

# *Sustainability Reporting in ECAs*

*Eveline Balogh  
Tuesday, April 4th, 2006*

OeKB: services for the republic of Austria,  
banks, exporters, capital- and energy market.



- Austrian ECA and export financing bank
- central securities depository bank
- clearing and settlement agency for the Austrian capital market
- risk management for the stock market and the free energy market
- financial and information services
- 365 employees, 15.000 m<sup>2</sup> office space

# environmental reporting and sustainability reporting since 2001



- environmental management system since 2000
- first environmental report 2001
- first sustainability report 2003
- certificate of EMAS and ISO 14001
- Austrian Sustainability Reporting Award for the report 2003
- 2005 TRIGOS – award for responsible companies
- member of Austrian Business Council for Sustainable Development
- member of ÖGUT – Austrian Society for Environment and Technology

# What were the reasons for environmental management?

- early discussions among ECAs about environmental standards
- growing public awareness regarding environmental impacts of major projects
- legal obligations for waste management concepts
- cost cutting programs
- private involvement of many colleagues
- chance for organisational development

# OeKB's sustainability management system

- sustainability policy is the basis
- in staff talks every colleague discusses goals according to our policy
- these goals are collected and supported by sustainability teams leading to the sustainability program
- internal auditing systems and management reviews give an annual impetus
- reporting creates transparency
- third party certification of EMAS and ISO14001 gives credibility

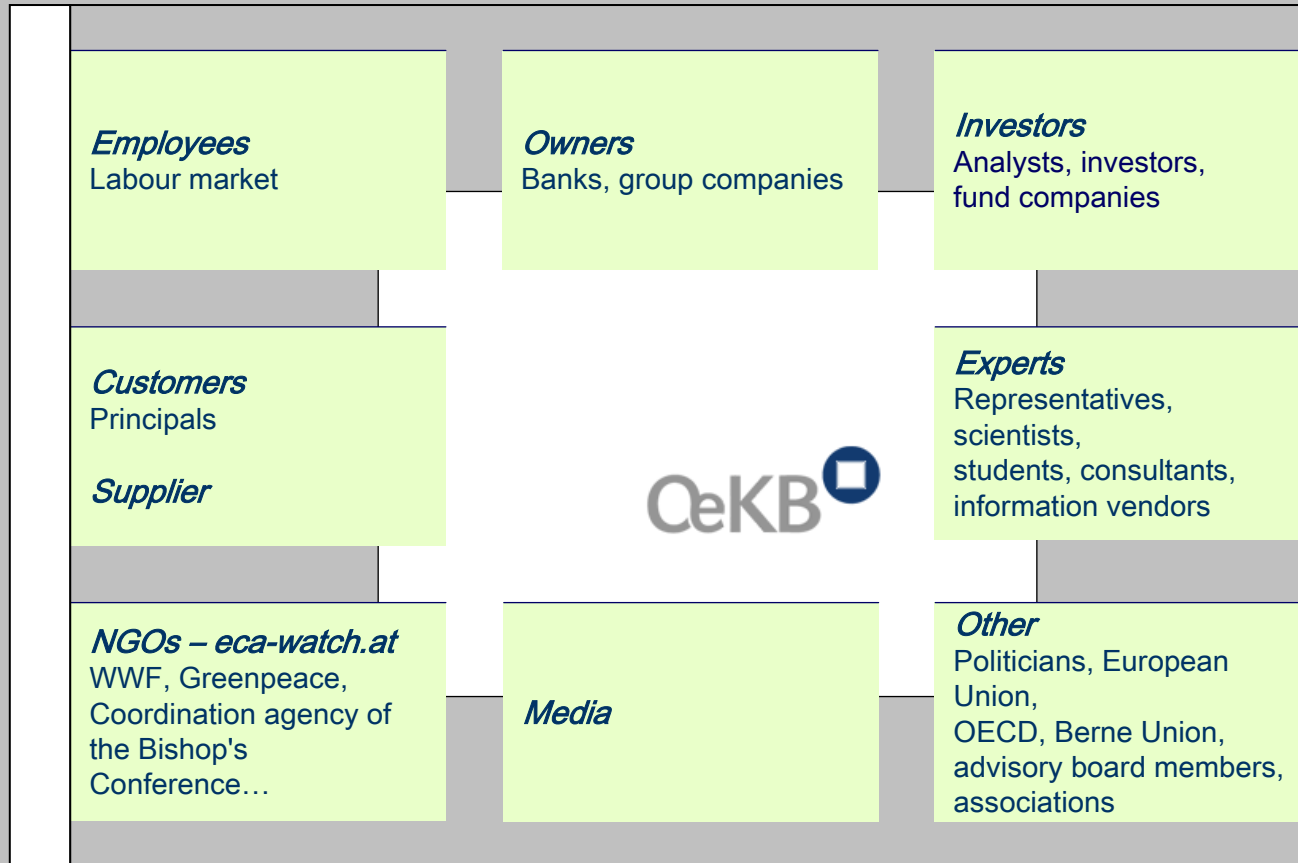
# scope of report – according to the Global Reporting Initiative

- **sustainability in our services**
  - ◆ indirect impacts
  - ◆ screening of all services for possibilities and better solutions
  - ◆ export services as the most sensitive services
- **good corporate governance**
  - ◆ risk management, management of chances
- **ecology of operation – business ecology**
  - ◆ CO<sub>2</sub> – emissions, electricity, gas, heating
  - ◆ waste, paper and other materials
- **social sustainability**
  - ◆ human capital, gender policy, training

# possibilities and chances five years of sustainability management

- growing professionalism in screening environmental risks of our projects
- dialogue as the fourth dimension of sustainability – NGO-dialogue
- OeSFX – OeKB Sustainability Fund Index as a free service for investors
- reduction of CO<sub>2</sub>-emissions to one fifth of the emissions 2000
- certificate Job&Family by the Ministry of Social Affairs

# What do stakeholders expect to read? a stakeholder analysis



# What do stakeholders expect to read employees, labour market

- high unemployment rate but difficulties to find and keep valuable experts
- transparency as an internal instrument
- job applicants are sometimes even more interested in sustainability reports than in annual reports

# What do stakeholders expect to read? owners, banks and group companies

- good corporate governance
- risk management and ideas for a sustainable economy
- strategic plan for the future

# What do stakeholders expect to read? investors, analysts, fund companies

- a group of growing importance
- detailed representation of several policies
- direct and indirect impacts, social policy
- reporting according to GRI is very helpful
- questionnaires are becoming more and more detailed and intricate

# What do stakeholders expect to read? customers, principals, suppliers

- practical handling of topics of sustainability
- internationally harmonised approaches – for not having distortion of competition
- no reputational risks in having OeKB as a partner
- a fair-minded partner for suppliers

# What do stakeholders expect to read?

Experts, representatives, scientists, students, consultants, information vendors

- those who have to write sustainability reports by themselves read them most thoroughly
- important part of the „sustainability community“
- demand for high quality standards

# What do stakeholders expect to read?

NGOs – eca-watch.at, WWF, Greenpeace,  
Coordination agency of the Bishop's Conference...

- group most interested in transparency
- wish for a short but detailed report dealing with indirect impacts
- transparent reporting including conflicts of objectives

# What do stakeholders expect to read?

Media and other stakeholders – politicians, EU, OECD, Berne Union, advisory board members, associations

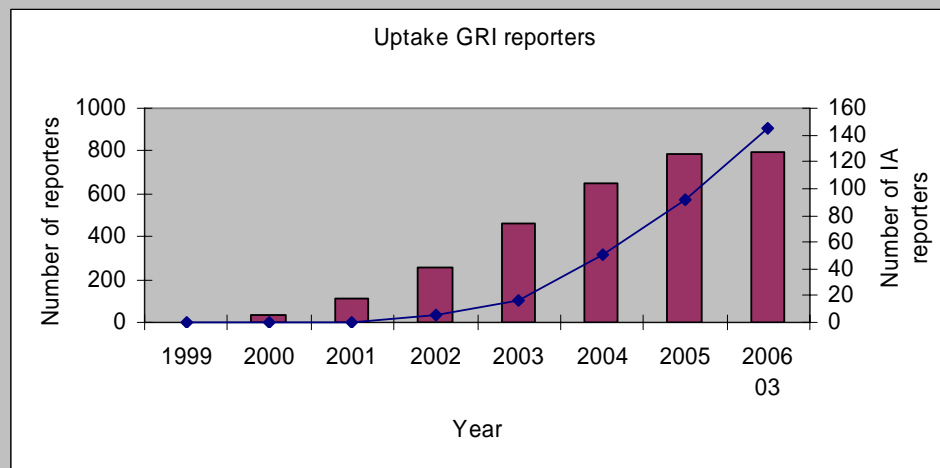
- interested in a good corporate governance
- reliable partner with a good corporate image
- benchmarking
- important group to make an image

# OeKB is part of a growing community

## GRI as a de-facto standard for reporting

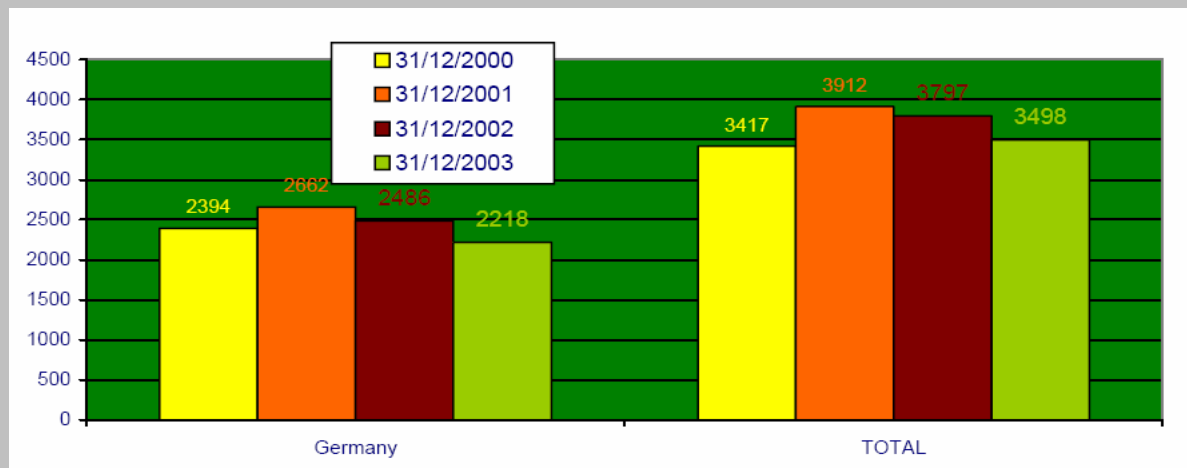


- there are currently 791 organisations registered in the database of GRI
- 86 reports of financial services, among them World Bank Group, EDC and OeKB



# EMAS-registrations are decreasing

- the number of EMAS – certificates (Environmental Management Audit Scheme of the European Union) is decreasing
- official support for the introduction of management systems helps – fast increasing figures in Italy and Spain
- in Germany EMAS and/or ISO14001 companies are favoured in public procurement processes



# Environmental and sustainability reporting in ECAs

- more than fifty percent of the members of the Berne Union have environmental or sustainability policies on their website
- some examples – without demand for completeness:
  - ◆ the Spanish CESCE is certified according to the ISO 14001
  - ◆ the Canadian EDC is registered at GRI
  - ◆ Hongkong's HKEC and USA's OPIC publish environmental reports
  - ◆ the Danish EKF has an exceedingly interesting sustainability report

# financing of sustainable development

## EKF's Sustainable Development Index



- the sustainability report deals only with indirect impacts
- EKF assesses the environmental and social impacts of all projects, regardless of size and publishes the development of the overall value of emissions caused by the projects
- the key environmental impacts are CO<sub>2</sub>, NO<sub>x</sub>, SO<sub>2</sub>, particulates and BOD<sub>5</sub>
- the results are benchmarked against the total annual Danish emissions
- for major projects EKF calculates together with Carl Bro a sustainable development index including the factors
  - ◆ CO<sub>2</sub>
  - ◆ local employment
  - ◆ a third factor (consisting of several subfactors common in international sustainability concepts)
- [www.ekf.dk](http://www.ekf.dk)

# sustainability is no asceticism

- sustainable management means an optimistic attitude
- responsible action means increased appreciation for people and environment
- environmental management of internal processes creates awareness of environmental and social impacts of financed projects

*Thank you for your listening*

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