

# Oesterreichische Kontrollbank Aktiengesellschaft

Development Banks | Austria |

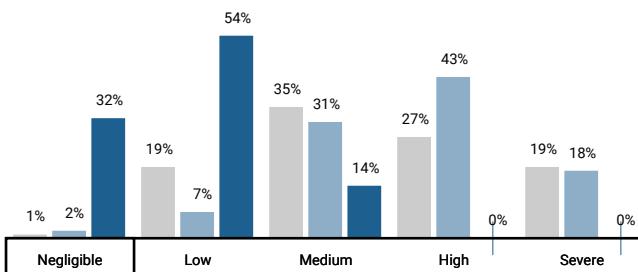
4.0 /100 Negligible



## Rating Overview

The company is at negligible risk of experiencing material financial impacts from ESG factors, due to its low exposure and strong management of material ESG issues. Notably, its overall risk is lower since it is materially exposed to less ESG issues than most companies in our universe. The company is not publicly held, which reduces its corporate governance risk compared to its peers. Furthermore, the company has not experienced significant controversies.

## ESG Risk Rating Distribution



## Relative Performance

	Rank	Percentile
	(1 <sup>st</sup> = lowest risk)	(1 <sup>st</sup> = lowest risk)
Global Universe	1 out of 12448	1st
Banks (Industry Group)	1 out of 900	1st
Development Banks (Subindustry)	1 out of 37	1st

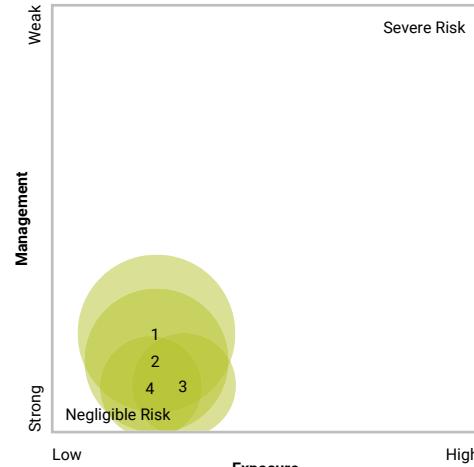
## Attribution Analysis



### Top Material Issues

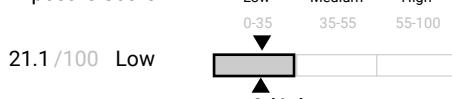
ESG Risk Rating					
Score	Negl	Low	Med	High	Severe
1.3	0-2	2-4	4-6	6-8	8-20+
1.1					
0.8					
0.8					

▲ = Significant event



## Risk Analysis

### Exposure Score



Beta = 1.00

SubIndustry

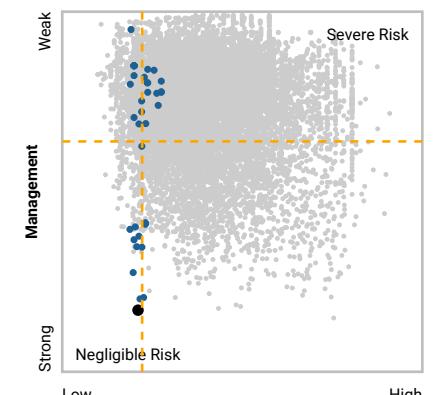
OeKB provides exporters with extensive assistance, both through export loans and with guarantees for the financing of business acquisitions and start-ups. Failure to integrate ESG criteria and metrics into financial lending and investment decision-making could trigger reputational damages and increased stakeholder scrutiny. In addition, OeKB's success relies greatly on its highly skilled employees (466 as of December 31, 2018). Inability to attract and retain professionals with expertise in different areas could lead to skill deficit and operational inefficiencies. Moreover, OeKB's operations are subject to various rules and regulations. Failure to comply or involvement in other ethical misconduct (e.g. money laundering, fraud) could result in investigations, lawsuits, penalties and increased regulatory scrutiny.

The company's overall exposure is low and is similar to subindustry average. Business Ethics, Human Capital and ESG Integration - Financials are notable material ESG issues.

### Management Score



OeKB's overall ESG-related disclosure follows best practice, signalling strong accountability to investors and the public. The company's ESG-related issues are overseen by the board or the executive team, suggesting that these are integrated in core business strategy. The company's overall management of material ESG issues is strong.



- Global Universe
- Development Banks (Subindustry)
- Oesterreichische Kontrollbank
- + SubIndustryAvg.

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4.0 /100 Negligible

Negl	Low	Med	High	Severe
0-10	10-20	20-30	30-40	40-100



## Attribution Details

Issue Name	Contribution to								
	ESG Risk Rating	Subindustry Exposure	Company Exposure	Excess Exposure	Manageable Risk Factor	Management Score	ESG Risk Rating	Risk Category	
Corporate Governance	31.2%	5.0	5.0	-	100%	75.0	1.3		
Human Capital	28.5%	5.0	5.0	-	95%	81.3	1.1		
ESG Integration - Financials	20.3%	6.0	6.3	0.3	100%	87.1	0.8		
Business Ethics	20.0%	5.0	4.8	-0.3	95%	87.5	0.8		
<b>Overall</b>	<b>100.0%</b>	<b>21.0</b>	<b>21.1</b>	<b>0.1</b>	<b>-</b>	<b>82.9</b>	<b>4.0</b>		<b>Negligible</b>

△ =Significant event



## Risk Details

### Exposure

Company Exposure 21.1 The company's sensitivity or vulnerability to ESG risks.

### Management

Manageable Risk 20.6 Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

Managed Risk 17.0 Material ESG risk that has been managed by a company through suitable policies, programmes or initiatives.

Management Gap 3.5 Measures the difference between material ESG risk that could be managed by the company and what the company is managing.

Unmanageable Risk 0.5 Material ESG risk inherent in the products or services of a company and/or the nature of a company's business, which cannot be managed by the company.

### ESG Risk Rating

Overall Unmanaged Risk 4.0 Material ESG risk that has not been managed by a company, and includes two types of risk: unmanageable risk, as well as risks that could be managed by a company through suitable initiatives but which may not yet be managed.

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## GLOSSARY OF TERMS

### Beta (Beta, $\beta$ )

A factor that assesses the degree to which a company's exposure deviates from its **subindustry**'s exposure on a **material ESG issue**. It is used to derive a company-specific issue exposure score for a material ESG issue. It ranges from 0 to 10, with 0 indicating no exposure, 1 indicating the subindustry average, and 10 indicating exposure that is ten times the subindustry average.

### Corporate Governance Pillar

A pillar provides a signal about a company's management of a specific Corporate Governance issue.

### ESG Risk Category

Companies' **ESG Risk Rating scores** are assigned to five ESG risk categories in the **ESG Risk Rating**:

- Negligible risk:** enterprise value is considered to have a negligible risk of material financial impacts driven by ESG factors
- Low risk:** enterprise value is considered to have a low risk of material financial impacts driven by ESG factors
- Medium risk:** enterprise value is considered to have a medium risk of material financial impacts driven by ESG factors
- High risk:** enterprise value is considered to have a high risk of material financial impacts driven by ESG factors
- Severe risk:** enterprise value is considered to have a severe risk of material financial impacts driven by ESG factors

Note that because ESG risks materialize at an unknown time in the future and depend on a variety of unpredictable conditions, no predictions on financial or share price impacts, or on the time horizon of such impacts, are intended or implied by these risk categories.

### ESG Risk Rating Score (Unmanaged Risk Score)

The company's final score in the **ESG Risk Rating**; it applies the concept of **risk decomposition** to derive the level of **unmanaged risk** for a company.

### Event Category

Sustainalytics categorizes events that have resulted in negative ESG impacts into five event categories: Category 1 (low impact); Category 2 (moderate impact); Category 3 (significant impact); Category 4 (high impact); and Category 5 (severe impact).

### Event Indicator

An indicator that provides a signal about a potential failure of management through involvement in controversies.

### Excess Exposure

The difference between the company's **exposure** and its **subindustry** exposure.

### Exposure

A company or **subindustry**'s sensitivity or vulnerability to ESG risks.

### Idiosyncratic Issue

An issue that was not deemed material at the **subindustry** level during the **consultation process** but becomes a **material ESG issue** for a company based on the occurrence of a Category 4 or 5 event.

### Manageable Risk

Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

### Managed Risk

Material ESG Risk that has been managed by a company through suitable policies, programmes and initiatives.

### Management

A company's handling of ESG risks.

### Management Gap

Refers to the difference between what a company has managed and what a company could possibly manage. It indicates how far the company's performance is from best practice.

### Management Indicator

An indicator that provides a signal about a company's management of an ESG issue through policies, programmes or quantitative performance.

### Material ESG Issue

A core building block of the **ESG Risk Rating**. An ESG issue is considered to be material within the rating if it is likely to have a significant effect on the enterprise value of a typical company within a given **subindustry**.

### Subindustry

Subindustries are defined as part of Sustainalytics' own classification system.

### Unmanageable Risk

Material ESG Risk inherent from the intrinsic nature of the products or services of a company and/or the nature of a company's business, which cannot be managed by the company if the company continues to offer the same type of products or services and remains in the same line of business.

### Unmanaged Risk

Material ESG risk that has not been managed by a company, and includes two types of risk: **unmanageable risk**, as well as risks that could be managed by a company through suitable initiatives, but which may not yet be managed (**management gap**).

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