auctions conducted by EXAA for the deliveries to the separate price zones.

To help drive innovation



GRI 102-15
GRI 103-1, 2, 3

The topic of digitalisation is relevant for the OeKB bank group from a number of perspectives. The effects of digitalisation impact our own business models as well as those of our customer base and other stakeholders. That said, effectively handling the digital transition is a top priority for the OeKB bank group.

The Austrian capital market and the Republic of Austria have trusted in our competence in capital market-related securities services for decades. Since the liberalisation of the Austrian electricity and gas market, there have been independent settlement agents that use our know-how. As an extremely specialised service provider of capital market and energy market services, we help to shape and drive the capital and energy markets by developing innovative infrastructure.

Innovation management

The innovation management system was launched in 2017 and since then has addressed a wide variety of relevant topics for the future, above all digitalisation. The innovation manager reports directly to the Executive Board and, together with these managers, defines the strategic orientation and evaluates individual measures.

We follow an open innovation approach because this seems to be the most effective way to play a proactive role in shaping social changes and evolving business processes.

Support is needed to establish innovation in the company for the long term. There is at least one contact person (mentor) for innovation in each department. This allows trends, technologies, methods, and ideas to be discussed quickly with peers.

All employees are invited to contribute – because every change, idea, or incident can trigger new innovative solutions. The innovation manager places a particular focus on recognising internal potential and communicating innovations within the OeKB bank group. The main responsibilities of the innovation manager are collecting, collating, evaluating, coordinating, initiating, and marketing new possibilities.

The working members get into contact with the mentors in the different departments over the internal network and in face-to-face meetings, at internal events, or simply through the dedicated intranet site.

Collaboration with weXelerate

www.wexelerate.com

We have been active on the weXelerate start-up hub as corporate leaders and mentors since 2017. Executive Board member Angelika Sommer-Hemetsberger has been chairwoman of the advisory board of weXelerate since the autumn of 2018. The objective of weXelerate is to bring start-ups, established players, and investors together to move forward with innovative business models. OeKB is involved as a corporate leader together with the subsidiary ACREDIA. The exchange with the innovation and strategy managers at other companies regardless of sector is very valuable for building common knowledge. It also forms the basis for cross-company collaboration.

The first pilot project was launched with a German start-up in May 2018. After six test months, the decision was made to end the collaboration. We view the termination of the project as part of our learning process. We learned numerous valuable lessons from the collaboration (fail fast, learn fast) that will be helpful for future cooperation projects.

Project STELLA – secure, transparent, electronic, easy processing

In January 2018, an internal lean innovation workshop was held to promote and leverage the potential and ideas of our employees. Ideas were collected, categorised, and refined over the course of the day.

www.whataventure.com

This led to an open innovation approach together with a cooperation partner from weXelerate, whatAVenture. The requirements and possibilities of a digital customer platform were discussed with our customers, and an initial digital prototype was created. A project has since been sponsored for the implementation of the digital OeKB customer platform.

Innovation has a home at OeKB

An innovation-friendly, inviting working environment was created in the newly appointed zone on the fifth storey of the Strauchgasse building and can be used by all employees for workshops and working group meetings – the OeKB InnoSpace.

The innovation section was integrated into the OeKB website at the end of the year.

Industry 4.0 research project

The Comet Center for digital production that was established in August 2017 is one of the leading research and development platforms for flexible manufacturing automation, machine-to-machine communication, and production networks. It is used for the research and refinement of digital, smart product development processes, which are now called Industry 4.0. The Industry 4.0 pilot factory is available at the Vienna University of Technology campus at Seestadt Aspern. In addition to institutes of the Vienna University of Technology, international institutions such as ETH Zurich and the Karlsruhe Institute for Technology are also participating in this Industry 4.0 project. The business partners include over 40 respected users and technology providers in the research areas of the centre.

OeKB Business Services GmbH as the IT subsidiary of OeKB Group is contributing its expertise in data management and as a data trustee.

Optimised, interactive production planning, self-teaching process optimisation (at the machine and planning level), resource consumption optimisation, and predictive maintenance are just some of the interdisciplinary research fields. This project is being driven by the refinement of digital and smart product design processes and the creation of virtual bottom-up factories that arise in a higher-level production network through the individual combination of suppliers.

Digital infrastructure for the capital market

More information can be found in the Capital Market Services section and in RELEVANT Q3/2018 online at: www.oekb.at/en/oekb-group/news-und-wissen/relevant-magazine.html

More information can be found in the **2019 sustainability programme**

Together with the Austrian Treasury (OeBFA), a first blockchain use case for data notarisation for government bond auctions was implemented in October 2018.

A framework paper for a law governing book-entry securities was drawn up by OeKB CSD GmbH together with experts from government agencies, research, and education and from the fintech community under the aegis of the FinTech Advisory Committee in 2018. The law on book-entry securities should make it possible to handle intangible entities (book-entry securities) as if they were securities with certificates for legal purposes.

To help employees advance

GRI 102-15
GRI 103-1, 2, 3
GRI 401-1, 2

Demographic change and a lack of qualified workers are confronting companies in Austria with substantial challenges. We are also facing this challenge. Companies that succeed in creating a good work-life balance have a distinct advantage in recruiting suitably qualified employees. Our human resources policy is based on long-term cooperation with our employees, high standards in training and education, and social measures that allow for an outstanding work-life balance.

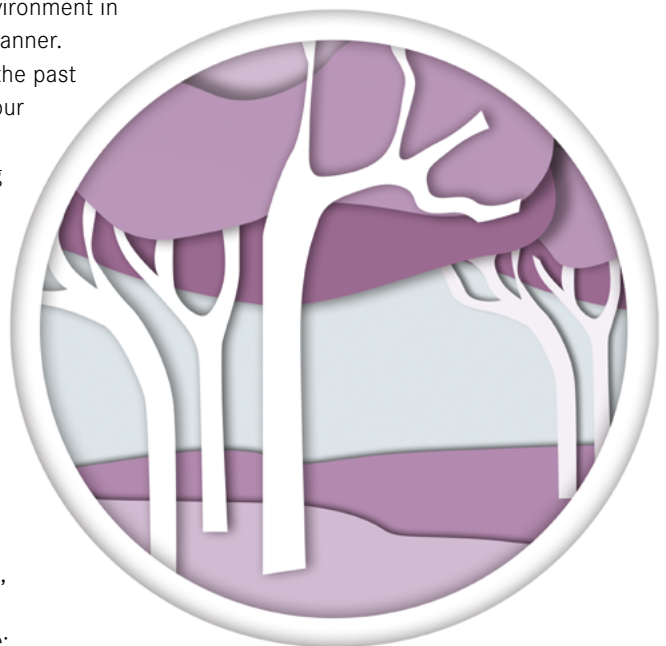
Because of this, last year saw a high degree of investment in personnel marketing and the employer brand. We expanded the “expert” career path as an offering for the experts in our Group and also defined and introduced the role of a purely technical manager (so-called team leads).

Our promise as an employer

GRI 401-2, 3

We have had the “workandfamily” audit certificate since 2006. We went through a re-auditing process in 2018 and were again given the certificate. Oesterreichische Entwicklungsbank AG (OeEB) was also audited for the first time as part of this. “Workandfamily” is a process that actively involves employees and that helps to continuously improve the work environment in the OeKB bank group in a targeted manner. Measures that were implemented in the past years and that have become part of our working world include:

- Ongoing, comprehensive training and development in Austria and abroad.
- Offering flexible working time models, telework, and sabbaticals;
- Company daycare centre and holiday care for school-aged children.
- Health promotion measures at the workplace such as expanded check-ups, immunisation campaigns, physiotherapy, massages, and yoga;
- Employee assistance programme;



TO HELP EMPLOYEES ADVANCE

- Occupational re-integration programme for employees after extended illnesses;
- Special presentations on psychological health;
- Organisation of common sport and cultural activities outside of work from games such as table tennis, football, squash, tennis, and volleyball to theatre performances and guided tours of exhibitions.

We defined the following focuses for areas of action in the future during the re-auditing process:

- Further promotion of telework,
- Strengthening the trust culture,
- Programme for promoting future talents,
- Promotion for parental leave for fathers and father month, and
- Evaluation of possibilities to facilitate caring for family members.

The relationship with existing employees is just as important to us as becoming known to potential applicants as an attractive employer. The OeKB bank group offers vocational days for secondary school pupils, mandatory job placements for students from universities of applied science, and general summer work placements. As part of cooperative arrangements, our employees are also active as lecturers and speakers at universities of applied science and the Vienna University of Economics and Business. A new aspect for us is the placement of image videos on recruiting platforms where interested persons can get an initial overview of us as an employer.

The in-house job portal is a good place to find out about new vacancies. Many specialist and management positions are filled by existing employees in this manner. Colleagues looking for a change can embark on a new path in-house, thus preserving the experience and know-how for the Group. Management personnel are selected in a multi-stage potential analysis procedure to ensure that the best possible decisions are made. The wide range of services and activities conducted by the OeKB bank group is a further benefit for our employees. Well trained employees who are looking for new professional challenges can find new and interesting opportunities within the Group. The job satisfaction level of the OeKB bank group's employees is evident not just from the low turnover rate, but also from the positive assessments on www.kununu.com.

Employee statistics¹

GRI 102-7, 8
GRI 401-1, 3

As at	31.12.2018	31.12.2017	31.12.2016
Total employees	466	445	442
Of whom women	263	248	-
Of whom men	203	197	-
Of whom younger than 30	44	40	-
Of whom 30-50 years of age	246	243	-
Of whom over 50 years of age	176	162	-
Of whom part-time employees	125	119	107
Of whom women	101	99	95
Of whom men	24	20	12
Of whom younger than 30	12	10	10
Of whom 30-50 years of age	61	61	61
Of whom over 50 years of age	52	48	36
Of whom employees with permanent contracts ³	456	438	-
Of whom women	259	243	-
Of whom men	197	195	-
Of whom younger than 30	35	34	-
Of whom 30-50 years of age	245	242	-
Of whom over 50 years of age	176	162	-
Of whom employees with temporary contracts ³	10	7	-
Of whom women	4	5	-
Of whom men	6	2	-
Of whom younger than 30	9	6	-
Of whom 30-50 years of age	1	1	-
Of whom over 50 years of age	-	-	-
Of whom new employees (hired in the reporting period) ³	35	28	26
Of whom women	18	10	16
Of whom men	17	18	10
Of whom younger than 30	18	7	12
Of whom 30-50 years of age	16	20	12
Of whom over 50 years of age	1	1	2
In full-time equivalents	424	405	405
Average age	45.7	45.5	45.0
Average length of service	16.7	16.3	16.2
Sick days per year and full-time employee	8.3	8.1	10.1

TO HELP EMPLOYEES ADVANCE

Proportion of total positions held by women	56.4%	55.7%	57.5%
Share of women among part-time employees	80.8%	83.2%	88.5%
Share of women among employees with permanent contracts	56.8%	55.5%	-
Share of women among employees with temporary contracts	40.0%	71.4%	-
Share of women among new employees	51.4%	35.7%	61.5%
Proportion of managerial positions held by women	39.0%	35.0%	38.5%
Share of managerial positions filled by employees under the age of 30	0.0%	0.0%	0.0%
Share of managerial positions filled by employees aged 30–50	32.2%	29.5%	27.3%
Share of managerial positions filled by employees over the age of 50	67.8%	70.5%	72.7%
Total turnover rate excluding retirement ³	25	21	-
Of whom women	15	8	-
Of whom men	10	13	-
Of whom younger than 30	11	4	-
Of whom 30–50 years of age	9	14	-
Of whom over 50 years of age	5	3	-
Turnover rate excluding retirement ²	5.5%	4.7%	3.6%
Of whom women	60.0%	38.1%	-
Of whom men	40.0%	61.9%	-
Of whom younger than 30	44.0%	19.0%	-
Of whom 30–50 years of age	36.0%	66.7%	-
Of whom over 50 years of age	20.0%	14.3%	-
Total turnover rate including retirement ³	26	28	-
Of whom women	15	14	-
Of whom men	11	14	-
Of whom younger than 30	11	4	-
Of whom 30–50 years of age	9	14	-
Of whom over 50 years of age	6	10	-
Turnover rate including retirement ²	5.7%	5.9%	5.6%
Of whom women	57.7%	50.0%	-
Of whom men	42.3%	50.0%	-
Of whom younger than 30	42.3%	14.3%	-
Of whom 30–50 years of age	34.6%	50.0%	-
Of whom over 50 years of age	23.1%	35.7%	-

¹ Including employees posted to OeEB, OeKB CSD, and Acredia Versicherung.

² The turnover rate is calculated as follows: the number of people leaving during the year x 100 divided by the number of employees on 31 December 2018.

³ A breakdown by region is not sensible. 99% of the employees work in Vienna.

Employees in the OeKB bank group on parental leave¹

GRI 403-1	As at	2018	2017	2016
	Total employees (as at 31.12.)	466	445	442
	Of whom on parental leave	22	20	16
	Of whom women	19	18	14
	Of whom men	3	2	2
	Total employees returning from parental leave	14	6	7
	Of whom women	11	3	6
	Of whom men	3	3	1
	Number of employees still employed 12 months after returning from parental leave	6	7	3
	Of whom women	3	6	2
	Of whom men	3	1	1
	Share of women returning to work (three-year observation period)	96.4%	100.0%	100.0%
	Share of men returning to work (three-year observation period)	100.0%	100.0%	100.0%
	Share of women remaining with the Group (three-year observation period)	100.0%	100.0%	100.0%
	Share of men remaining with the Group (three-year observation period)	100.0%	100.0%	100.0%

¹ Including employees posted to OeEB, OeKB CSD, and Acredia Versicherung.

Competencies

GRI 102-8
GRI 401-1, 2

Technically and socially capable managers and employees are a fundamental prerequisite for sustainable business and the long-term success of the OeKB bank group. We have defined four areas of competence: entrepreneurial spirit, leadership, working together with others, and generating positive energy. Within these general skill sets, 15 individual abilities have been identified by which management and technical staff are measured. The competency model forms the basis for selfassessment and assessment by supervisors as well as for our structured selection procedure when filling managerial positions.

We also constantly refine our concept of leadership. Our managers see themselves as service providers for our customers, employees, and shareholders. Managers must balance the various expectations and interests to which they are exposed. They fulfil three key functions in their leadership role: performance orientation, supporting employees, and planning effectively for the future.

In the OeKB bank group, we believe that respect and constructive feedback create a positive working environment. This promotes trust, loyalty, and therefore productivity. We see leadership as an internal service for employees. Working together means the individual responsibility of each employee with regard to their co-workers. Both are intended to allow the employees of the OeKB bank group to realise their full potential to ensure the long-term success of the Group.

Formulated ideals form the basis for leadership and working together. What is important is to strive to achieve these ideals in everyday work. All employees and managers should measure themselves against these ideals, and they are measured against these ideals in concrete terms during the annual performance review. Individual and Group goals relating to the specific position, training needs, risk objectives, and goals relating to work-life balance, health, innovation, and sustainability are also defined during the performance review.

Training

GRI 404-1, 2, 3
FS4

The OeKB Academy provides a wide range of in-house seminars for all employees of the OeKB bank group. The focuses are on developing the capabilities of specialist staff and managers and on personal development. Numerous training courses were provided to managers during the reporting period to support the ongoing change processes. Especially employees who were assigned new tasks received extensive training.

New focal points of training included digitalisation (such as blockchain technology and process digitalisation), the use of social media, and creative idea development with brain-friendly methods.

Good governance and compliance are key priorities for the OeKB bank group. Every year, four mandatory online training sessions are held on subjects such as the activities of the business segments and new regulatory developments. Managing directors, members of Supervisory Boards, and other people in key positions receive intensive internal and external training on legal topics like supervisory law and corporate law as well as on technical finance subjects.

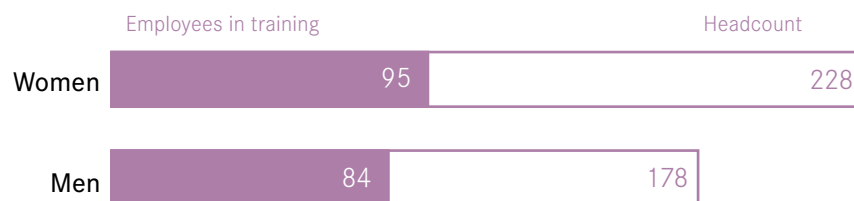
Employee training by OeKB AG including OeKB CSD *

GRI 404-1
FS4

As at	31.12.2018	31.12.2017	31.12.2016
Total OeKB employees	406	379	385
Training costs in euros	491,674	400,292	382,133
Total training hours	5,910	7,718	8,979
Per employee in euros	1,211	1,056	993
Per employee in hours	15	20	23
Per employee in days	1.8	2.6	2.9
Senior managers	50	50	51
Training costs in euros	98,639	109,897	124,756
Training in hours	1,119	1,926	2,100
Per employee in euros	1,973	2,198	2,446
Per employee in hours	22	39	41
Per employee in days	2.8	4.8	5.1

*There are no training statistics for OeEB for 2018

Employees in training 2018



Training costs and hours 2018



Gender equality and diversity

GRI 102-35, 36, 37,
GRI 103-3
GRI 405-1, 2

People are becoming more mobile – and companies are, too. The megatrends of globalisation, mobility, and connectivity are opening up new business opportunities. But they also mean that companies are operating in environments that are becoming less and less predictable. This makes diversity and the associated openness crucial for ensuring that traditional business risks and unforeseen developments can be addressed effectively.

Diversity is decisive for the creativity and resilience of the OeKB bank group. We adopted our gender and diversity policy in 2017 to codify our attitude and implementation strategy. The implementation status is reported regularly to management as part of the sustainability strategy monitoring.

We live diversity and mutual respect

We understand diversity to mean the commonalities and differences that we at the OeKB bank group encounter in our markets, with our customers, and with our employees. Diversity stands for a central conviction of the OeKB bank group: sincere respect, open dealings, and using our diversity to our advantage.

In its activities in different sectors and parts of the world, the OeKB bank group encounters very different ideas about how to live and also different cultures. Diversity factors include gender, culture, religion, sexual orientation, nationality, education level, and also age, different ways of life, and special physical or psychological needs.

And for us, respect means valuing these differences, which in turn gives rise to trust, loyalty, and team spirit as well as potential for creativity and innovation. The OeKB bank group also tolerates no discrimination whatsoever.

We apply this attitude of respect every day within the Group and in all external dealings, following the principles set forth in our human rights policy.

In order to improve further in this area, we plan to explore the management of persons with disabilities in an internal project in 2019.

Gender

We make all of our personnel decisions based solely on social and technical qualifications and competencies. Our remuneration policy is based on strict gender equality, with the same payment for the same performance. The goal is to pay the employees of the OeKB bank group a fair wage in line with the market conditions.

At the OeKB bank group, the traditionally high ratio of female employees was 56% at 31 December 2018. The share of female managers is 39%. Investments in a good work-life balance, promotional measures on the way to middle management, and continued transparent job descriptions, including for managerial positions, will be necessary to ensure and expand this in future.

The targeted appointment of women as project managers was planned as part of the promotion programme. At present, over 50% of all projects are managed by women.

For the Supervisory Boards and executive management together, women are to account for at least 30% by 2020 (present share: OeKB 27%, OeEB 38%, OeKB CSD 43%).

Female staff council delegates to Supervisory Boards are also counted. The balanced gender rate has largely been achieved in executive management. One of the two managing directors at OeEB and at OeKB is a woman. The only exception here is OeKB CSD. Awareness for our policy must still be raised in the Supervisory Board.

Diversity in OeKB Group¹

As at	31.12.2018	31.12.2017	31.12.2016
Total employees	466	445	442
Of whom persons in governing bodies	16	18	-
In full-time equivalents	424	405	405
Average age	45.7	45.5	45.0
Average age of new employees	32.3	35.1	32.2
Average length of service	16.7	16.3	16.2
Sick days per year and full-time employee	8.3	8.1	10.1
Proportion of total positions held by women	56.4%	55.7%	57.5%
Share of women among part-time employees	80.8%	83.2%	88.8%
Share of women among employees with permanent contracts	56.8%	54.6%	-
Share of women among employees with temporary contracts	40.0%	1.1%	-
Share of women among new employees	51.4%	35.7%	61.5%
Proportion of managerial positions held by women	39.0%	35.0%	38.5%
Turnover rate excluding retirement ²	5.5%	4.7%	3.6%
Turnover rate including retirement ²	5.7%	5.9%	5.6%

¹ Including employees posted to OeEB, OeKB CSD, and Acredia Versicherung.

² The turnover rate is calculated as follows: the number of people leaving during the year x 100 divided by the number of employees on 31 December 2018.

A breakdown by region is not sensible. 99% of the employees work in Vienna.

Safety and health management

GRI 103-1, 2, 3 Healthy and motivated employees are a key success factor for the future of OeKB. This is why we have demonstrated a commitment to safety and health protection that goes beyond the legal requirements for many years.

Our establishment of a safety and health management system (SHM) has codified this approach and clearly defined the associated responsibilities. This involves the systematic, forward-looking evaluation of occupational safety and health in connection with operational performance processes. The SGM is part of the sustainability management system and thus systematically expands the activities relating to operational environmental protection and social responsibility by adding aspects of the safety and health of our employees.

We have set up a re-integration management programme. This enables our employees to transition back into the work environment on a part-time basis after an illness, for example (at the same wages as before their illness). Our occupational physician is involved in this process.

Remuneration policy

Remuneration conforms with market norms, with variable remuneration throughout the Group accounting for less than 10% of overall remuneration on average. Employee benefits such as additional health insurance and the employee restaurant with healthy meals are intended to ensure good health and sustainability.

Initial salaries of holders of academic degrees correspond to the market level. These are published on the intranet, making them transparent for all employees. We make all decisions on new hires, promotions, and wage increases based solely on social and technical qualifications and competencies. The internal benchmarking of salaries at the OeKB bank group is conducted according to eight salary bands, divided into one scheme for experts and one for management. The scheme an employee belongs to is decided primarily based on the kind of problem solving and the complexity of the activities their position involves, and on their leadership function. This ensures comparable pay for comparable jobs in a fair and transparent manner according to the qualifications required, the responsibility involved, and actual performance. In addition, compensation is regularly benchmarked against the market. A separate remuneration policy was published during the reporting period and clearly presents the remuneration strategy, remuneration components, and all allowances and fringe benefits.

GRI 102-35, 36, 37 In addition, the Executive Board of OeKB defines the remuneration policy of OeKB, which serves as a guideline for the entire OeKB bank group. This satisfies the requirements of the BWG and the corresponding memo of the Financial Market Authority. This remuneration policy is reviewed once per year, most recently in March 2018. The Supervisory Board of OeKB has a Remuneration Committee that evaluates and approves the remuneration policy and that monitors compliance with this policy including reporting to the Supervisory Board. External experts from Deloitte were consulted in the definition of the remuneration policy and various reviews.

The design of the variable remuneration policy ensures that the incentive structure is aligned with the long-term interests of the OeKB bank group. Variable remuneration is only applied if certain minimum requirements for calculating a bonus pool are met (such as an operating profit or a certain minimum duration for the survival period). The variable remuneration represents a reasonable share of the total remuneration and is oriented towards individual performance and towards single- and multi-year performance parameters of the company and Group.

The total bonus volume that is paid out to employees and managers is calculated on the basis of a combination of company performance indicators. These include the operating profit, the risk-adjusted profit, the risk-bearing capacity, and the liquidity. These metrics are applied in a slightly modified form in OeEB and OeKB CSD.

The individual variable remuneration for managing directors is limited to 40% of the total remuneration. The variable share is limited to 20% of the individual total remuneration from the second level (department heads) downward. If the variable remuneration exceeds 20% of the total remuneration, deferred payout is applied to comply with the regulatory requirements for sustainability and risk orientation, with 40% of the variable remuneration (or 60% for particularly high sums) being paid out over a period of five years. The employee only has a non-binding entitlement to the deferred amount until actual payout. The portion of the entitlement coming due each year is re-evaluated in that year.

In the event of a poor (or negative) financial and earnings situation, the executive management and Supervisory Board (Remuneration Committee) reserve the right to reduce the variable remuneration and the deferred bonus payments, up to the cancellation of the entire entitlement in accordance with the legal requirements.

For executive management and all employees in the OeKB bank group in general, the fixed salary is the primary component of overall remuneration, which means that the variable remuneration allows for a flexible remuneration policy in all regards and that the payment of the variable portion can be waived if necessary. In line with the Group's solid and effective risk management system, this ratio of fixed to variable remuneration ensures that no one is given an incentive to assume risks that exceed the specified risk appetite or tolerated degree of risk.

Guaranteed variable remuneration is not compatible with the performance-based approach at OeKB and is therefore not offered.

Employee representation

Oesterreichische Kontrollbank AG

GRI 103 1, 2
GRI 402-1

The Staff Council of Oesterreichische Kontrollbank AG represents the interests of all employees, supports them in matters relating to employment law, and concludes works agreements with the employer. Six of the seven Staff Council members are appointed to the Supervisory Board.

It manages the sports centre and offers various sports classes, organises annual ski championships and a company excursion, and promotes participation in athletic and cultural events. The Staff Council makes an important contribution to the company culture and climate with all of its activities.

Oesterreichische Entwicklungsbank AG

A Staff Council was elected to represent the interests of the employees at Oesterreichische Entwicklungsbank for the first time at the end of November 2017. It is composed of three female members and one male member and the corresponding number of substitute members, and has appointed two of its members to the Supervisory Board in accordance with the legal requirements. Works agreements on flexible working hours, the processing of personal data, the use of information and communication technology, and joining the VBV – Pensionskasse AG pension fund were concluded in 2018. Members of the Staff Council were also involved in the certification for the “workandfamily” audit.

OeKB CSD GmbH

All employees of OeKB CSD GmbH are delegated by OeKG AG and are therefore represented in the Staff Council of OeKB AG.

Future Work

The Future Work programme, which was launched in 2018, focuses on the adaptation of HOW we work so that we are better equipped to master the evolving challenges in the workplace and in society. We grouped the broad spectrum of aspects that play a role in this into five categories:

New ways of working together

We need productive collaboration now more than ever. The requirements posed by our environment are changing, so we also need new skills, new methods of working together, and a management style that matches. Managers will have to adopt more of a partnership, advisory approach and less of a strict hierarchical approach than before. The exchange of know-how and finding better solutions in concert with other organisational units will require a new partnership between employers, employees, external service providers, and customers.

Sustainability

The sustainability strategy is a key aspect of Future Work. We must take a critical approach to future topics to remain successful in our core business activities over the long term and to live up to our social responsibility. Climate change, resource scarcity, and sustainable finance are key challenges, but also harbour equally great opportunities.

Digitalisation

It is becoming increasingly important for companies to recognise and use the options provided by highly networked, interactive information and communication technologies in order to remain competitive. This pertains to the manner in which we work as well as to the refinement of our services and the development of new products. The in-depth evaluation of the opportunities and challenges of digitalisation is a matter of course for us.

At present, this includes projects such as DMS (a digital document management system), customer relationship management (CRM), and process digitalisation, all of which are in different phases. This also includes topics such as blockchain use cases and the currently planned online loan application system for main banks.

Future Office

We have drawn up a pilot concept for a modern office environment that promotes networking, provides room for creativity, and that brings the digitalisation of our working processes forward. This creates the ideal framework for the various forms of “new ways of working together”.

Traditional workplaces are replaced with rooms for projects, interaction, and focused work, as well as zones for rest phases. The concept will initially be tested in a pilot area that will be ready for use in the second quarter of 2019. The first preparations began in 2018. User representatives were also nominated to represent their departments in workshops about the new space concept.

Innovation

Innovation is becoming an increasingly crucial success factor in day-to-day business. The innovation management system that was launched at OeKB in 2017 is not only part of the Future Work concept, but also a commitment to actively addressing and promoting innovation within and outside of the Group. The mission of the innovation management staff is to generate, support, and accompany innovative ideas and solutions to modernise products and procedures, develop new services, and optimise processes.

How do we implement Future Work?

Culture Club

The Culture Club is a creative cultural transformation process based on the concept of strong internal networking and bilateral exchange. Change cannot be dictated, but can only be created and pioneered by all involved parties. In the Culture Club, employees have the opportunity to help shape change, to make it a reality and to “infect” others with it.

Fireside chats, “Frühstück mit Weitblick” (“Breakfast with a view”), leadership nuggets

These formats are open to specific groups of employees, either for everyone, for participants in the talent management programme, or for managers. In all of these, keynote speeches and discussions in an informal atmosphere spur contemplation and generate new ideas.

House-warming pilot zone and try-outs

This programme is intended to introduce all colleagues to the new office concept. All employees are invited to visit the pilot department and to spend a working day there to try it out.

OeKB Cross Conference, a future workshop

This format sets a powerful tone for opening towards the outside. The objective of this OeKB conference day is to view internal change as preparation for an evolving market. In this, stakeholders act as sparring partners for forward-looking ideas and challenge and promote transformation within the Group.

Vision and mission

In 2018, we also considered various approaches and scenarios for the future in general. In order to ensure the competitive strength of OeKB over the long term, we redefined our vision and mission and presented them at the beginning of 2019. The objectives that we have defined on this basis will provide clear orientation for our thoughts and actions as we move forward. This financial year is the first one in which we will measure the steps that we take to achieve this future vision.



To help the environment flourish

GRI 102-15
GRI 103-1, 2, 3

More information can be found in the section **“To help business grow”**.

Our nature, the ecological environment in which and with which we conduct our business, is in crisis: climate change, resource scarcity, and loss of biodiversity. These are just some of the challenges that we have to tackle as a society. In connection with the investment guarantees that we issue, the OeKB bank group is responsible for evaluating not only the economic effects but also the ecological and social impacts of every transaction. We fulfil this responsibility through our environmental and social audits, among other things.

In addition to the evaluation of our environmental and social impact in our core area of business, we have also been long committed to using resources wisely and protecting the environment in the day-to-day operations at all of our sites. Since 2001, we have been striving to continuously improve our environmental performance through a certified environmental management system.

Ecology in day-to-day operations

FS9 As an EMAS (Eco-Management and Audit Scheme) registered and audited company, operational ecology plays an important role in our activities. And even though the aspects of operational ecology do not go beyond well managed office operations, the absolute metrics do represent a considerable impact on the environment. The conscious management of our resources raises awareness among our employees, who then apply similar standards to their actions in our core activities.

The analysis of the direct and indirect environmental aspects required by EMAS showed that energy and fuel consumption are among the most material direct environmental aspects. For this reason, we are reporting on the relevant GRI indicators here. All other indicators that are relevant for the environmental report according to the EMAS Regulation can be found in the overview of indicators and in the GRI index.

The maintenance and continual improvement of the environmental management system in accordance with the requirements of EMAS and ISO 14001:2015 are handled by the sustainability management organisation in coordination with executive management. This organisation is part of the Organisation, Construction, Environmental Issues, and Security (OBUS) department, which is also responsible for all operational ecology processes such as procurement and waste, energy, and facility management.

Our environmental management system is audited internally every year. As part of the management assessment, executive management also evaluates the effectiveness of

the implemented measures and further options for improvements and changes. This also always includes an evaluation of the sustainability policy, the objectives, and the provision of resources.

Energy management

GRI 302-1, 2, 3, 4
GRI 305-1, 2, 3, 4, 5

The OeKB bank group continuously monitors and optimises its energy consumption at all of its sites. With the introduction of the Energy Efficiency Act (EEffG), companies were obliged to take measures between 2015 and 2020 to improve their energy efficiency and to document and report these to a newly established monitoring body. We employ an internal energy auditor who investigates ways of reducing the energy required for the buildings, the various processes, and the mobility needs of the OeKB bank group. The savings in the last two years were reported to the monitoring office, and the savings in 2018 were prepared for reporting in 2019.

The energy management covers all locations of the OeKB bank group, including the off-site emergency data centre. A particular focus is placed on the Strauchgasse building because the OeKB bank group has the greatest ability to act here as the building owner.

As part of the Future Office project, all of the lighting is to be converted to LEDs, most of which will be controlled by occupancy detectors.

As part of the modernisation of the HVAC system in Reitersaal hall in 2018, a heat recovery system was installed that significantly delays the need for additional heating energy.

The electricity consumption for cooling rose by 5% in annual comparison due to the weather conditions. The replacement of four cooling units in 2018 is ecologically effective, but likely brings no energy efficiency gains. This has replaced all of the old R22 refrigerant. The heat recovery systems were also connected to the new machines.

As a result of optimisation measures, the Strauchgasse building can now be heated solely using waste heat down to an outside temperature of 6°C. Because of the higher outside temperatures, it was possible to increase the share of waste heat usage, which in turn reduced district heating usage by 32% at the Strauchgasse site. District heating usage at the Am Hof site only fell by 23%. The significant fluctuations are the result of the need to switch entirely to district heating operation when the outside temperature remains below the threshold for longer periods.

Because of renovations in the building, the free-cooling system at Am Hof had to be taken offline around three years ago. It is to be put back into operation in 2019, which should increase efficiency by around 20 MW of cooling energy (a roughly 10 MW reduction in the input energy needed for cooling) in 2020.

The fact that the power consumption is equivalent to nearly 583 households (based on a four-person household with an annual power consumption of 4500 kWh) means that we must remain vigilant.

TO HELP THE ENVIRONMENT FLOURISH

Energy consumption

kWh	2018	2017	2016	2000	Change versus previous year
Electricity					
Strauchgasse	2,132,463	2,090,931	2,335,677	2,970,060	+41,532
Am Hof	289,500	272,970	239,610	821,900	+16,530
Wallnerstrasse, Wipplingerstrasse	43,286	45,359	46,797	-	-2,073
Vienna 1021 data centre	159,151	169,999	209,302	-	-10,848
Total electricity	2,624,400	2,579,259	2,831,386	3,791,960	+45,141
District heating					
Strauchgasse	215,096	316,344	184,404	1,496,750	-101,248
Am Hof ¹	172,430	228,115	268,601	359,453	-55,685
Total district heating	387,526	544,459	453,005	1,856,203	-156,933
Energy consumption optimisation (Strauchgasse)					
Cooling generated	1,490,684	1,402,196	1,666,477	-	+88,488
Waste heat used	611,383	550,867	630,868	-	+60,516
Own photovoltaic system	31,400	31,490	30,860	-	-90
Fuel					
Non-renewable fuel ²	75,105	9,430	-	-	+65,674
Renewable fuel	747	944	1,407	-	-197
Strauchgasse natural gas					
	0	0	0	64,914	0
Total energy consumption	3,119,178	3,165,583	3,316,658	5,713,077	-46,405

¹ The consumption of the tenant at the Am Hof site accounts for more than one third of the total district heating use in 2018 and has been deducted from the total consumption at Am Hof since 2017.

² The comparability of the figures is impacted by the inclusion of the vehicles of the Executive Board members in the figures.

Emissions

Motor vehicles represent an impact on the environment and health risks. At the same time, mobility is a key requirement for economic and social development in modern industrialised and service economies. Close to 20% of all greenhouse gas emissions come from transport, so this sector makes a significant contribution to climate change. This share actually came to around 40% of the total greenhouse gas emissions of the OeKB bank group over the past four years (not including compensated business travel).

Our mobility decisions are made on the basis of economy, ecological footprint, and the social aspects of the health, safety, and work-life balance of our employees. An electric bike and electric car are also available to our employees for trips within Vienna.

We revised our travel guideline in 2018. This specifies that

- Business travel must be conducted in a manner that is environmentally friendly, economical, and convenient for the employee;
- Public transportation must be used for business travel when possible, i.e. train/mass transit before car or aeroplane.

The implementation of these requirements is reflected in a significant increase (over 70%) in business travel by train.

Business travel (all locations)

GRI 305-5

Kilometres	2018	2017	2016	2000	Change versus previous year
Air	1,605,945	1,581,959	1,321,238	984,663	+23,986
Thereof CO ₂ compensated	839,254	870,412	540,825	-	-31,159
Rail	54,628	31,487	23,777	14,117	+23,141
Passenger car	53,940	18,816	26,240	39,237	+35,124
Thereof emission-free, e-mobility	4,223	5,333	7,950	-	-1,110
Total business travel	1,714,513	1,632,262	1,371,255	1,038,017	+82,251

The vehicle fleet consists of one pool car that is available to all employees for business travel and one electric car that is primarily used for courier trips. The kilometres driven by car included the distance travelled by the three cars of the Executive Board members of the OeKB bank group for the first time in 2018. This is the reason for the increase in annual comparison.

GRI 305-1, 2, 3, 4 CO₂ equivalents

Tonnes	2018	2017	2016	2000	Change versus previous year
Scope 1					
Car (petrol)	2.37	-	-	-	+2.37
Car (diesel)	5.00	1.97	2.67	5.74	+3.03
Scope 2					
Electricity	20.94	22.36	27.53	498.83	-1.43
District heating	7.75	10.89	9.06	37.12	-3.14
Total purchased energy	28.69	33.25	36.59	551.99	-4.57
Scope 3					
Air	26.22	24.33	26.97	33.68	+1.89
Compensated air travel	28.70	29.77	18.50	-	-1.07
Rail	0.49	0.28	0.21	0.13	+0.21
Total business travel	34.08	26.59	29.86		+7.50
Total CO ₂ equivalents	62.77	59.84	66.45	39.54	+2.93

boku.ac.at/nachhaltigkeit/boku-co2-kompensationssystem/klimaschutzprojekte

Carbon dioxide equivalents per employee are shown only for OeKB employees as the OeEB emissions were compensated for. Air travel is unavoidable for OeEB employees because of the international projects. OeEB compensates for the CO₂ emissions through a reforestation project of the Vienna University of Natural Resources and Life Sciences (BOKU) in which CO₂ is captured in newly planted forests. The project, in which the local population is heavily involved, also contributes to protecting the soil and biodiversity and is being accompanied by a BOKU study.

Source: ghgprotocol.org/calculationg-tools-faq

The breakdown into individual scopes is based on the Greenhouse Gas Protocol. Scope 1 contains all direct emissions from combustion in internal plants and in the engines of motor vehicles. Scope 2 contains indirect emissions from consumption of purchased energy, and Scope 3 includes all other indirect emissions from upstream and downstream processes. The current emission figures of the Federal Environment Agency are used to calculate the CO₂ equivalents. The data for the previous years were adapted accordingly.

At the locations in the first district of Vienna (Am Hof and Strauchgasse, Wallnerstrasse and Wipplingerstrasse), the OeKB bank group uses electricity obtained exclusively from hydroelectric power plants. The off-site emergency data centre uses the standard power mix, which is reflected in significantly higher emission values.

A photovoltaic system with a capacity of 31 kWp is making a small contribution towards energy production in the building, which came to 31,400 kWh in 2018. A highly redundant green IT data centre offers a high level of availability, the required reliability, and optimises the use of electrical energy.

	Kilograms of CO ₂ equivalents	Sources
1 km rail travel (electric)/km per person	0.0090	Federal Environment Agency emission figures data basis 2016 indirect emissions (Scope 3)
1 km aeroplane travel/km per person domestic	0.0638	Federal Environment Agency emission figures data basis 2016 indirect emissions (Scope 3)
1 km aeroplane travel/km per person international	0.0342	Federal Environment Agency emission figures data basis 2016 indirect emissions (Scope 3)
1 km car per vehicle (diesel)	0.1462	Federal Environment Agency emission figures data basis 2016 direct emissions (Scope 1)
1 km car per vehicle (petrol)	0.1529	Federal Environment Agency emission figures data basis 2016 direct emissions (Scope 1)
1 kWh electricity for data centre	0.1316	Wien Energie contract ODC
1 kWh hydroelectricity	0.0000	Energie Allianz (according to contract and certificate)
1 kWh district heating	0.0200	OIB guideline 6

Ecological key indicators

With regard to operational ecology, key indicators for energy, heating energy, water, and paper are for the main locations at Am Hof 4 with 46 employees and Strauchgasse 1–3 with 413 employees. The waste statistics were collected for the Am Hof site for the first time. Collection started in the fourth quarter of 2018, and the statistics were extrapolated.

The waste statistics for the Am Hof site are to be collected more precisely in 2019. The calculation of key indicators per employee for operational ecology goes beyond the limits of the system as it includes the staff of Kollik Hammermüller Krassnigg, Rechtsanwälte GmbH and CCP.A (19 employees).

Locations

GRI 102-4	2018	2017	2016	2000
Space in m ²				
Strauchgasse	15,182	15,032	15,512	13,612
Am Hof	2,631	3,139	3,479	3,075
Space at main locations	17,813	18,171	18,991	16,687

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The changes in the key indicators show that power consumption was cut further in 2018. The calculation basis for the space was adapted in 2018.

The employees at Am Hof were included in the collection of the waste statistics for paper, glass, plastic, metal, and non-recyclable waste for the first time in 2018. The volumes attributable to the tenants in the Strauchgasse building were deducted from these figures. Because the plastic and glass waste can largely be attributed to the tenants, these volumes declined substantially compared with the previous years. The increase in paper and non-recyclable waste can be explained by the inclusion of the staff at the Am Hof location.

The cleanup activities were continued in 2018. This is the reason for the repeated increase in bulky waste and the increase in waste electronics.

The increase in batteries was the result of the required maintenance intervals.

The high level of waste generated in previous years despite all measures to the contrary will be countered by a new waste separation system as part of the Future Office conversion. Waste collection will be moved from the work stations to central collection sites, where sufficient containers will be present for the various waste categories. We expect this to improve the separation rate and to reduce the quantity of waste overall. Concrete figures will not be available until after an observation period in the pilot zone.

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GRI 301-1, 2
GRI 302, 1, 2, 3, 4
GRI 303-1
GRI 306-2

	Unit	2018	2017	2016	2000	ÖGUT 2017 average*
Energy (Strauchgasse, Am Hof)						
Power consumption	kWh/employee	5,277	5,472	5,826	11,088	4,551
Thereof renewable energy	kWh/employee	69	73	70	-	
District heating	kWh/m ²	22	30	24	111	131
District heating	kWh/employee	844	1,260	1,025	5,427	4,778
Energy consumption (electricity, district heating, renewable energy)**	kWh	2,840,889	2,939,850	3,059,152	5,648,163	
Energy consumption (electricity, district heating, renewable energy)**	kWh/employee	6,189	6,805	6,921	16,515	
Business travel						
(all EMAS locations)						
Rail, air, and car	km/employee	3,735	3,778	3,121	3,035	1,937
CO₂ equivalents						
Energy and business travel	kg/employee	168	167	176	1,730	708
Water (Strauchgasse, Am Hof)						
Water consumption	l/employee/day	51	54	53	116	47
Paper (Strauchgasse, Am Hof)						
Paper use	sheets/employee/day	20	22	22	41	102
Share of recycled paper	%	97.0%	100.0%	99.4%	4.4%	65.0%
Waste						
Waste paper	kg/employee	154	182	134	98	105
Non-recyclable waste	kg/employee	123	119	87	337	64
Separation rate	%	33.0%	29.0%	30.0%	73.0%	

* Source: Benchmarking für Finanzdienstleister, Austrian Society for Environment and Technology (ÖGUT), 2017

** The figures for the 2016 integrated report deviate because renewable energy was newly added.

TO HELP THE ENVIRONMENT FLOURISH

GRI 301-1 Waste generation in kg

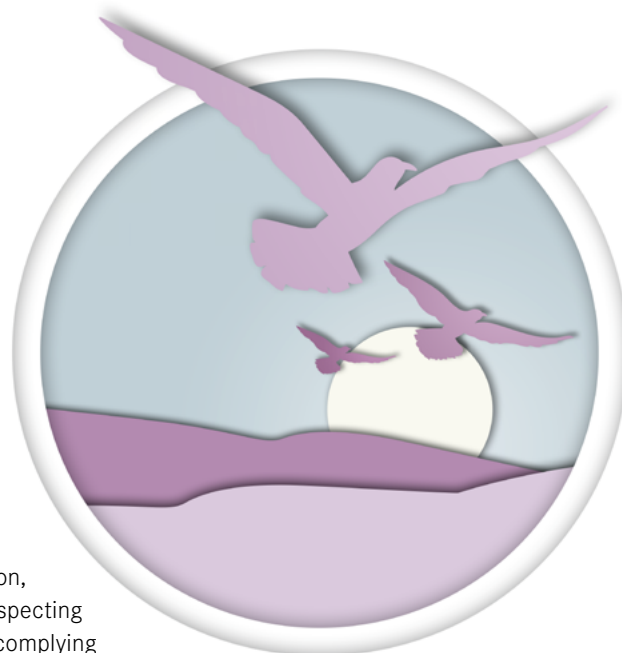
	2018	2017	2016	2000	Change versus previous year
Waste paper	70,479	69,999	53,558	26,288	+480
Glass	1,639	3,954	3,760	1,824	-2,315
Plastic waste	1,413	2,619	1,962	1,248	-1,206
Waste and scrap metal	600	650*)	320	480	-50
Grease trap contents	24,700	13,920	16,500	20,410	+10,780
Waste electronics	4,070	1,707	3,741	715	+2,363
Bulky waste	15,290	13,934	117	-	+1,356
Kitchen and cafeteria waste	17,832	17,350	17,262	-	+482
Waste oil (from cafeteria kitchen)	208	292	266	-	-84
Recyclable materials	136,230	124,125	97,486	50,965	11,865
Recyclable materials per employee	297	322	244	191	-26
Retired mobile phones	5	5	5	-	0
Batteries	1,882	1,073	478	774	+809
Fluorescent lamps	116	105	80	129	+11
Paint remnants	-	-	-	800	
Developer, fixatives	-	-	-	540	
Waste oil	-	-	-	-	
Computer monitors	87	19	32	-	+68
Waste electrical and electronic equipment	-	-	900	-	
Refrigerators and air conditioners	14	-	15	-	+14
Refrigerant	-	-	-	-	
Hazardous waste	2,104	1,202	1,510	2,243	+902
Hazardous waste per employee	5	3	4	8	+1
Commercial waste similar to household waste	56,263	45,900	34,710	90,000	+10,363
Total waste	194,597	171,527	133,706	143,208	+23,130
Total waste per employee	424	446	334	536	-21

* The quantity of waste and scrap metal increased from 350 kg to 650 kg because 300 kg of Nespresso capsules were added after the fact. The collection of the Nespresso capsules began in 2017.

To help society succeed

GRI 102-15
GRI 103-1, 2, 3

We adhere to national laws and international standards in the OeKB bank group. We treat the environment and society with respect and a strong sense of responsibility. We are aware that we are held to a higher standard as a private company with a public mandate and therefore fulfil our responsibilities with particular care. The aspects of transparency; preventing corruption, money laundering, and terrorist financing; and respecting the internationally proclaimed human rights and complying with all legal regulations are important to us and a fundamental prerequisite for our business activities. We have defined corresponding processes and responsibilities to ensure and monitor compliance with all external and internal requirements.



Human rights

GRI 412-1

The OeKB bank group has been actively addressing the topic of human rights for years. We demonstrate our foresight and sense of responsibility in the evaluation of projects by also taking project-related human rights issues such as the protection of cultural assets, involuntary relocation, and impacts on local populations into account.

As part of our intensive evaluation of the Universal Declaration of Human Rights, we also assessed how these rights that have been in force for over 70 years are relevant to our business segments and how we can apply them to our daily operations. We summarised the results in our human rights policy. We are also committed to the ten principles of the UN Global Compact and the fundamental labour rights according to the ILO Declaration on Fundamental Principles and Rights at Work.

As part of the OECD practitioners meetings, we participate in discussions about compliance with and the protection of human rights in ECA-guaranteed projects.

An OECD peer review of the Guidelines for Multinational Enterprises was conducted on 14 and 15 December 2017. The findings of the OECD review team are expected to be published on the OECD and öNKP (National Contact Point) websites at the end of 2018 or beginning of 2019. OeKB was represented as a key stakeholder.

Corporate Governance

The complete original code can be found at www.corporate-governance.at

The companies of the OeKB bank group are not listed companies, but are nevertheless guided by the Austrian Code of Corporate Governance in so far as the Code's principles are applicable. For non-listed stock companies, L-rules (rules based on legal requirements) are to be interpreted as C-rules (comply-or-explain rules).

Cooperation between the Supervisory Board and Executive Board

GRI 102-26, 28, 36

The companies of the OeKB bank group are directed by an Executive Board or executive management. They provide their Supervisory Board with regular, prompt, and comprehensive reports on all relevant business developments, including the risk situation and risk management in their company and the significant Group companies. The aim of managing the Group's business in accordance with the principles of good corporate governance is achieved in part through open discussion between the Executive Board or management and the respective Supervisory Board and within each of these bodies.

GRI 102-35

The Executive Board or management sets the company's strategic direction together with, and subject to the approval of, the respective Supervisory Board and regularly discusses the progress made on implementing the strategy with them. The Supervisory Board meets at least four times per financial year. The disclosure of the aggregate compensation of the Executive Board foreseen by L-rule 29 of the Austrian Code of Corporate Governance is omitted pursuant to § 241 (4) of the Austrian Uniform Commercial Code (UGB).

GRI 102-18

The detailed composition of the Supervisory Board, the Staff Council, the state committee, and the government committee can be found in the 2018 annual financial report of OeKB AG. The composition of the Executive and Supervisory Boards of OeEB and OeKB CSD can be found on the corresponding websites.

Supervisory Board of OeKB AG

GRI 102-22, 23, 24, 25, 31, 35, 36, 37

The Supervisory Board supervises the Executive Board and supports it in managing the company, especially in reaching decisions of fundamental importance. At the end of 2018, the Supervisory Board was composed of 14 shareholder representatives and six members delegated by the Staff Council. This constitutes a deviation from C-rule 52, which stipulates a maximum of ten members excluding the employee representatives, legitimated by an agreement among OeKB's shareholders.

The Supervisory Board's remuneration is determined at the Annual General Meeting and is shown in the notes to the consolidated financial statements. The employee representatives perform their function on the Supervisory Board within the scope of their ordinary employment.

The Austrian Stock Corporation Act requires that the chairman of the Supervisory Board be independent from the operations of the company. All Supervisory Board members aside from the employee representatives are independent from the operations of the company.

Committees

- The Remuneration Committee approves the remuneration policy and variable compensation rules and monitors the implementation of these policies in practice. In matters of remuneration policy and in particular the compensation of the Executive Board, the employee representatives do not attend or vote at the meetings of the committee. The Remuneration Committee met twice in 2018.

- The Audit Committee is responsible primarily for
 - the auditing and the preparation of the adoption of the annual financial statements, the proposal for the distribution of profits, and of the company management report,
 - the auditing of the consolidated financial statements and group management report,
 - the recommendation of an independent auditor to the Supervisory Board, and
 - the monitoring of the effectiveness of the enterprise-wide internal control system and the risk management system.

The Audit Committee met twice in 2018.

- The Working Committee oversees borrowing to fund the Export Financing Scheme (EFS), lending under the EFS, lending under § 3 of the internal procedural rules (related debt restructuring facilities and purchase of accounts receivable), and the use of the amounts in the interest stabilisation account.

The working committee met once in 2018.

- The Nomination Committee (pursuant to § 29 of the Austrian Banking Act) not only regularly evaluates the balance and variety of the know-how, skills, and experience of the managing directors but also that of the individual Supervisory Board members. Issuing recommendations, it monitors and supports the course of the Executive Board with regard to appointing senior management.

The Nomination Committee met three times in 2018.

- The Risk Committee (pursuant to § 39d of the Austrian Banking Act) monitors the implementation of the OeKB risk strategy, among other matters.

The committee met twice in 2018.

The legally required committees have also been set up in the subsidiaries.

Transparency and auditing

Openness and transparency in communication with our shareholders and stakeholders is particularly important to us. In 2018, the Executive Board as well as the Marketing and Corporate Communication and Investor Relations departments upheld these principles. Up-to-date information on the company and its business segments is always available on the OeKB website at www.oekb.at. This site also contains all information on director's dealings. Executive Board members and Supervisory Board members must report when they or a related party purchase financial instruments issued by OeKB.

Details can be found in the section **"To help employees advance"**

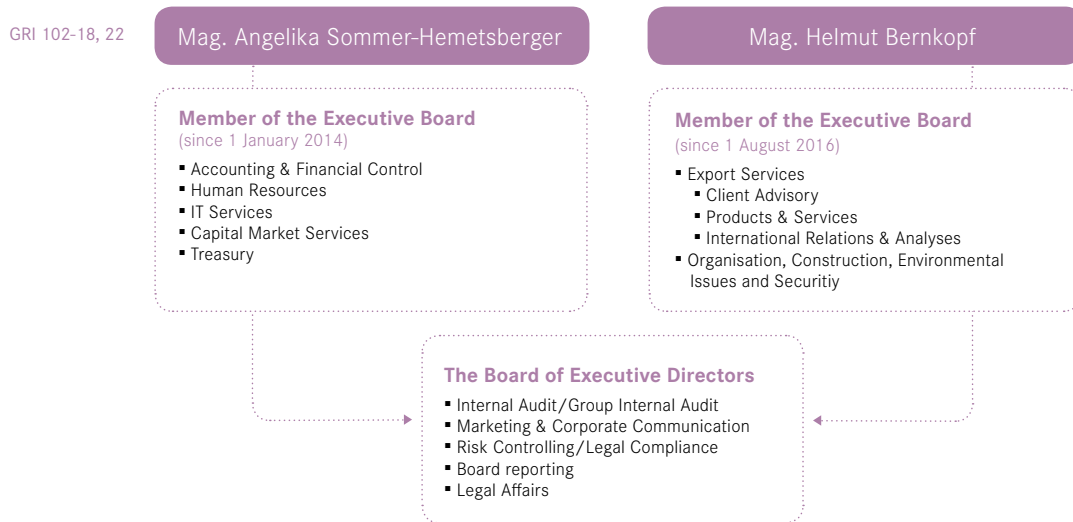
The OeKB bank group promotes the development of women in managerial positions for all functions (L-rule 60).

The publication of motions under L-rules 4 to 6 of the Code is not considered expedient, as this information is reserved for shareholders. Consequently, only shareholders may examine these documents and the right to confidentiality of the shareholders introducing a motion must be maintained. This applies to motions submitted to the Annual General Meetings and all related official documents, including shareholder motions and counter-motions, as well as the list of candidates nominated for election to the Supervisory Board and the resolutions passed at the Annual General Meetings.

The audit report can be found in section **"Auditor's certificate" in the 2018 annual financial report.**

The annual financial statements, company management report, consolidated financial statements, and group management report were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, the auditor appointed by the Annual General Meeting.

Assignment of duties on the Board of Executive Directors of OeKB AG



The two-member Board of Executive Directors of OeKB is responsible for managing the company. Its decisions comply with all relevant laws, the Articles of Association, and the Board of Executive Directors's internal procedural rules. The division of responsibilities and how the members of the Board of Executive Directors should work together are set out in these internal procedural rules. This is also the case at Oesterreichische Entwicklungsbank (OeEB) and OeKB CSD GmbH (OeKB CSD).

Risk management and internal control system

GRI 102-11, 15, 29, 30, 31
GRI 103-3

Risk measurement and management are key processes within the business strategy of the OeKB bank group and are designed to ensure the long-term stability and profitability of the company. Our risk policy is therefore intended to ensure a stable return on equity on the basis of a conservative approach to business and operational risks.

As a group of special-purpose banks, the OeKB bank group bears special responsibility. This also drives our business and risk policy, and we have installed a holistic risk management framework whose individual components are closely integrated. These include the risk policy and strategy; risk identification, measurement, and management; compliance; an internal control system; and Group Internal Audit.

More information on risk management can be found in the **2018 annual financial report**

Given the OeKB bank group's key business activities and its specific business and risk structure, we have adopted a clear functional organisation for our risk management process with well defined roles.

More information on the ICS can be found in the **2018 annual financial report**

The aim of the internal control system is to support the management in such a way that it is in a position to ensure ever better and more effective internal checks. The internal control system covers all material business processes so that the economic efficiency and effectiveness of business activities, the reliability of the financial and non-financial performance information, and adherence to guidelines and regulations (compliance) can be guaranteed.

The ICS in the OeKB bank group is based on the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission), which has five components: the control

environment, risk assessment, control activities, information and communication, and monitoring activities.

The Supervisory Board is briefed at least every quarter with a comprehensive report on the balance sheet, income statement, and other controlling and risk data. Highly detailed reports about this information are submitted to the Executive Board. These are created at least once per month. The Executive Board monitors the appropriateness and effectiveness of the ICS. The Executive Board also established an Asset and Liability Management Committee and a Risk Management Committee that receive, analyse, and monitor this data.

Financial statements intended for publication undergo a final review by management and staff of the Accounting and Financial Control department and by the Executive Board before being forwarded to the Audit Committee of the Supervisory Board.

By monitoring compliance with all rules and regulations, we aim to make all business processes as reliable as possible and ensure group-wide conformity with policies and procedures. The staff members responsible manage identified risks and shortcomings through prompt mitigative and preventative measures. The implementation of these measures is monitored.

Group Internal Audit evaluates compliance with the requirements in accordance with the annual audit plan.

Compliance and legal requirements

GRI 102-16
GRI 205-2

In accordance with our fundamental values, we manage all of our companies with integrity and comply with the relevant laws. Our values determine the actions of all of our employees.

The Legal and Compliance department with the four teams, Securities Supervision Act Compliance, Banking Act Compliance, Money Laundering Prevention (more information on this below), and Legal is responsible for compliance with all legal regulations and reports directly to the Executive Board. The head of the Legal and Compliance department and the respective compliance officers (Securities Supervision Act, Banking Act, money laundering) exercise an advisory and coordinating function and ensure that there are no gaps in the internal regulations. Activities focus on the identification of the material legal regulations and requirements so as to ensure compliance. Another responsibility is raising awareness among the employees of the OeKB bank group for regulatory issues.

Data protection

GRI 418-1
More information can be found
[dvr.dsb.gv.at/at.gv.bka.dvr.
public/](https://www.dsb.gv.at/at.gv.bka.dvr.public/)

The OeKB bank group has taken a prudent approach to the protection of data for many years, on the one hand to meet the requirements of the Austrian Banking Act concerning bank secrecy, and on the other as specified in the Data Protection Act and the EU's General Data Protection Regulation. We have appointed a Data Protection Officer and data protection coordinators in every department and in the subsidiaries to ensure the smooth implementation of the requirements.

The GDPR 2016 was implemented in a comprehensive project lasting until May 2018. The business processes were documented in procedure indexes to identify the data types and protection requirements according to the current standard. Processes were defined for

information obligations, information disclosure requests, and data protection violations, and supplier contracts were amended to include processing agreements.

Training and comprehensive operating procedures were prepared for all employees. A management system for system maintenance and regular audits was adapted to meet the current requirements.

The following requirements apply as the basis for dealing with data in the OeKB bank group:

- Data is only transparent within the OeKB bank group to the extent that it is absolutely necessary for the settlement of the transaction and the assessment of risk.
- For risk management purposes in the OeKB bank group, customer exposures are combined and considered together.

The Data Protection Officer received one request for information relating to data protection in 2018.

Preventing money laundering and terrorist financing

Money laundering refers to bringing illegally obtained assets into the legal capital market. The act of money laundering is defined in the Austrian Criminal Code (StGB). It covers the holding, investment, management, conversion, or use of assets stemming from a crime or illegal activity, as well as obfuscating the source of assets.

The international community significantly increased its efforts to prevent terrorist financing after the attacks in the USA on 11 September 2001. The act of terrorist financing is also defined in the Criminal Code and covers the provision of assets with the intent that they be used for terrorist purposes. Unlike with money laundering, the financial assets that go into terrorist financing can stem from legal sources.

To prevent money laundering and terrorist financing, the Financial Market Anti-Money Laundering Act (FM-GwG) stipulates special diligence and reporting obligations for credit and financial institutions. Banking transactions may only be conducted with known customers – the “know your customer” principle. Credit and financial institutions must verify the identity of their customers pursuant to the FM-GwG before they enter into a customer relationship.

GRI 205-2 The various activities of the OeKB bank group were evaluated in detail to prevent money laundering and terrorist financing and to identify potentially sensitive areas, and detailed operating procedures were created for all sensitive areas. The legal regulations are monitored on a continuous basis and the internal processes adapted when necessary in the event of changes. Employees in the OeKB bank group who fulfil functions that are relevant to money laundering complete regular training. Those who do not fulfil relevant functions are informed about the money laundering prevention regulations. Internal Audit verifies compliance with these provisions on an annual basis.

The Money Laundering Officer and deputy are responsible for implementing the money laundering prevention regulations. They advise and inform all employees in accordance with their duties. Suspicious transactions must also be reported to them.

The OeKB bank group collaborates directly with the money laundering coordination office of the Austrian Bankers' Association in this. We have also implemented the anti-money laundering principles of the Wolfsberg Group.

Business ethics

GRI 102-11, 16, 17
GRI 419-1

Because of the central role that the OeKB bank group plays in the Austrian capital market and as a national and international export credit insurance agency, we feel that it is appropriate to orient ourselves towards the stricter provisions of the anti-corruption laws that apply to public officials even though our employees are not public officials pursuant to § 74 Austrian Criminal Code (StGB).

Relevant behavioural rules and other requirements for us and our activities are defined in our Code of Conduct.

Code of Conduct

The Executive Board, senior managers, and employees are committed to acting reliably, according to the pertinent laws, and with due care and adhere to the clear rules in the Code of Conduct. This code contains ethical and legal rules and guidelines that promote individual responsibility and an open, respectful, and responsible working climate.

The Code of Conduct not only sets forth the rules under which we act, but also what we expect from others. For this reason, we decline transactions that violate the Code of Conduct and welcome it when our stakeholders operate under similar rules.

A revision is planned for 2019 to stimulate the communication process relating to the Code of Conduct and to create a clear, uniform formulation of the Code of Conduct in the OeKB bank group.

Complaint handling system

GRI 102-33, 34

Pursuant to § 39e Austrian Banking Act (BWG), the OeKB bank group has set up transparent and appropriate procedures for processing complaints from all persons with which it conducts business. The goal is to identify, analyse, and remedy recurring and potential legal and operational risks.

The OeKB bank group adheres to the guidelines of the Joint Committee for complaints-handling for the securities (ESMA) and banking (EBA) sectors.

Every company of OeKB Group that holds banking authorisation, in other words OeKB, OeEB, and OeKB CSD, offers the opportunity to submit feedback and complaints on their websites.

Customers of the OeKB bank group are generally asked to address their complaints directly to their customer adviser. If this adviser cannot rectify the situation, the central complaint management office of OeKB AG, OeKB CSD GmbH, or OeEB AG can be contacted through the web form, in person, by telephone, or in writing. The Joint Conciliation Board of the Austrian Banking Industry can also be involved.

Customer advisers are required to report any complaints that they receive and the measures they take to address the complaints to the central complaint management office. The data protection regulations of the GDPR and the Data Protection Act must be followed in this. There were 11 relevant complaints to OeKB that were reported to Oesterreichische Nationalbank (OeNB) in 2018. Three relevant complaints were submitted to OeKB CSD. No relevant complaints were submitted to OeEB.

The whistleblower systems pursuant to § 99g Austrian Banking Act (BWG), in the OeKB bank group employ the department heads, the Staff Council, those responsible for the relevant rules in the Code of Conduct, and the Legal Officer as contacts, always maintaining the required confidentiality.

There were no reports in the internal whistleblower systems in 2018. Enquiries were submitted, for example to the Staff Council, to the typical extent. None of the enquiries triggered an internal audit.

There is no material pending administrative or legal action against the OeKB bank group.

Preventing corruption

Minor invitations and the exchange of gifts may be part of the local customs or part of local business practice. Benefits that lead to a conflict of interests or that could cause the impression of partiality may not be accepted under any circumstances, especially when this would put the neutral position of the OeKB bank group at risk. It is sufficient in such cases when even just the appearance or expectation of return consideration is raised.

Every gift and invitation that an employee receives while performing his or her duties must be seen as consideration for the function being exercised, and not as a personal gift.

We make no donations whatsoever to political parties.

The OeKB bank group supports its customers in their efforts to prevent corruption, particularly by organising and promoting events and workshops. As a member of the bank working group of the Austrian Chapter of Transparency International, we are working actively on refining methods to prevent corruption.

Sustainable action and risk management

GRI 102-15 The responsible handling of risks is an integral part of our management approach and culture, and therefore of all decision-making. This can also be seen in the manner in which we approach ecological and social issues.

As an EMAS (Eco-Management and Audit Scheme) registered and audited company, the OeKB bank group has undertaken to account for resource consumption, climate protection, and social developments in its core business and operations and to pursue annual goals for improvement. A key quality feature of the business and risk policy is the conservative approach to business and operational risks without jeopardising the necessary returns.

GRI 102-11 The Executive Board of OeKB employs a comprehensive management system to ensure the long-term success of the Group, transparent management, and compliance with the due diligence obligations.

The OeKB bank group has a comprehensive system of internal guidelines that enables the Executive Board of OeKB to manage group-level risks and risks at the level of OeKB AG as an individual company.

Top level: The policies and guidelines adopted by the Executive Board of OeKB. These include the following guidelines that are binding for the bank group: business policy and strategy, risk policy and strategy, Code of Conduct, Fit & Proper policy, group guideline for preventing money laundering and terrorist financing, and the remuneration policy principles.

Middle level: The guidelines created by the downstream organisational units that are responsible for risk management as needed on the basis of the top-level policies and guidelines.

Bottom level: The work instructions, standard operating procedures, and method and process documentation that are derived from the adopted guidelines and policies, which are generally under the responsibility of the department heads.

The management bodies of the companies in the OeKB bank group ensure the implementation of the guidelines of the OeKB bank group in their areas of responsibility depending on their scope of application.

Policies

GRI 102-14, 16
GRI 201-2
GRI 412-2, 3
FS 1

The OeKB bank group has adopted its own policies on socially relevant topics. These reflect our attitude and standards of behaviour, which are adhered to by management and all employees in day-to-day business.

The sustainability, human rights, and climate policies can be found on our website: www.oekb.at/en/oekb-group/our-claim/corporate-social-responsibility.html

The sustainability policy of the OeKB bank group reflects our responsibility for the positive development of the economy over the long term and for our stakeholders within and outside of the Group. It is submitted to the Executive Board once per year as part of the management assessment and is adapted when needed.

The human rights policy breaks down the articles of the Universal Declaration of Human Rights at the company level and specifies how each article is to be implemented in practice.

The climate policy stipulates that adequate measures be taken in all business processes aimed at a sustainable climate policy and therefore at a reduction in CO2 emissions. It applies to all OeKB bank group companies that are EMAS registered and audited.

More information on the gender and diversity policy and on the risk and remuneration policies can be found in the sections "Gender equality and diversity" and "Remuneration policy"

Our gender and diversity policy states: We understand diversity to mean the commonalities and differences that we at the OeKB bank group encounter in our markets, with our customers, and with our employees. Diversity stands for a central conviction of the OeKB bank group: sincere respect, open dealings, and using our diversity to our advantage.

We also have a communication policy and a donation and sponsoring policy. These set forth our principles of behaviour in dealing with the media, at public events, and when making donations and sponsoring arrangements.

Social responsibility with long-term benefits

Many services of the OeKB bank group are socially relevant. Because of this, our Group bears special responsibility, which we also live up to through our sponsoring and donation activities.

Donations and sponsoring in the OeKB bank group

GRI 102-12
GRI 413-1

The sponsoring activities of the OeKB bank group generally involve activities related to our business, which allows the sponsoring to support our communication and marketing objectives. It also improves the motivation of our employees and their identification with the OeKB bank group. Specific services to be provided in return are set out in writing and compliance is verified for each sponsoring activity.

TO HELP SOCIETY SUCCEED

We as the OeKB bank group donate to projects and organisations that focus on people and that are dedicated to ensuring that people can lead dignified lives with ample opportunity – regardless of their origin, ethnicity, or gender. When selecting projects, we attach particular importance to conformity with our corporate principles and sustainable benefits for society. Our donations are not tied to business goals and are not made in exchange for return consideration, but simply stipulate a purpose for which the funds must be used. Donations may be made only if the identity of the recipient and intended purpose are known. These may not be used to avoid external or internal regulations and have to be fully documented for the sake of transparency.

The following are the preferred recipients of donations from the OeKB bank group (in alphabetical order):

- Art, culture, and media
- Children's aid
- Development work
- Disaster aid
- Education and research
- Equality, diversity, and promoting women
- Humanitarian aid, social issues, and fighting poverty
- Human rights
- Medical aid
- Refugee aid and integration
- Social issues
- Sustainability

We selected the SDGs #1, 4, and 8 as focuses to direct our sponsoring and donation activities.

Corporate volunteering

Corporate volunteering opens up new perspectives for employees by providing a glimpse of “other worlds” and by facilitating identification with OeKB as an employer that assumes comprehensive responsibility.

Teach For Austria

In line with SDG #4 “high-quality education”, OeKB supported the Teach for Austria programme again in 2018. This independent charitable initiative creates better education opportunities and prospects for children and youths from socio-economically disadvantaged families. By promoting education for pupils who are experiencing difficulties in school, Teach for Austria contributes to enabling every child to grow in accordance with his or her strengths regardless of the education level, income, or origin of their parents.

One member of the OeKB Executive Board was also personally involved in the initiative and taught a biology class in one of the focus schools during the “Teach for Austria Week”. During this week, successful people from business, the government, and other pursuits inspire the pupils through their own stories and show what they can achieve through hard work and perseverance.

It is planned to have 14 teaching units in focus schools offered by employees of OeKB in 2019.

START scholarship

The intent of the START scholarship programme is to provide motivated youths from migrant backgrounds with easier access to higher education, and thus with better opportunities for successful integration.

The objectives include

- Improving the development prospects of capable and motivated students and encouraging them to select a higher education path.
- Enabling the successful and exemplary integration of all scholarship recipients into society.

OeKB sponsored a scholarship in the amount of €5,000 for the 2018/2019 academic year. Individual grants may also be awarded as part of the corporate volunteering programme that is being launched in 2019.

Employee volunteering

GRI 413-1

The OeKB bank group supports its employees in being socially active in a number of different ways. This can consist of donations in kind or cash donations, or free time.



This volunteering has a long tradition in the OeKB bank group, as OeKB AG already seized the initiative in the 1980s and set up the charitable Christmas market on Freyung square in Vienna. The market is now organised by the association OeKB karitativ, which is run by employees of the OeKB bank group. Our employees and supporters of the association again served punch at the stand during the 2018 holiday season: in two-hour shifts, ten hours per day, seven days a week, for five weeks. Four of the five stands are available for social organisations, which can use the proceeds that they generate entirely for their charitable activities. OeKB karitativ covers the stand operating costs. The net earnings of the association are donated to specially selected non-profit projects.

Further employee commitment projects:

- OeKB donates old OeKB BlackBerry devices to the Ö3 Wundertüte programme. Our employees support this programme by donating private mobile phones that they no longer use.
- Employees who are volunteer members of fire brigades or other emergency services receive a limited period of special leave in the event of disasters (also for taking care of refugees). This is governed in a works agreement.
- Our Staff Council holds a blood donation drive once per year.

Review and outlook

Implementation of the programme of measures in 2018

To help business grow:

We develop sustainable products and services to contribute to the sustainable operation of the OeKB bank group.

Objective	Measure	Progress report
Improve rating from oekom research and Sustainalytics by one notch in each case.	Draft a Responsible Investment Policy; use a responsible investment team; create a diversity policy; revise the sustainability policy.	oekom rating improved from C to C+. The Sustainalytics rating system changed. Therefore, no improvement is apparent.
The proprietary portfolio is managed by a responsible investment team (Treasury) according to the OeKB bank group Responsible Investment Policy.	The Responsible Investment Policy has been created and published as part of the investment guidelines. The RI team has been appointed.	The proprietary portfolio is managed according to the OeKB bank group Responsible Investment Policy. The exclusion list was updated in 2018 and was forwarded to the external fund managers and published on the intranet.
Improve turnover times for projects relating to renewable energy, climate protection, and adapting to climate change and the better communication and advertising of water projects according to the OECD sector agreement.	Appoint a project group and plan a communication campaign.	The contents of the website relating to sustainability were updated, and this aspect was lent more weight. The OECD sector agreement is also included in the Export Services newsletter again. A re-evaluation is planned for 2019.
Set up a Future Advisory Council as an element of stakeholder management to secure the acceptance of the OeKB bank group's mandate over the long term.	Create a concept for a Future Advisory Council and hold the first meeting.	The first future workshop will be held in autumn 2019 for scheduling reasons. The concept has been created and will be launched as a workshop to test the format. If the expectations are met, it will be formalised later as an advisory committee.

REVIEW AND OUTLOOK

To help drive innovation:

We collect, prepare, assess, and market new possibilities. To this end, we build an environment and internal and external networks to cover this broad topic.

Objective	Measure	Progress report
Present the results of the collaboration with the Club of Rome on the “Wonderful digital world”.	Organise an event for the closing of the project and publish a report.	A dedicated website was launched as a platform for the publication of expert articles on digitalisation. The closing event was held on 28 February 2018. The numerous articles were collected into an e-book and can be downloaded from the website.
Mentor start-ups and network with the participating companies through weXelerate.	Participate in and mentor batch two and three.	A total of 50 start-ups were screened together with weXelerate for OeKB in 2018. Ten start-ups that we want to get into closer contact with were selected. We started a POC with one start-up and are engaged in concrete negotiations with three more. Networking between the corporates was also promoted.

To help employees advance:

We pay attention to the health of our employees, to a good work-life balance, and to imparting necessary know-how. This will enable all of us to make a contribution to the sustainable success of the OeKB bank group.

Objective	Measure	Progress report
Corporate development/optimize the corporate structure based on the increasing relevance of private sector development in development cooperation (including in Austria) and the associated growth of OeEB's activities and the necessary resources.	Prepare a working base with the assistance of an external consultant to be positioned optimally in the medium and long term and to clearly communicate the value created by OeEB for its customers and stakeholders.	The advisory project was successfully concluded, and the internal implementation of the results has been initiated.
Joint target share of women on the Executive and Supervisory Boards of 30% by 2020.	Persuade the shareholders.	Added to the gender and diversity policy as a strategic goal. As at 31 December 2018: OeKB bank group total 32% OeKB: 27% OeEB: 38% CSD: 43%

REVIEW AND OUTLOOK

<p>Improve health and productivity through an integrated safety and health management system.</p>	<p>Implement a company health concept and continue the promotion of sports and other activities that improve health. Promote awareness through special “vitamin weeks” and an “alkaline foods regimen” in the cafeteria.</p>	<p>The focus of occupational health management in 2018 was offering in-house physical therapy services for employees. One physical therapist has been working for the Group since January 2018. The response from the employees exceeded all expectations.</p> <p>The alkaline foods regimen and vitamin weeks were a great success, so the campaign will be expanded next year.</p> <p>Some 60% of all employees took advantage of offerings from the health management programme in 2018.</p>
<p>Increase the use of internal communication channels to disseminate socially and sustainability-relevant topics.</p>	<p>Implement an internal communication campaign on the sustainability strategy and the SDGs. Publish a sustainability quiz on the intranet. Organise on-boarding information events together with HR.</p>	<p>Information about the SDGs was made available to employees on the intranet as news and on a separate intranet page. Additional information was also provided about the various sustainability labels. Ideas were submitted to HR about the design of the on-boarding system. The final concept is still being prepared. A sustainability quiz has not yet been conducted.</p>
<p>Integrate the sustainability strategy and innovation management into employee objectives and performance reviews.</p>	<p>Adapt the guide for performance reviews and the questions on the employee form. Create a guide for the implementation of the sustainability strategy by means of concrete individual goals and communicate this guide.</p>	<p>A separate section was defined for the following topics in performance reviews and can be centrally evaluated:</p> <ul style="list-style-type: none"> ■ Innovation ■ Job satisfaction and quality of life ■ Sustainability ■ Risk management
<p>Implement a future talents promotion programme to recognise and assist suitable candidates for expert and managerial positions at an early stage (at least 50% women).</p>	<p>Create a concept and curriculum and identify future talents. Start of the first group with 12 to 15 candidates.</p>	<p>The first group has been identified, and the programme for 2019 and 2020 has been defined. Kick-off workshop in February 2019.</p>

To help the environment flourish:

We document and optimise the direct and indirect ecological impacts of our activities.

Objective	Measure	Progress report
<p>Reduce non-recyclable waste.</p>	<p>Clearer depiction of the different waste components on the intranet; revision of the waste separation ABCs</p>	<p>The waste separation ABC was revised and communicated on the intranet.</p> <p>Further measures were defined for 2019.</p>
<p>Limit CO₂ emissions from OeKB vehicles (fringe benefits) <- 120 g CO₂</p>	<p>Revise the car policy based on ecological considerations.</p>	<p>The car policy has been integrated into a general travel policy and is in force. The vehicle fleet (fringe benefits) was reduced in 2018, no new vehicles were purchased.</p>

REVIEW AND OUTLOOK





Improve mobility behaviour in the OeKB bank group.	<p>Revise the travel policy and raise awareness internally.</p> <p>More advertising of the OeKB e-bike.</p> <p>Conduct a survey on employee mobility behaviour.</p>	<p>Sustainability criteria were added to the travel policy, and the policy was published. Kilometres of business travel by rail have increased by 70%!</p> <p>The e-bike was advertised again. The health coordinator conducted the “around the world” campaign in the Group.</p> <p>Existing data on commuting behaviour and the annual public transportation pass were analysed. A large share of OeKB employees are commuters (29%). Telework, Future Work, and remote leadership would do a great deal to help with this.</p>
Optimise operational ecology processes.	<p>Screen existing processes and data collection systems and make them more efficient.</p> <p>Develop a more precise waste indicator for the Am Hof site.</p>	<p>The processes were screened. A data tool has been commissioned with an external provider to facilitate the better recording and depiction of the environmental metrics. This is to go into operation in the first quarter of 2019. The collection of waste statistics at the Am Hof location was started in the fourth quarter of 2018.</p>
	<p>Implement heat recovery in the Reistersaal hall.</p>	<p>A heat recovery system was installed during the refurbishment of parts of the HVAC system. This significantly increased the energy efficiency.</p>
	<p>Replace two cooling units.</p>	<p>All four outdated cooling units were replaced in 2018. The old R22 refrigerant has now been entirely replaced with an environmentally friendly refrigerant.</p>

To help society succeed:

We take an active role as a shaper and educator for the sustainable development of our society.

Objective	Measure	Progress report
Update the human rights policy for OeEB and the entire OeKB bank group based on the amendment to the Austrian Export Guarantees Act (AusfFG).	Update the human rights policy and communicate it internally and to external stakeholders.	The topic was discussed at the meetings of the environmental and social practitioners in the OECD and at the EHS practitioners workshop of the financial institutions. The results will be included in the update.
Establish an event series in the Reitersaal hall to create a hub for knowledge exchange between businesses, government, the scientific community, and civil society. Establish the OeKB bank group as a facilitator for future trends.	Create the concept and title for the event series and hold the first events.	Different event formats were developed and have been included in the budget for the coming year: "Frühstück mit Weitblick", OeKB Cross Conference, and "OeKB im Gespräch"

REVIEW AND OUTLOOK

Improve knowledge about financial products.	Event with the Vienna Stock Exchange on the subject of financial literacy.	A new financial literacy objective was formulated by OEKB CSD and OeKB.	
	Collaboration with the “schülergestaltenwandel” student initiative on this topic.	One event as part of “schülergestaltenwandel” was designed in part by the Executive Board.	
Create and implement a concept for financial literacy relating to the capital market.	Research implementation options (including digital solutions). Create implementation concept.	Contact has been established and a coordination meeting held with the individual responsible for financial literacy at the OeNB. Involvement in the design of an award model for OeKB Group that focuses on strengthening financial literacy among young people.	
Align memberships, donations, and sponsoring with the social and sustainability strategy and the SDGs.	Analyse memberships in accordance with the strategy. Actively address and support organisations to build long-term partnerships.	Memberships are evaluated on an annual basis and adapted according to the strategic objectives of OeKB. In terms of sponsoring and donations, we orient ourselves towards selected Sustainable Development Goals and actively choose appropriate target organisations. We set our focus on SDGs 1, 4, and 8 in 2018.	

 Done  In implementation

GRI 101 ff Sustainability programme 2019

To help business grow:

We develop sustainable products and services to contribute to the sustainable operation of the OeKB bank group.

Objective	Measure	Responsibility
Issue the first sustainable bond.	Create a sustainable bond framework targeted at a first issue in 2019.	Treasury
Expand the projects in the fields of renewable energy and climate protection.	Evaluate whether the extended terms according to the OECD sector agreement have led to an expansion and whether further measures are sensible.	Export Services
The OeKB bank group makes an active contribution to sustainable finance.	Provide expertise for the technical working group of the European Commission for taxonomy.	International Affairs and Balance Sheet Analysis
	Actively support research projects in the field of sustainable finance.	Organisation, Construction, Environmental Issues, and Security
Introduce a gender smart finance tool at OeEB.	Create a concept, conduct training, and develop a financing tool for gender-balanced financing through an external consultant.	OeEB
Measure and assess the contribution of the customers/projects to the protection of the environment and improvement of the social situation in the target countries.	Introduce the content and implement the technical aspects of the new Development Effectiveness Rating (DERa) for the projects of OeEB.	OeEB
Operationalise an innovative new financing instrument for the BMF that mobilises investments of Austrian companies in Africa for the benefit of both sides.	Following the high level Africa forum in Vienna in December 2018, talks were initiated with the BMF about the concrete design of an Africa SME Investment Fund.	OeEB
Mobilise private capital to finance SMEs and financial services providers in developing countries through an innovative partnership with a private Austrian bank.	Cooperate with a private Austrian bank to establish an impact fund that primarily invests in SMEs and financial inclusion funds in developing countries in parallel to OeEB. Talks began in 2018. Objective: first closing of the impact fund in 2019.	OeEB

To help drive innovation:

We collect, prepare, assess, and market new possibilities. To this end, we build an environment and internal and external networks to cover this broad topic.

Objective	Measure	Responsibility
Develop a value system and a new method of working in the OeKB bank group – Future Work.	<ul style="list-style-type: none"> ■ Communicate the vision and mission for the OeKB bank group; ■ Implement the prepared programme; ■ Implement the Future Office pilot project; ■ Depending on the results: roll out and/or adapt the Future Work criteria (2020). 	Organisation, Construction, Environmental Issues, and Security / Human Resources / Marketing and Corporate Communication
Establish a cross-corporate initiative.	Contribute to designing the weXelerate cross-corporate initiative to facilitate the building of a foundation and enable businesses to exchange information at a technical level.	Innovation Management
Digitalise securities to increase the efficiency of the capital market infrastructure.	Participate in the FinTech Advisory Committee to create a book-entry security law as the basis for the de-materialisation of transferable securities.	CSD GmbH
Improve the transparency, processes, and accessibility of our customer services and digitalise the relevant processes.	Develop a digital customer platform.	IT Services / Innovation Management / Marketing and Corporate Communication

To help employees advance:

We pay attention to the health of our employees, to a good work-life balance, and to imparting necessary know-how. This will enable all of us to make a contribution to the sustainable success of the OeKB bank group.

Objective	Measure	Responsibility
Improve health and productivity through an integrated safety and health management system.	<p>Implement a company health concept and continue the promotion of sports and other activities that improve health. Conduct the spinal health campaign.</p> <p>Reorganise safety management with an eye to new forms of work and their health and safety effects.</p>	Organisation, Construction, Environmental Issues, and Security / Human Resources
Increase the use of internal communication channels to disseminate socially and sustainability-relevant topics.	Promote dialogue between the subsidiaries and departments, for example in the form of a cross conference and open space formats as part of the Future Work programme	Organisation, Construction, Environmental Issues, and Security / Innovation Management
	Conduct online training on the topic of sustainability with an existing or new tool (possibly a gamification pilot).	Organisation, Construction, Environmental Issues, and Security / Human Resources

REVIEW AND OUTLOOK

Support the cultural transformation to promote identification with the future topics of the OeKB bank group. Achieve as high an employee participation rate as possible.	Hold a workshop series to identify concrete challenges in day-to-day work and develop solutions together.	Organisation, Construction, Environmental Issues, and Security / Human Resources / Marketing and Corporate Communication / Innovation Management
Address the topic of and explore how to manage persons with mental or physical disabilities.	Hold workshop with MyAbility.	Human Resources
Collect the missing statistics for employee training	Add the OeEB training measures to the employee training statistics starting in 2019.	Human Resources

To help the environment flourish:

We document and optimise the direct and indirect ecological impacts of our activities.

Objective	Measure	Responsibility
Optimise the operational ecology process.	Include the company cars of the Executive Board members in the environmental statistics. Implemented in this report already.	Organisation, Construction, Environmental Issues, and Security
	Implement an environmental data tool to improve the quality of the ecological statistics.	Organisation, Construction, Environmental Issues, and Security
Reduce non-recyclable waste.	Test a new waste separation system as part of the Future Office project.	Organisation, Construction, Environmental Issues, and Security
Reduce CO ₂ emissions by also compensating for the air travel of OeKB AG.	Select a project/partner to compensate for the air travel.	Human Resources / Organisation, Construction, Environmental Issues, and Security
Further reduce the CO ₂ emissions of the company and fringe benefit cars.	Discuss and make a decision on hybrid or electric cars.	Human Resources
Reduce the power consumption at the Am Hof location by around 10 MW starting in 2020.	Reactivate the free-cooling system at the Am Hof location (after the renovation and sub-letting of space).	Organisation, Construction, Environmental Issues, and Security

REVIEW AND OUTLOOK

To help society succeed:

We take an active role as a shaper and educator for the sustainable development of our society.

Objective	Measure	Responsibility
Evaluate a corporate volunteering (CoVo) programme for the OeKB bank group and implement by 2020.	<ul style="list-style-type: none"> ■ Draw up a proposal for the most suitable CoVo form for the OeKB bank group (action day, time credit, partnership, etc.). ■ Implement a CoVo pilot project, for example in combination with a future talents promotion programme or together with OeKB karitativ. ■ Depending on the results: roll out and/or adapt the CoVo programme. 	Organisation, Construction, Environmental Issues, and Security / Human Resources
Bolster the association OeKB karitativ.	<ul style="list-style-type: none"> ■ Prepare best practices and lessons learned from the Christmas market. ■ Actively contact associations for future activities. ■ Identify further activities for the association. 	OeKB karitativ
Harmonise and update the Code of Conduct and the policies.	Revise the documents to create a harmonised group-wide code; publish and internally communicate a common Code of Conduct for the OeKB bank group.	Organisation, Construction, Environmental Issues, and Security / Legal and Compliance

Audit reports

To the management of Oesterreichische Kontrollbank AG, Oesterreichische Entwicklungsbank AG, and OeKB CSD GmbH

Report on the independent audit of the non-financial reporting

Independent audit of the claims and figures contained in the 2018 non-financial reporting of OeKB – Oesterreichische Kontrollbank Aktiengesellschaft and its subsidiaries holding banking authorisation, namely OeKB CSD GmbH and OeEB – Oesterreichische Entwicklungsbank AG

Object of the audit

We were commissioned by Oesterreichische Kontrollbank Aktiengesellschaft and its subsidiaries holding banking authorisation, namely OeKB CSD GmbH and OeEB – Oesterreichische Entwicklungsbank AG (called the “OeKB bank group” in the following) to perform an audit with limited assurance (called the “audit” in the following) about the claims and figures contained in the 2018 non-financial reporting (called the “reporting” in the following) of the OeKB bank group, which was prepared according to the GRI Standards, Comprehensive Option.

The audit covered the reporting as follows:

- The “Sustainability Report 2018” in PDF format with regard to the disclosures and references to the GRI content index in the reporting.
- The EMAS environmental statement is part of the sustainability report.

The references provided in the GRI content index in the report were checked, but no other (Internet) references beyond this.

Our audit procedures were selected to attain limited assurance as the basis for our opinion. The scope of the audit procedures conducted to obtain audit evidence is lower than that for reasonable assurance (as applied for example for the audit of annual financial statements), which means that this results in a lower level of assurance.

Clarification of the audit contract

Our contract did not cover an audit of any financial statements or the review of any financial statements. We did not verify the performance indicators and claims that were checked as part of the audit of the annual financial statements or information from the

corporate governance report or risk report. We assessed the presentation of this information in the reporting in accordance with the GRI requirements.

Our contract also did not cover the identification of criminal actions such as embezzlement or other malicious acts or an assessment of the effectiveness and economic efficiency of the management.

Our contract did not cover the review of forward-looking statements.

Figures taken from external studies were not verified. All that was verified was the correct citing of the relevant information and figures in the reporting.

Criteria

We assessed the information in the reporting on the basis of the following criteria that were relevant for the 2018 financial year (called the “criteria” in the following):

GRI Standards¹ on sustainability reporting

We believe these criteria to be appropriate for conducting our audit.

Management responsibility

The management of the OeKB bank group is responsible for preparing the reporting and the information contained therein in accordance with the criteria specified above. This responsibility includes the development, implementation, and preservation of internal controls. These are relevant for the creation of the reporting in order to rule out material misstatements.

Our responsibility

We are responsible for issuing an opinion on the information in the reporting on the basis of our audit to obtain limited assurance.

We planned and conducted our audit in accordance with the International Federation of Accountants’ ISAE 3000 (Revised) standards and the Code of Ethics for Professional Accountants issued by the International Federation of Accountants (IFAC), which contains rules about our independence.

Our audit is not intended to take the interests of specific third parties into account. Therefore, it is intended solely for the client and its purposes. In particular, it is not intended to serve as a basis for decision-making by third parties.

Our liability is limited according to the General Conditions of Contract for the Public Accounting Professions². According to these provisions, the contractor is only liable for violations of the assumed obligations in the event of intent or gross negligence. In the event of gross negligence, the liability to the OeKB bank group and any third parties is limited to €726,730.

¹ www.globalreporting.org/standards

² Version from 18 April 2018, issued by the Chamber of Chartered Accountants and Tax Advisers, section 7, www.kwt.or.at/PortalData/1/Resources/aab/AAB_2018_de.pdf

Our approach

We conducted all necessary audit procedures to obtain a sufficient and suitable basis for our opinion. The audit was performed at the main office of the company in Vienna. We performed the following material audit procedures:

- We obtained a general overview of the activities of the company and of the organisational structure and structure of operations;
- We conducted interviews with managers in the company to identify and understand relevant systems, processes, and internal controls that facilitate the collection of the information for the reporting with regard to the audited report contents;
- We inspected the relevant documents at the group, executive board, and management level to assess the awareness for and priority assigned to the topics in the reporting and to understand how progress is monitored;
- We assessed the risk management and governance processes in terms of sustainability and a critical evaluation of the depiction in the reporting;
- We conducted analytical audit procedures at the company level;
- We conducted site inspections in Vienna (Strauchgasse 1–3, A-1010 Vienna), to gather evidence on performance indicators. We verified the completeness, reliability, accuracy, and current status of data at the individual site level on a random sample basis;
- We reviewed data and processes on a random sample basis to determine whether they are collected, consolidated, and reported appropriately at the group level. This included an assessment of whether the data were reported precisely, reliably, and completely;
- Evaluation of the reporting on key topics that were addressed in stakeholder dialogues, that were reported on in external media, and to which important competitors refer in their ecological and social reports;
- Evaluation of the materiality analysis, taking industry-specific megatrends and aspects of the SDGs³ into account;
- Assessment of the completeness of the reporting according to the link between the Ten Principles of the United Nations Global Compact and the GRI Standards⁴;
- Evaluation of the statements in the reporting on the basis of the reporting principles in the GRI Standards on a random sample basis; and
- Assessment of whether the GRI Standards were applied in accordance with the Comprehensive Option.
- Assessment of whether the requirements in the EMAS⁵ Regulation as amended were complied with.

Our opinion

Based on our audit to attain limited assurance, we are aware of no circumstances that would lead us to believe that the information in the reporting does not conform with the criteria specified above.

Vienna, 15 March 2019

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Stefan Uher e.h.

ppa. Dr. Christine Jasch e.h.

³ www.un.org/sustainabledevelopment/sustainable-development-goals

⁴ www.globalreporting.org/resourcelibrary/UNGC-G4-linkage-publication.pdf

⁵ See the EMAS III Regulation, Regulation (EC) No. 761/2001 of the European Parliament and of the Council of 19 March 2001 allowing voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), and Commission Decisions 2001/681/EC and 2006/193/EC eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32009R1221 Commission Regulation (EU) 2017/1505 of 28 August 2017 amending Annexes I, II and III to Regulation (EC) No. 1221/2009 of the European Parliament and of the Council on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS) eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32009R1221&from=DE

Validity declaration

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. with EMAS environmental verifier registration number AT-V-0025 accredited for the scope 64.92-0 other credit granting declares to have verified whether the OeKB – Oesterreichische Kontrollbank Aktiengesellschaft with its subsidiaries, which have a banking license, consisting of the OeKB CSD GmbH and OeEB – Oesterreichische Entwicklungsbank AG with registration number Reg. No. AT-000406, Strauchgasse 1-3, 1010 Vienna

as stated in the Sustainability Report 2018 meets all requirements of Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 as amended to the Regulation (EU) No 2017/1505 on the voluntary participation by organizations in a Community eco-management and audit scheme (EMAS).

By signing this declaration, we declare that:

- the verification and validation has been carried out in full compliance with the requirements of Regulation (EC) No 1221/2009,
- the outcome of the verification and validation confirms that there is no evidence of non-compliance with applicable legal requirements relating to the environment,
- the data and information of the environmental statement (as integrated part of the Sustainability Report) reflect a reliable, credible and correct image of all the activities, within the scope mentioned in the environmental statement.

The next comprehensive Environmental Statement is due in 2021, based on the data of 2021. An updated environmental statement is published every year.

This document is not equivalent to EMAS registration. EMAS registration can only be granted by a Competent Body under Regulation (EC) No 1221/2009. This document shall not be used as a stand-alone piece of public communication.

Vienna, March 15th 2019

Mag. Stefan Uher e.h. ppa.

Dr. Christine Jasch e.h.

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.
1220 Wien, Wagramer Strasse 19, IZD Tower
EY registration number: AT-V-0025
Certificate Registration number: 01/2018
Date of validation: March 15th 2019




GRI Index

GRI 102-54, 55 This report has been prepared in accordance with the GRI Standards: Comprehensive Option.

The following table provides an overview of how the reporting requirements for the GRI indicators were treated in the report and where the disclosures can be found.

The sustainability report also serves as a progress report for the UN Global Compact (UNGC) and satisfies the high standards required for its Advanced Level.

The content index provides an overview of where disclosures can be found about the measures employed to implement the UNGC and the outcomes of these measures.

-  material
-  not material, but reported
-  not material

The ten principles of the UN Global Compact

Principle 01: Human rights – Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 02: Human rights – Businesses should make sure that they are not complicit in human rights abuses.

Principle 03: Labour – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 04: Labour – Businesses should uphold the elimination of all forms of forced and compulsory labour.

Principle 05: Labour – Businesses should uphold the effective abolition of child labour.

Principle 06: Labour – Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Principle 07: Environment – Businesses should support a precautionary approach to environmental challenges.

Principle 08: Environment – Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 09: Environment – Businesses should encourage the development and diffusion of environmentally friendly technologies.

Principle 10: Anti-corruption – Businesses should work against corruption in all its forms, including extortion and bribery.

GRI 101 Foundation 2016

General Disclosures

GRI 102: General Disclosures	Organizational profile	Sustainability report of the OeKB bank group	UNGC	Page
	102-1 Name of the organization	About the report OeKB Group		6, 11
	102-2 Activities, brands, products, and services	OeKB Group Business model of OeKB Group and material shareholdings Export Services Development Financing Capital Market Services OeKB CSD GmbH Energy Market Services	Principle 01 Principle 02 Principle 04 Principle 05 Principle 06 Principle 07	11, 13 f, 37 ff, 43 ff, 47 ff, 51 ff, 53 f
	102-3 Location of headquarters	OeKB Group Publication information		11
	102-4 Location of operations	Ecological key indicators		77 ff
	102-5 Ownership and legal form	OeKB Group Shareholders and share capital of OeKB AG		11, 12
	102-6 Markets served	Business model of OeKB Group and material shareholdings To help business grow Export Services Development Financing Capital Market Services OeKB CSD GmbH Energy Market Services Reported in detail in the 2018 Export Services annual report.		13 f, 35, 37 ff, 43 ff, 47 ff, 51 ff, 53
	102-7 Scale of the organization	Development Financing To help employees advance Reported in detail in the 2018 annual financial report.		43 ff, 60 f
	102-8 Information on employees and other workers	Development Financing To help employees advance	Principle 06	47, 60 ff, 63 f
	102-9 Supply chain	Effects of the business model on environmental and social issues The OeKB bank group also assesses its suppliers in terms of their sustainability. A pre-screening is generally conducted for the acquisition of new fixtures, fittings, equipment, and working materials. The "Sustainable Procurement in OeKB" criteria catalogue contains all the principles that must be taken into account from a sustainability perspective in procurement in addition to the general commercial purchasing terms. In addition to measurable criteria (power consumption, share of recyclable components, etc.), certificates and (product) quality seals are also taken into account for all product groups in this. The OeKB bank group purchases no products that contain PVC and prefers renewable, recyclable, repairable, regional products and providers that orient their actions towards social criteria as defined in the UN Global Compact.	Principle 02 Principle 04 Principle 05 Principle 09	18
	102-10 Significant changes to the organization and its supply chain	Preface by the Executive Board of OeKB AG Preface by the management of OeKB CSD GmbH and the Executive Board of OeEB There were no significant changes in the supply chain.		8, 10
	102-11 Precautionary Principle or approach	OeKB Group Export Services Business ethics Risk management and internal control system	Principle 01 Principle 02 Principle 03 Principle 06 Principle 07	11, 39 ff, 84 f, 87 ff
	102-12 External initiatives	About the report Social responsibility with long-term benefits		6, 89 ff
	102-13 Membership of associations	Dialogue with civil society Networks and memberships		28 f, 30 f
	Strategy	Sustainability report of the OeKB bank group	UNGC	
	102-14 Statement from senior decision-maker	Preface by the Supervisory Board of OeKB AG Preface by the Executive Board of OeKB AG Preface by the management of OeKB CSD GmbH and the Executive Board of OeEB Policies		7, 8, 10, 89 f
	102-15 Key impacts, risks, and opportunities	Preface by the Executive Board of OeKB AG Preface by the management of OeKB CSD GmbH and the Executive Board of OeEB Materiality matrix To help business grow To help drive innovation To help employees advance To help the environment flourish To help society succeed Business ethics Risk management and internal control system		8, 10, 19 ff, 35 f, 55 ff, 58 ff, 72 ff, 81 ff, 84 f, 88 f
	Ethics and integrity	Sustainability report of the OeKB bank group	UNGC	
	102-16 Values, principles, standards, and norms of behavior	Compliance and legal requirements Business ethics Policies	Principle 01 Principle 02 Principle 03 Principle 04 Principle 05 Principle 06 Principle 07 Principle 10	85 ff, 87 f, 89
	102-17 Mechanisms for advice and concerns about ethics	Dialogue with civil society Business ethics	Principle 10	28 f, 87 ff

GRI CONTENT INDEX

Governance	Sustainability report of the OeKB bank group	UNGC	
102-18 Governance structure	Corporate governance		82
102-19 Delegating authority	Sustainability management		34
102-20 Executive-level responsibility for economic, environmental, and social topics	Sustainability management		34
102-21 Consulting stakeholders on economic, environmental, and social topics	Stakeholder relations and dialogue		28 ff
102-22 Composition of the highest governance body and its committees	Corporate governance The detailed composition of the Supervisory Board, the Staff Council, and the state committee can be found in the 2018 annual financial report.		82 f
102-23 Chair of the highest governance body	Corporate governance		82
102-24 Nominating and selecting the highest governance body	Corporate governance		82
102-25 Conflicts of interest	Corporate governance		82
102-26 Role of highest governance body in setting purpose, values, and strategy	Preface by the Supervisory Board of OeKB AG Sustainability management Corporate governance		7, 34, 82
102-27 Collective knowledge of highest governance body	Materiality analysis Sustainability management		19 ff, 34
102-28 Evaluating the highest governance body's performance	Sustainability management Corporate governance		7, 34, 82
102-29 Identifying and managing economic, environmental, and social impacts	Materiality analysis Export Services Development Financing Risk management and internal control system		19 ff, 39 ff, 43 ff, 84 f
102-30 Effectiveness of risk management processes	Risk management and internal control system		84 f
102-31 Review of economic, environmental, and social topics	Sustainability management Export Services Development Financing Corporate governance Risk management and internal control system		34, 39 ff, 43 ff, 82 f, 84 f
102-32 Highest governance body's role in sustainability reporting	The Executive Board and senior managers review and approve the sustainability report and ensure that the identified material topics have been addressed.		
102-33 Communicating critical concerns	Dialogue with civil society Business ethics The Austrian Stock Corporation Act stipulates the reporting obligations of the Executive Board to the highest governance body, in other words to its Supervisory Board. Ad hoc meetings can be held in addition to the legally mandated quarterly Supervisory Board meetings. No additional meetings of the Supervisory Boards of OeKB AG, OeKB CSD, or OeEB were needed in 2018 aside from the mandatory meetings. Only two Supervisory Board meetings were held in 2018 due to the merger of Exportfonds with OeKB.		28 f, 87 f
102-34 Nature and total number of critical concerns	Business ethics		87 f
102-35 Remuneration policies	Gender equality and diversity Remuneration policy Corporate governance		65 f, 67 f, 82
102-36 Process for determining remuneration	Gender equality and diversity Remuneration policy Corporate governance		65 f, 67 f, 82
102-37 Stakeholders' involvement in remuneration	Gender equality and diversity Remuneration policy Corporate governance		65 f, 67 f, 82
102-38 Annual total compensation ratio	Ratio of compensation to highest-paid individual: median of all salaries – confidential.		
102-39 Percentage increase in annual total compensation ratio	Percentage increase in the compensation to the highest-paid individual: median of compensation for all employees – confidential.		
Stakeholder engagement	Sustainability report of the OeKB bank group	UNGC	
102-40 List of stakeholder groups	Materiality analysis Stakeholder relations and dialogue		19, 25 ff
102-41 Collective bargaining agreements	All employees are subject to the collective bargaining agreement for the banking industry.	Principle 03	
102-42 Identifying and selecting stakeholders	Materiality analysis Stakeholder relations and dialogue		19 ff, 25 ff
102-43 Approach to stakeholder engagement	Materiality analysis Stakeholder relations and dialogue		19 ff, 25 ff
102-44 Key topics and concerns raised	Materiality analysis Stakeholder relations and dialogue		19 ff, 25 ff
Reporting practice	Sustainability report of the OeKB bank group	UNGC	
102-45 Entities included in the consolidated financial statements	OeKB Group		11
102-46 Defining report content and topic Boundaries	Materiality analysis		19 ff

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102-47 List of material topics	Materiality analysis	19 ff
102-48 Restatements of information	Materiality analysis	19 ff
102-49 Changes in reporting	Materiality analysis	19 ff
102-50 Reporting period	About the report	6
102-51 Date of most recent report	About the report	6
102-52 Reporting cycle	About the report	6
102-53 Contact point for questions regarding the report	About the report	6
102-54 Claims of reporting in accordance with the GRI Standards	About the report GRI content index	6, 105 ff
102-55 GRI content index	GRI content index	105 ff
102-56 External assurance	Audit certificate	101 ff

Material topics

GRI 103: Management Approach	Management approach	Sustainability report of the OeKB bank group	UNGC
Material topic: Infrastructure for the capital market and energy market	103-1 Explanation of the material topic and its Boundary	Business model of OeKB Group and material shareholdings To help business grow	13 f, 35
	103-2 The management approach and its components	Capital Market Services OeKB CSD GmbH Energy Market Services	47 ff, 51 ff, 53 f
	103-3 Evaluation of the management approach	Capital Market Services OeKB CSD GmbH Energy Market Services	47 ff, 51 ff, 53 f

GRI 103: Management Approach	Management approach	Sustainability report of the OeKB bank group	UNGC
Material topic: Customer satisfaction	103-1 Explanation of the material topic and its Boundary	Customer satisfaction and customer care	26
	103-2 The management approach and its components	Customer satisfaction and customer care	26
	103-3 Evaluation of the management approach	Customer satisfaction and customer care	26

GRI 103: Management Approach	Management approach	Sustainability report of the OeKB bank group	UNGC
Material topic: Innovation and digitalisation	103-1 Explanation of the material topic and its Boundary	To help drive innovation	55 ff
	103-2 The management approach and its components	To help drive innovation	55 ff
	103-3 Evaluation of the management approach	To help drive innovation	55 ff

GRI 103: Management Approach	Management approach	Sustainability report of the OeKB bank group	UNGC
Material topic: Responsible financing and investment	103-1 Explanation of the material topic and its Boundary	To help business grow	35 ff
	103-2 The management approach and its components	To help business grow	35 ff
	103-3 Evaluation of the management approach	To help business grow	35 ff

GRI 201: Economic Performance 2016	Economic standards	Sustainability report of the OeKB bank group	UNGC
Material topic: Financial stability	103-1 Explanation of the material topic and its Boundary	To help business grow	35 ff
	103-2 The management approach and its components	To help business grow	35 ff
	103-3 Evaluation of the management approach	Sustainability management To help business grow Risk management and internal control system	34, 35 ff, 84 f
	201-1 Direct economic value generated and distributed	Highlights Business model of OeKB Group Reported in detail in the 2018 annual financial report.	2 f, 13
	201-2 Financial implications and other risks and opportunities due to climate change	To help business grow Development Financing Policies	36 ff, 45 ff, 89
	201-3 Defined benefit plan obligations and other retirement plans	Contributions are paid into an umbrella pension fund for all employees based on the collective pension fund agreement.	
	201-4 Financial assistance received from government	There were no public subsidies for construction measures or for the training of employees in 2018.	

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GRI 202:	Economic standards	Sustainability report of the OeKB bank group	UNGC	
Market Presence 2016	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Entry level wages are governed by the collective bargaining agreement for the banking industry, which covers all employees of the OeKB bank group.	Prinzip 06	
	202-2 Proportion of senior management hired from the local community			
GRI 203:	Economic standards	Sustainability report of the OeKB bank group	UNGC	
Indirect Economic Impacts 2016	103-1 Explanation of the material topic and its Boundary	To help business grow	35 ff	
	103-2 The management approach and its components	To help business grow	35 ff	
	103-3 Evaluation of the management approach	Sustainability management To help business grow	34, 35 ff	
	203-1 Infrastructure investments and services supported	To help business grow Export Services Development Financing	Principle 07 35 f, 37 ff, 43 ff	
	203-2 Significant indirect economic impacts	Business model of OeKB Group To help business grow Export Services Covering credit default risks Development Financing Capital Market Services Energy Market Services	13 f, 35 f, 37 ff, 39 ff, 43 ff, 47 ff, 53 f	
Material topic: Enabling entrepreneurship and growth				
GRI 204:	Economic standards	Sustainability report of the OeKB bank group	UNGC	
Procurement Practices 2016	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
	204-1 Proportion of spending on local suppliers			
GRI 205:	Economic standards	Sustainability report of the OeKB bank group	UNGC	
Anti-corruption 2016	103-1 Explanation of the material topic and its Boundary	To help society succeed	81 ff	
	103-2 The management approach and its components	To help society succeed	81 ff	
	103-3 Evaluation of the management approach	Sustainability management To help society succeed	34, 81 ff	
	205-1 Operations assessed for risks related to corruption	Covering credit default risks Corruption risk in Export Services is assessed based on the implementation of the OECD Recommendations on Bribery and the provisions of Austrian criminal law. Regular information relating to criminal law is provided to all employees in writing, and OECD-specific information is also provided regularly to employees involved with export guarantees.	Principle 10 41 f	
	205-2 Communication and training about anti-corruption policies and procedures	Compliance and legal requirements	Principle 10 85 ff	
	205-3 Confirmed incidents of corruption and actions taken	No violations are known.	Principle 10	
GRI 206:	Economic standards	Sustainability report of the OeKB bank group	UNGC	
Anti-competitive Behavior 2016	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal actions for anti-competitive behaviour, anti-trust, or monopoly practices are known		

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GRI 301: Materials 2016	Environmental standards	Sustainability report of the OeKB bank group	UNGC	
	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
	301-1 Materials used by weight or volume	<p>Ecological key indicators</p> <p>The employees at Am Hof were included in the collection of the waste statistics for paper, glass, plastic, metal, and non-recyclable waste for the first time in 2018. The volumes attributable to the tenants in the Strauchgasse building were deducted from these figures. The high level of non-recyclable waste generated in previous years despite all measures to the contrary will be countered by a new waste separation system as part of the Future Office conversion. Waste collection will be moved from the work stations to central collection sites, where sufficient containers will be present for the various waste categories. We expect this to improve the separation rate and to reduce the quantity of waste overall. Concrete figures will not be available until after an observation period in the pilot zone.</p>	<p>Principle 07</p> <p>Principle 08</p> <p>Principle 09</p>	77 ff
	301-2 Recycled input materials used	Ecological key indicators	<p>Principle 07</p> <p>Principle 08</p> <p>Principle 09</p>	77 ff
	301-3 Reclaimed products and their packaging materials	Not applicable: Because the business activities consist of the provision of services in the financial industry, there are no reclaimed products or packaging materials.		
GRI 302: Energy 2016	Environmental standards	Sustainability report of the OeKB bank group	UNGC	
Material topic: Operational ecology	103-1 Explanation of the material topic and its Boundary	To help the environment flourish		72 ff
	103-2 The management approach and its components	To help the environment flourish		72 ff
	103-3 Evaluation of the management approach	Sustainability management To help the environment flourish		34, 72 ff
	302-1 Energy consumption within the organization	Energy management Ecological key indicators	<p>Principle 07</p> <p>Principle 08</p> <p>Principle 09</p>	73 ff
	302-2 Energy consumption outside of the organization	Energy management Ecological key indicators	<p>Principle 07</p> <p>Principle 08</p> <p>Principle 09</p>	73 ff
	302-3 Energy intensity	Ecological key indicators	<p>Principle 07</p> <p>Principle 08</p> <p>Principle 09</p>	73 ff
	302-4 Reduction of energy consumption	Energy management Ecological key indicators	<p>Principle 07</p> <p>Principle 08</p> <p>Principle 09</p>	73 ff
	302-5 Reductions in energy requirements of products and services	Not applicable due to the nature of the activities in the financial services sector.		
GRI 303: Water 2016	Environmental standards	Sustainability report of the OeKB bank group	UNGC	
	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
	303-1 Water withdrawal by source	<p>Ecological key indicators</p> <p>The total water consumption for the Strauchgasse and Am Hof sites in 2018 came to 5,805,000 litres (2017: 5,878,000 litres).</p>	<p>Principle 07</p> <p>Principle 08</p>	79
	303-2 Water sources significantly affected by withdrawal of water	Not applicable: Due to the location of the site and the nature of the activities as a service provider, no water sources are significantly affected by the withdrawal of water.		
	303-3 Water recycled and reused	Not applicable: Due to the location of the site and the nature of the activities as a service provider, the recycling and reuse of water is not sensible.		
GRI 304: Biodiversity 2016	Environmental standards	Sustainability report of the OeKB bank group	UNGC	
	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable: The sites are not located in such areas.		
	304-2 Significant impacts of activities, products, and services on biodiversity	<p>Environmental and social aspects</p> <p>The impacts on biodiversity are assessed as part of the environmental and social audits.</p>	Principle 07	39 ff
	304-3 Habitats protected or restored	Not applicable: There are no protected or restored habitats.		
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	<p>Environmental and social aspects</p> <p>The impacts on biodiversity are assessed as part of the environmental and social audits.</p>	Principle 07	39 ff

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GRI 305: Emissions 2016	Environmental standards	Sustainability report of the OeKB bank group	UNGC	
Material topic: Operational ecology	103-1 Explanation of the material topic and its Boundary	To help the environment flourish	72 ff	
	103-2 The management approach and its components	To help the environment flourish	72 ff	
	103-3 Evaluation of the management approach	Sustainability management To help the environment flourish	34, 72 ff	
	305-1 Direct (Scope 1) GHG emissions	Energy management	Principle 07 Principle 08 Principle 09	76 f
	305-2 Energy indirect (Scope 2) GHG emissions	Energy management	Principle 07 Principle 08 Principle 09	76 f
	305-3 Other indirect (Scope 3) GHG emissions	Energy management	Principle 07 Principle 08 Principle 09	76 f
	305-4 GHG emissions intensity	Energy management	Principle 07 Principle 08 Principle 09	76 f
	305-5 Reduction of GHG emissions	Energy management	Principle 07 Principle 08 Principle 09	76 f
	305-6 Emissions of ozone-depleting substances (ODS)	Not applicable: Because of the nature of the activities as a service provider, there are no emissions of ozone-depleting substances.		
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Not applicable: Because of the nature of the activities as a service provider, there are no relevant emissions.		
GRI 306: Effluents and Waste 2016	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
	306-1 Water discharge by quality and destination	Because of the site location and the activities as a service provider, water is only discharged into the public sewage system and the quality requirements are complied with in all cases.		
	306-2 Waste by type and disposal method	Ecological key indicators The employees at Am Hof were included in the collection of the waste statistics for paper, glass, plastic, metal, and non-recyclable waste for the first time in 2018. The volumes attributable to the tenants in the Strauchgasse building were deducted from these figures. The waste generated in the cafeteria has been included in these figures since 2016. This waste is disposed of separately. All hazardous waste is disposed of in compliance with statutory requirements. Every batch of waste handed over for processing is documented using a stamped and signed certificate. All of these data are recorded in Excel. The total cost of waste disposal amounted to €35,470.04 in 2018. Construction work generated 150,928 kg of waste in 2018 (2017: 101,150 kg).	Principle 07 Principle 08	79
	306-3 Significant spills	Not applicable: Because of the nature of the activities as a service provider, there were no spills of hazardous substances.		
	306-4 Transport of hazardous waste	Not applicable: The OeKB bank group does not transport hazardous waste.		
306-5 Water bodies affected by water discharges and/or runoff	Not applicable: The waste water corresponds to that of a typical service business and is discharged through the public sewage system.			
GRI 307: Environmental Compliance 2016	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
	307-1 Non-compliance with environmental laws and regulations	In 2018, as in previous years, no breaches of environmental law are known that resulted in legal action.	Principle 07 Principle 08	
GRI 308: Supplier Environmental Assessment 2016	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
	308-1 New suppliers that were screened using environmental criteria	The screening procedure for new suppliers is being set up. All current material suppliers are assessed according to sustainability criteria.	Principle 07 Principle 08 Principle 09	
	308-2 Negative environmental impacts in the supply chain and actions taken	There are no substantial actual or potential negative environmental impacts in the supply chain or related actions taken.	Principle 07 Principle 08 Principle 09	

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GRI 401: Employment 2016	Social standards	Sustainability report of the OeKB bank group	UNGC
Material topic: Employees and diversity	103-1 Explanation of the material topic and its Boundary	To help employees advance	58 f
	103-2 The management approach and its components	To help employees advance	58 f
	103-3 Evaluation of the management approach	Sustainability management To help employees advance	34, 58 f
	401-1 New employee hires and employee turnover	To help employees advance	Principle 06 58 f
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	To help employees advance All benefits are available in full to part-time employees of OeKB, as well. The subsidiaries are only covered by the voluntary benefits in part. The benefits primarily consist of: Inclusion in the pension fund solution, occupational medical services, collective accident insurance, offer of supplementary medical insurance, daycare centre, and the employee assistance programme.	Principle 06 58 f
	401-3 Parental leave	Our promise as an employer Employee statistics	Principle 01 Principle 06 58 f
GRI 402: Labor/Management Relations 2016	Social standards	Sustainability report of the OeKB bank group	UNGC
	103-1 Explanation of the material topic and its Boundary	Employee representation	68 f
	103-2 The management approach and its components	Employee representation	68 f
	103-3 Evaluation of the management approach		
	402-1 Minimum notice periods regarding operational changes	Employee representation Because the Staff Council is represented on the Supervisory Board, the Staff Council has comprehensive information about the ongoing business operations at all times.	Principle 03 68 f
GRI 403: Occupational Health and Safety 2016	Social standards	Sustainability report of the OeKB bank group	UNGC
	103-1 Explanation of the material topic and its Boundary	Safety and health management	67
	103-2 The management approach and its components	Safety and health management	67
	103-3 Evaluation of the management approach	Safety and health management	67
	403-1 Workers representation in formal joint management-worker health and safety committees	The Work Safety Committee consists of 13 persons, one of whom is an external occupational physician and one an external safety expert.	
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	There were four accidents during travel to and from work or travel for business purposes and one work accident in the OeKB bank group in 2018.	
	403-3 Workers with high incidence or high risk of diseases related to their occupation	All workstations are regularly inspected by trained safety experts and occupational physicians with regard to potential for the development of disease in accordance with the Labour Protection Act. This enables us to ensure ergonomically sound workstations to a great extent. The increased consideration of psychological factors required by the law as of 1 January 2013 has been implemented for all employees.	
	403-4 Health and safety topics covered in formal agreements with trade unions	There are no health and safety topics covered in formal agreements with trade unions.	
GRI 404: Training and Education 2016	Social standards	Sustainability report of the OeKB bank group	UNGC
Material topic: Employees and diversity	103-1 Explanation of the material topic and its Boundary	To help employees advance	63 f
	103-2 The management approach and its components	To help employees advance	63 f
	103-3 Evaluation of the management approach	To help employees advance Sustainability management	34, 63 f
	404-1 Average hours of training per year per employee	Competencies	Principle 06 63 f
	404-2 Programs for upgrading employee skills and transition assistance programs	Competencies	Principle 06 63 f
	404-3 Percentage of employees receiving regular performance and career development reviews	All employees have at least one performance review with their immediate supervisor every year.	Principle 06 63
GRI 405: Diversity and Equal Opportunity 2016	Social standards	Sustainability report of the OeKB bank group	UNGC
Material topic: Employees and diversity	103-1 Explanation of the material topic and its Boundary	To help employees advance	58 f
	103-2 The management approach and its components	To help employees advance	58 f
	103-3 Evaluation of the management approach	To help employees advance Gender equality and diversity	58 f, 65 f
	405-1 Diversity of governance bodies and employees	Gender equality and diversity	Principle 06 65 f

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	405-2 Ratio of basic salary and remuneration of women to men	Gender equality and diversity	Principle 06	65 f
GRI 406: Non-discrimination 2016 Material topic: Employees and diversity	Social standards	Sustainability report of the OeKB bank group	UNGC	
	103-1 Explanation of the material topic and its Boundary	To help employees advance		58 ff
	103-2 The management approach and its components	To help employees advance		58 ff
	103-3 Evaluation of the management approach	To help employees advance Gender equality and diversity		58 ff, 65 f
	406-1 Incidents of discrimination and corrective actions taken	There were no known incidents in the reporting period.	Principle 06	
GRI 407: Freedom of Association and Collective Bargaining 2016	Social standards	Sustainability report of the OeKB bank group	UNGC	
	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	The right to collective bargaining is legally guaranteed in Austria. The OeKB bank group has a Staff Council.	Principle 03	
GRI 408: Child Labor 2016	Social standards	Sustainability report of the OeKB bank group	UNGC	
	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
	408-1 Operations and suppliers at significant risk for incidents of child labor	Not applicable: Because of the site location and the activities as a service provider, there are no suppliers at risk of incidents of child labour.	Principle 05	
GRI 409: Forced or Compulsory Labor 2016	Social standards	Sustainability report of the OeKB bank group	UNGC	
	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not applicable: Because of the site location and the activities as a service provider, there are no suppliers at risk of incidents of forced or compulsory labour.	Principle 04	
GRI 410: Security Practices 2016	Social standards	Sustainability report of the OeKB bank group	UNGC	
	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
	410-1 Security personnel trained in human rights policies or procedures	Not applicable: All security personnel are bound by clear instructions. They participate in regular training.	Principle 01	
GRI 411: Rights of Indigenous Peoples 2016	Social standards	Sustainability report of the OeKB bank group	UNGC	
	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
	411-1 Incidents of violations involving rights of indigenous peoples	Not applicable: No incidents of violations involving rights of indigenous peoples are known. We assess the potential effects of projects on the local population in advance as part of our environmental and social audits.	Principle 01	

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	Social standards	Sustainability report of the OeKB bank group	UNGC	
GRI 4 12: Human Rights Assessment 2016 Material topic: Environmental and social auditing of projects	103-1 Explanation of the material topic and its Boundary	To help society succeed		81 ff
	103-2 The management approach and its components	To help society succeed		81 ff
	103-3 Evaluation of the management approach	Sustainability management To help society succeed		34, 81 ff
	412-1 Operations that have been subject to human rights reviews or impact assessments	Covering credit default risks Development Financing A separate human rights policy was defined for implementation in the Group. We assess the impacts on society and the environment as part of the provision of our services.	Principle 01 Principle 02	39 ff, 43 ff, 81
	412-2 Employee training on human rights policies or procedures	Covering credit default risks Policies Our employees regularly participate in events to remain up-to-date on changes in human rights standards. The topic of human rights was discussed at the meetings of the environmental and social practitioners in the OECD, which are held twice per year, and at the EHS practitioners workshop of the financial institutions. Three employees participated in this in 2018. In addition, four employees participated in a trilateral meeting with Euler Hermes and SERV on environmental and social issues, including human rights. We also attended numerous events on the SDGs, which also dealt with human rights, during the past year. In an international context, a total of five OeEB employees visited relevant human rights workshops and events (such as: exchange of experiences with other development financial institutions/ DFIs, IFC Community of Learning, UN Forum on Business and Human Rights). OeEB was also involved in the DFI Gender Finance Collaborative founded by the DFIs, participated in the corresponding meetings with two employees, and signed a Joint Statement of Commitment in 2018. Initial internal OeEB awareness-raising workshops were then held on this basis.	Principle 01 Principle 02	39 ff, 43 ff, 89
412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Covering credit default risks Development Financing Policies All guarantee applications were screened for human rights aspects in 2018.	Principle 02	39 ff, 43 ff, 89	
GRI 4 13: Local Communities 2016 Material topic: Environmental and social auditing of projects	103-1 Explanation of the material topic and its Boundary	To help business grow		35 ff
	103-2 The management approach and its components	To help business grow		35 ff
	103-3 Evaluation of the management approach	Sustainability management To help business grow		34, 35 ff
	413-1 Operations with local community engagement, impact assessments, and development programs	Materiality analysis Stakeholder relations and dialogue Dialogue with civil society Covering credit default risks Development Financing Social responsibility with long-term benefits		19 ff, 25 ff, 28 ff, 37 ff, 43 ff, 89 ff
	413-2 Operations with significant actual and potential negative impacts on local communities	Covering credit default risks Development Financing	Principle 01 Principle 02 Principle 07	37 ff, 43 ff
GRI 4 14: Supplier Social Assessment 2016	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
	414-1 New suppliers that were screened using social criteria			
	414-2 Negative social impacts in the supply chain and actions taken			
GRI 4 15: Public Policy 2016	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
	415-1 Political contributions	Not applicable: No contributions were made to political parties.	Principle 10	
GRI 4 16: Customer Health and Safety 2016	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			

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	416-1 Assessment of the health and safety impacts of product and service categories	Not applicable: We are not aware of any health or safety impacts from our services in the financial sector.		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Not applicable: We are not aware of any violations relating to health or safety impacts from our services in the financial sector.		
GRI 417: Marketing and Labeling 2016	Social standards	Sustainability report of the OeKB bank group	UNGC	
	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
	417-1 Requirements for product and service information and labeling	The services are described in detail in the general terms and conditions.		
	417-2 Incidents of non-compliance concerning product and service information and labeling	The services are described in detail in the general terms and conditions.		
	417-3 Incidents of non-compliance concerning marketing communications	There was no known legal action relating to non-compliance with marketing regulations.		
GRI 418: Customer Privacy 2016	Social standards	Sustainability report of the OeKB bank group	UNGC	
	103-1 Explanation of the material topic and its Boundary	To help society succeed		81 ff
	103-2 The management approach and its components	To help society succeed		81 ff
	103-3 Evaluation of the management approach	To help society succeed		81 ff
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Compliance and legal requirements	Principle 01 Principle 02	85 f
GRI 419: Socioeconomic Compliance 2016	Social standards	Sustainability report of the OeKB bank group	UNGC	
	103-1 Explanation of the material topic and its Boundary	To help society succeed		81 ff
	103-2 The management approach and its components	To help society succeed		81 ff
	103-3 Evaluation of the management approach	To help society succeed		81 ff
	419-1 Non-compliance with laws and regulations in the social and economic area	Business ethics		87 ff

Sector-specific performance indicators

A series of indicators was incorporated into the Disclosures on Management Approach (DMA) during the adaptation of the sector supplements to GRI G4.

This was accounted for in the following in that these indicators are now shown in parenthesis. The previous list has been maintained for better clarity.

	Aspect: Management approach	Sustainability report of the OeKB bank group	UNGC	Seite
Material topic: Enabling entrepreneurship and growth	(FS 1) Corporate policies relating to environmental and social aspects in the individual business fields	Policies		25 ff, 89
Material topic: Environmental and social auditing of projects	(FS 2) Procedures for analysing environmental and social risks in the business fields	Covering credit default risks Development Financing		39 ff, 43 ff
	(FS 3) Procedures for determining compliance with environmental and social standards in customer projects	Covering credit default risks Development Financing		39 ff, 43 ff
Material topic: Employees and diversity	(FS 4) Procedures for improving employee competence in the implementation of environmental and social policies	Competencies		63 f
Material topic: Enabling entrepreneurship and growth	(FS 5) Interaction with customers, investors, and stakeholders regarding environmentally and socially relevant opportunities and risks	Business model of OeKB Group and material shareholdings Stakeholder relations and dialogue Dialogue with civil society Events		13 f, 25 ff, 28 f, 30 ff

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	Aspect: Product portfolio	Sustainability report of the OeKB bank group	UNGC
Material topic: Enabling entrepreneurship and growth	FS 6 Percentage breakdown of the portfolio of the business fields by region, size (such as micro/SME/ large), and economic sector	Export Services Highlights Details can be found in the 2018 Export Services annual report	37 ff
	FS 7 Internally developed services with social benefits	Development Financing	43 ff
	FS 8 Internally developed services with environmental benefits	Development Financing	43 ff
Material topic: Environmental and social auditing of projects	FS 9 Scope and frequency of audits that assess the implementation of the environmental and social policies and the risk management procedures	Sustainability management Covering credit default risks Development Financing To help the environment flourish	34, 37 ff, 43 ff, 72 ff
Material topic: Responsible financing and investment	Aspect: Active ownership approach	Sustainability report of the OeKB bank group	UNGC
Material topic: Responsible financing and investment	FS 10 Percentage and number of companies in the portfolio of the organisation with which there were direct contacts regarding environmental and social aspects	Financing with a holistic view	36
Material topic: Environmental and social auditing of projects	FS 11 Share of the equity holdings that have been analysed on the basis of environmental and social aspects	Development Financing	43 ff
Material topic: Responsible financing and investment	FS 12 Policies for the exercise of voting rights in relation to environmental and social aspects	Fully consolidated and equity-method holdings are included in the reporting. OeKB standards are followed for the energy clearing companies and interests in listed companies.	
Material topic: Enabling entrepreneurship and growth	FS 13 Supply security of banking services in sparsely populated or economically disadvantaged regions	Development Financing	43 ff
Material topic: Enabling entrepreneurship and growth	FS 14 Initiatives to improve access to banking services for persons with special needs	Development Financing	43 ff
Material topic: Responsible financing and investment	FS 15 Policies for the fair development and sale of financial products and services	Development Financing	43 ff
Material topic: Responsible financing and investment	FS 16 Initiatives to improve knowledge about financial products, by target group	Sustainability programme 2019	97 ff

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Tel. +43 1 531 27-0

e-mail: info@oekb.at

www.oekb.at

Editorial team: Eveline Balogh, Nastassja Cernko, and
Christine Steinwider, in collaboration with the sustainability
focal points of the OeKB bank group and the reporting team
from the Human Resources, Finances and Planning, and
Marketing and Corporate Communication departments,
reporting@oekb.at and nachhaltigkeit@oekb.at

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Oesterreichische Kontrollbank AG
1011 Vienna, Am Hof 4
Tel. +43 1 531 27-0
Fax +43 1 531 27-5233
info@oekb.at
www.oekb.at