

SUSTAINABILITY REPORT 2013



European Bank
for Reconstruction and Development



SR.EBRD.COM



THE SUSTAINABILITY REPORT 2013 PROVIDES INFORMATION ON THE ENVIRONMENTAL AND SOCIAL DIMENSIONS OF SUSTAINABILITY AT THE EBRD AND REPORTS ON ACTIVITIES AND RESULTS DURING THE FINANCIAL YEAR ENDING 31 DECEMBER 2013.

ENVIRONMENTALLY-SOUND AND SUSTAINABLE DEVELOPMENT IS CENTRAL TO THE EBRD'S ACTIVITIES.



The report focuses on three key aspects of sustainability:
Impact, Assurance and Engagement.

About the EBRD

The European Bank for Reconstruction and Development (EBRD) fosters transition to market economies in countries from central and eastern Europe to Central Asia, the Western Balkans and the southern and eastern Mediterranean (SEMED). With the ability and willingness to bear risk on behalf of our clients, we help the countries in which we invest to become open-market economies by investing in projects, engaging in policy dialogue and providing advisory services to enterprises.

We are owned by 64 countries, the European Union (EU) and the European Investment Bank. We work primarily with the private sector, and, since our establishment in 1991, we have become the largest financial investor in the EBRD region.

Our approach to sustainability

We implement our environmental and sustainable mandate by focusing on these key priorities:

- Water infrastructure
- Waste management
- Sustainable transport
- Gender equality
- Renewable energy
- Climate change
- Energy efficiency



The EBRD's Sustainability Report 2013

This *Sustainability Report* has been prepared using the framework of the Global Reporting Initiative (GRI) G3 Indicator protocols and the GRI Financial Sector Supplement. The Bank has a self-declared 'B' rating according to the GRI application levels shown at ebrd.com/gri. The GRI Content Index is also published at the same address.

This document is a summary of the EBRD's *Sustainability Report 2013*. The full report can be found on our website at sr.ebrd.com



THE REPORT
FOCUSES ON THREE
KEY ASPECTS OF
SUSTAINABILITY:

IMPACT

FROM IMPROVING ENERGY
EFFICIENCY TO EMPOWERING
WOMEN IN THE WORKPLACE,
WE HELP CLIENTS ACHIEVE
POSITIVE ENVIRONMENTAL
AND SOCIAL OUTCOMES

P.2

ASSURANCE

WE DELIVER A HIGH
STANDARD OF ASSURANCE
THROUGH ROBUST DUE
DILIGENCE AND EFFECTIVE
MONITORING OF PROJECTS

P.10



ENGAGEMENT

OPEN AND TRANSPARENT
ENGAGEMENT WITH CIVIL SOCIETY,
LOCAL COMMUNITIES AND OTHER
KEY STAKEHOLDERS UNDERPINS
SUSTAINABLE DEVELOPMENT

P.12

IMPACT

We provided €8.5 billion of investment in 2013 to over 392 operations across more than 30 countries, assessing each project for its ability to protect and benefit the environment, employees and communities.

Sustainable energy continued to be a key investment theme, with almost €2.5 billion committed to renewable energy, energy efficiency and climate change mitigation and adaptation. These objectives also underpin our new Energy Sector Strategy. Our financing for sectors such as water infrastructure, waste management and sustainable transport in 2013 will also deliver important sustainable development benefits to thousands of households and enterprises across the region. Reflecting the integration of social and economic inclusion into our transition mandate, 2013 also saw the launch of a new Strategic Gender Initiative. We also financed the first projects under our Sustainable Resource Initiative (SRI), building on our experience with energy efficiency to deliver improvements in water efficiency and waste minimisation. Our €6.5 billion borrowing programme in 2013 included a US\$ 250 million Environmental Sustainability Bond issue, providing central banks, pension funds

and other institutional investors around the world with a range of triple-A-rated instruments that enable them to participate in the region's environmental markets and contribute to the Bank's positive impact in other sectors.

SUSTAINABLE ENERGY INITIATIVE

We launched the Sustainable Energy Initiative (SEI) in 2006 to help the region's economies reduce their carbon emissions and become more energy independent and efficient. Since then we have invested over €12 billion in sustainable energy projects, and these now represent 29 per cent of our annual Bank investment. In 2013, we signed 163 sustainable energy projects, worth €2.5 billion in investment. These investments resulted in 6.8 million tonnes of annual CO₂ reductions, or a saving of 1.9 million tonnes of oil equivalent (toe). This is greater than the total annual greenhouse gas emissions of Albania.





Increasing energy efficiency in the power sector

COUNTRY:
Kazakhstan

We are arranging a €106 million syndicated loan for the benefit of the Central Asian Electric Power Corporation (CAEPCO), one of the few private operators in the Kazakh power sector.

The loan will enable CAEPCO to invest in modernising its CHP plant and distribution network to reduce heat and electricity losses, thereby increasing efficiency and reducing pollution. Half a million tonnes of greenhouse gas emission reductions are expected annually.

We have also provided technical assistance support from the EBRD Shareholder Special Fund of €400,000 for the improvement of environmental standards, and €160,000 for energy efficiency audits and studies to develop energy saving programmes for CAEPCO's clients.



PROJECT: Supporting renewable energy

COUNTRY:
Ukraine

Our Ukraine Sustainable Energy Lending Facility (USELF) – which is supported by the Clean Technology Fund (CTF) and the Global Environment Facility (GEF) – has enabled the first non-recourse financed renewable energy projects in Ukraine. These are projects for which loans are only secured by the project collateral itself.

The USELF has supported seven projects, covering a range of renewable technologies. For example, we supported CKSC Ecoprod – a large agricultural and dairy producer – with a €3.1 million USELF loan to construct a biogas plant, which will use 44,500 tonnes of agricultural waste per year to produce 5.8 million m³ at standard temperature and pressure (stp) of biogas per year, resulting in 10 GWh a year of electricity for sale to the grid, and heat for internal drying processes. This will lead to emission reductions of 9,800 tCO₂e a year and energy savings of €35,000 a year, and reduce the amount of organic waste going to landfill. This will result in further reductions in greenhouse gas (GHG) emissions due to avoided methane emissions from landfill.



CLIMATE CHANGE ADAPTATION

The effects of climate change – already seen through temperature shifts, extreme weather events and rising sea levels – are certain to have wide-ranging impacts for all kinds of businesses. Many of the countries where we invest are particularly vulnerable to climate change, in part because of their geographical location and characteristics, but also because under-investment has resulted in ageing infrastructure and facilities.

We are increasing our support to projects focused on adaptation and resilience to climate change by building on the EBRD's successful sustainable energy business model that incorporates policy dialogue, technical cooperation and project investment. We help clients to identify climate change impacts that will affect their operations, develop and implement strategies to facilitate adaptation and invest in measures and technologies that improve their resilience.

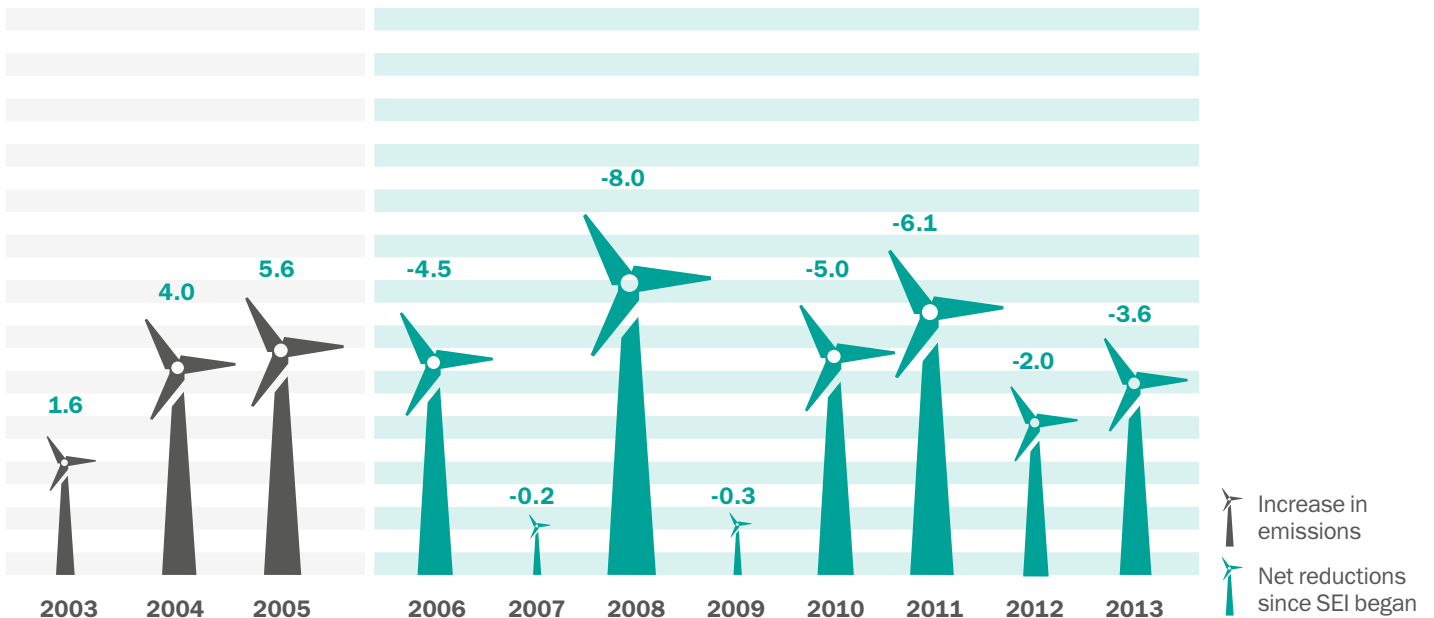
GREENHOUSE GAS ASSESSMENT FOR 2013

Our Greenhouse Gas Assessment provides an estimate of the net carbon footprint that will result from EBRD-financed projects signed during the year, once the projects are fully implemented. The calculation is based on estimated emission reductions from SEI projects and estimates of GHG emissions from projects involving new build or capacity expansion. This is the eleventh year in which we have published GHG estimates for our signed projects. Since the introduction of the Sustainable Energy Initiative in 2006, the net impact – comparing projects that increase emissions with those that reduce emissions – is estimated to result in an overall reduction in GHG emissions. While the results in any one year are heavily influenced by a small number of large projects, our track record shows that, by prioritising investments in renewable energy and energy efficiency, we have been able to grow our business volume and promote transition, while also reducing GHG emissions.



Greenhouse Gas Assessment results 2003-13:

AGGREGATE GHG REDUCTION (MTCO₂E PA) FROM THE YEAR'S SIGNED PROJECTS





PROJECT:
Involving the private sector
in climate change activities

COUNTRY:
Turkey

The EBRD and the International Finance Corporation (IFC) recently completed a Pilot Climate Change Adaptation Market Study in Turkey to develop new approaches to engage the private sector in managing risks and identifying opportunities caused by a changing climate.

Given the private sector's limited awareness of adaptation and climate resilience strategies in most middle- and low-income countries, identifying specific, innovative and financeable actions can provide valuable lessons.

The project – managed by the EBRD and the IFC, in collaboration with the Union of Chambers and Commodity Exchanges of Turkey and the Ministry of Environment and Urbanisation – is an excellent example of international climate change cooperation. The study focused on strategies for industries already impacted by or vulnerable to climate change, making specific recommendations such as water-efficient drip irrigation systems for the agricultural industry, water efficiency improvements in manufacturing and measures to make buildings more resilient to climate change, such as improved insulation, green roofing and heat-reflective glazing for windows.

We are in discussion with major Turkish banks to follow up investment opportunities and we are also considering expanding the adaptation market study approach to other countries in the EBRD region.

SRI PROJECTS:

16 countries

ESTIMATED WATER SAVINGS EVERY YEAR:

11 million m³

NEW ENERGY SECTOR STRATEGY

We have been the largest investor in renewable energy and energy efficiency projects in our region for several years. In December 2013, this commitment was reaffirmed with the adoption of a new Energy Sector Strategy. The countries in the EBRD region – which extends from Morocco to Mongolia – face the challenge of providing sustainable, secure and affordable energy. The energy strategy identifies energy efficiency as the first and best response to this challenge.

The strategy reinforces our tangible and growing support for renewable energy which, under the new strategy, will include financing both energy-generating capacity and key infrastructure such as transmission lines and backup generation. It highlights our role as an enabler of renewable energy, working with governments and regulators on improving energy sector regulation and putting in place stable and predictable regulatory frameworks.

The strategy also sets out a revised policy for thermal generation, highlighting that we will help countries switch from coal to gas and that we will not finance coal-fired generation except in rare and exceptional circumstances where there are no feasible alternative energy sources. The new strategy was developed over the past year and involved intensive consultation with civil society, academia, industry and our shareholders.

EXPANDING INTO RESOURCE EFFICIENCY

In 2013, we launched our Sustainable Resource Initiative (SRI). This is an umbrella initiative that expands the Sustainable Energy Initiative to enhance the focus on the efficient use of materials and water, particularly in the water-scarce SEMED region. We financed water efficiency and/or waste minimisation components in 32 projects across 16 countries: these SRI projects deliver estimated water savings of 11 million cubic metres and waste savings of 480,000 tonnes every year.

ECONOMIC INCLUSION

For the EBRD, economic inclusion – the opening up of economic opportunities to previously under-served social groups – is integral to development. If people are given a chance to succeed, they are more likely to pursue education, participate in the workforce or engage in activities that lead to economic growth. This, in turn, strengthens wider public support for economic reforms and the wider transition process.

Consequently, promoting economic inclusion has become imperative for the Bank in view of growing youth unemployment, the low participation of women in the workforce (especially in the SEMED countries) and the stark differences in economic performance between regions, particularly in south-eastern Europe. Based on the concept of equal opportunity, we now measure the extent to which economic institutions, markets and education systems extend economic opportunities to individuals, regardless of their specific circumstances such as their gender, place of birth or social background. This enables the identification of projects that are narrowing these gaps or that have the potential to do so.

Following a six-month pilot study which ended in July 2013, we extended the inclusion methodology across all sectors and countries in which we invest. Donor funds, especially from Luxembourg and Korea, have substantially contributed towards establishing the economic inclusion elements of projects; for example, in relation to youth employment in Jordan, Morocco and Serbia.

STRATEGIC GENDER INITIATIVE

We recognise that equal opportunity for women and men contributes to the efficient use of all resources and is a fundamental aspect of a modern, well-functioning market economy. We are committed to addressing gender inequalities in the economies of the countries where we invest, through our various activities and projects.

The Strategic Gender Initiative, which was approved in 2013, sets out how we promote women's socio-economic empowerment, equality of opportunity and participation in the labour market. In particular, we will focus on supporting access to employment and skills, access to finance and access to services to ensure that women and men benefit equally from the Bank's investments.



PROJECT:

Modernising an aluminium plant

COUNTRY:

Turkey

We signed a US\$ 30 million (€22 million) loan with Eti Aluminium in Turkey – one of the few integrated aluminium facilities in the world that is capable of manufacturing ore through to the end product. The project involved the modernisation of the aluminium plant, located in central Anatolia, by converting the existing electrolysis technology to pre-baked anode technology.

The technology investment is expected to deliver multiple benefits, including:

- GHG emission reductions (418,000 tCO₂e a year)
- water savings (146,000 m³ a year)
- materials savings (reduced use of anode paste by one-quarter, and halving the use of cryolite, aluminium fluoride and calcium fluoride)
- energy savings (3,000 TJ a year).

We supported the project with technical assistance, involving the identification of energy and material efficiency opportunities, and helped the company to improve its management practices.





PROJECT:
Integrating gender in
municipal transport projects

COUNTRY:
Kyrgyz Republic

We are helping Bishkek's municipal authority design services that take into account the sometimes different needs of female and male citizens, as well as those of various social groups, in the Kyrgyz capital.

In 2012, we worked with the Bishkek administration on two pilot projects incorporating a gender element in the water and urban transport sectors. This collaboration grew in 2013 into the Gender Advisory Services Programme, which helps local officials consider gender issues in a more systematic way when designing and delivering services.

As a result of the pilot project's consultation with female passengers, the city's trolley bus company introduced vehicles with lower floors to make them more accessible to people using pushchairs or carrying shopping, and to elderly and disabled customers. The programme, which benefits from donor financing, has also improved the municipality's own human resource policies and practices by introducing measures that favour equal opportunities and a more commercial perspective.

As part of the Gender Advisory Services Programme, in July 2013 we organised a three-day seminar in Bishkek, which brought together the city's water, waste management and trolley bus companies, and staff from the municipality. Each organisation put together a Gender Action Plan that would make their working conditions and career opportunities more attractive to female staff and help them reach out to prospective female employees.

ENVIRONMENTAL INFRASTRUCTURE

We invest in projects that provide millions of people with access to safe drinking water, sanitary waste disposal services, green public transport, well-maintained urban roads and energy efficient district heating. We financed 40 projects in the sector during 2013, representing a total EBRD commitment of €740 million. Investments in water services, waste disposal and district heating in 2013 are expected to benefit a total of 3.4 million people in the EBRD region, while 4.2 million passengers per day are expected to use public transport systems benefiting from our support over the same period. Some 57 per cent of municipal and environmental infrastructure (MEI) investments that we financed in 2013 contributed to energy efficiency and climate change mitigation, with predicted emission reductions estimated at 400,000 tCO₂e per year. As in previous years, our MEI investments leveraged considerable volumes of loan and grant co-financing from the EU and other sources.

USING DONOR FUNDS TO IMPROVE SUSTAINABILITY

In 2013, donors provided significant grant funding, totalling almost €350 million, to complement and support the Bank's investments. Donor-funded technical cooperation (TC) helps us deliver environmental and social benefits for our clients and communities across the region. These technical cooperation projects yield direct benefits to Bank-financed projects in a number of areas, including pollution prevention, health and safety and labour and social safeguards. They have also enabled us to develop innovative approaches to emerging issues, such as energy efficiency, climate adaptation, economic inclusion and gender equality. Over the last 10 years donors have contributed over €20 million for EBRD environmental and social TC projects.



PROJECT: Ensuring nuclear safety

COUNTRY: Russia

The service ship, Lepse, contains spent nuclear fuel and radioactive waste from the former Soviet fleet of nuclear-powered icebreakers, and poses a significant environmental threat to north-west Russia and the surrounding area. In September 2012, vessels towed the Lepse from its previous mooring, near the city of Murmansk, to the Nerpa shipyard on the Kola Peninsula, where workers experienced in dismantling nuclear submarines will take the ship apart.

We have contributed a €53 million grant, from the Northern Dimension Environmental Partnership, which will help to make the Lepse safe.

ENVIRONMENTAL SUSTAINABILITY BONDS

We established our Environmental Sustainability Bond Programme in response to clear investor demand for this type of bond product. These bond-financed projects achieve specific environmental benefits and, together, comprise our Green Project Portfolio. Through this Portfolio, we are able to access innovative sources of funding for our work. Since 2010, we have issued 12 Environmental Sustainability Bonds, for a total of €415 million. The Portfolio comprises investments in energy efficiency, clean energy, water management, waste management, sustainable living, environmental services and sustainable public transport. At 31 December 2013, it comprised 261 loans across 25 countries in which we invest, totalling €5.1 billion, of which €2.6 billion was drawn down.

Issues under the Environmental Sustainability Bond Programme in 2013 comprised three private placements, denominated respectively in Brazilian real, Australian dollars, and an inaugural US\$ 250 million four-year bond that was launched in September 2013 and listed on the London Stock Exchange. This was our first Environmental Sustainability Bond to be directed to ethical institutional investors. Not only do green bond issues attract a new investor base, they also allow us to highlight to a wider audience our emphasis on environmentally-sound and sustainable development within our core mandate.





PROJECT:
Modernising a national
and regional road network

COUNTRY:
Serbia

We are financing the modernisation and safety improvement works to over 1,000 km of the national and regional road network in Serbia, through a €100 million loan. The project will be co-financed by a US\$ 100 million (€73 million) loan from the World Bank, and a €100 million loan from the European Investment Bank, alongside a €185 million investment from Serbia.

The loan includes a capacity-building programme on road safety, in order to maximise the benefits of the project and to enhance road safety standards. This programme includes road safety audits on all road sections, a training and certification programme on road safety auditing, the adoption of the new ISO 39001 standard for Road Traffic Safety Management by the Road Agency, as well as the development of a road safety awareness campaign, in cooperation with the private sector, that will run in parallel with the implementation of the project.

The project will also support youth training and employment as part of the EBRD's focus on economic inclusion. Over the project's four-year implementation period, around 120 young people will be offered up to three months of on-the-job training with the project construction companies. This will improve the chances of these young people finding permanent employment, which is particularly challenging in Serbia where youth unemployment remains high.



PROJECT:
Boosting energy efficiency

COUNTRY:
Russia

We are funding a major investment in district heating for Yuzhno-Sakhalinsk, a city of 193,000 people, on the island of Sakhalin, in the far east of Russia. The city is experiencing an offshore oil and gas boom, and our Rb 450 million (€11 million) loan will help the city to modernise the current outdated and inefficient district heating system.

The project will cut the current high rate of heat loss caused by the poor condition of pipework, reduce the very high energy consumption, and finance the installation of meters that will encourage residential consumers to use energy efficiently. Major efficiency improvements in the consumption of gas and electricity – of 23 per cent and 35 per cent, respectively – are expected by 2016 as a result of these investments.



ASSURANCE

We seek to ensure that the projects we finance are environmentally and socially sustainable, respect the rights of affected workers and communities, and are designed and operated in compliance with applicable regulatory requirements and international good practice.

These objectives are formalised and implemented through three major Good Governance Policies: the Environmental and Social Policy, the Public Information Policy and the Rules of Procedure for the Bank's independent Project Complaint Mechanism. This framework continued to provide a high level of assurance, transparency and accountability in 2013.

BREAKDOWN OF ANNUAL BANK INVESTMENT BY CATEGORY

Environmental and social category	€ million	% by volume	No. of projects	% by no. of projects
Category A	395	6.7	8	2.7
Category B	3,728	63.3	154	51.5
Category C	30	0.5	4	1.3
Category FI	1,736	29.5	133	44.5

The environmental and social category – A, B, C or FI (Financial Intermediary) – reflects the potential impacts associated with a project, and determines the nature of the environmental and social appraisal, information disclosure and stakeholder engagement required.

Category A – Projects with potentially significant and diverse environmental and social impacts, requiring a detailed participatory assessment process.

Category B – Projects with environmental and social impacts that are site-specific, and which can be readily assessed and managed.

Category C – Projects that are expected to result in minimal adverse environmental or social impacts.

FI projects – Transactions that involve the provision of financing to a financial intermediary – typically a bank or a fund – which are required to adopt and implement procedure to manage their environmental and social risks.



CAMPAIGN: Making roads safe

COUNTRY:
Moldova

In Moldova the rate of road fatalities is twice as high as the average for the EU27 countries, and over three times as high as the fatality rate in the United Kingdom, despite Moldova's far lower vehicle density. Around one-third of road injuries in Moldova are work related, representing a loss of an estimated €70 million per annum to the Moldovan economy.

We are helping to deliver solutions to road safety issues by working in partnership with the Eastern Alliance for Safe and Sustainable Transport (EASST), an independent charity working in eastern Europe and the South Caucasus, to facilitate cross-border projects on sustainable transport and road safety.

The "Driving Business Safely" campaign was launched by EASST in February 2013, with a two-day workshop held in Chisinau. International experts from EASST, the EBRD, the UK Freight Transport Association and other organisations joined with local participants from the city and central governments, regulatory authorities, drivers and inspectors of public transport fleets and vehicles (trolley buses and maxi-taxis) and private companies, to share experiences in reducing work-related accidents.

As a result of the campaign, a new Occupational Road Safety Working Party was established in Moldova. With sponsorship from the EBRD and EASST, in December 2013 members of the Working Party visited the United Kingdom to see, first-hand, the measures taken by leading UK-based companies to reduce road risk in their businesses and for the community as a whole.





PROJECT:
Tracking environmental
and social issues

COUNTRY:
Georgia

Our environmental and social monitoring in 2013 included a site visit to the Enguri Dam, in the mountains of north-western Georgia. Built in the 1970s as part of the Enguri hydropower plant, the structure is still the second-tallest arch dam in the world, with its walls towering more than 270 metres.

The dam sustains the Enguri hydropower plant, which today produces over 40 per cent of the electricity consumed in Georgia and allows the country to sell surplus power to Turkey and Russia.

We have been involved in the renovation of the Enguri hydropower plant since 1998, incorporating civil engineering works on the structure as well as the upgrade of the generator units, with financing totalling €58 million. The loan, which is expected to be fully repaid within 15 years, addresses decades of Soviet-era neglect, to restore a reliable power supply and ensure the safety of the dam.

The Bank's technical cooperation assistance facilitated the project's registration under the Kyoto Protocol's Clean Development Mechanism, meaning that it generates carbon credits that can be traded internationally.

The project was subjected to a comprehensive environmental assessment and action plan, as part of our original due diligence. We continue to track environmental and social issues at the project, in cooperation with the dam operator, providing ongoing advice and guidance on good practice and monitoring compliance with the EBRD's requirements.

Thanks to the upgrade, each unit at the plant is generating 10 to 15 per cent more power, and the dam now provides a reliable source of clean energy for Georgia and beyond.



PROJECT MONITORING

We monitor the environmental and social performance of all of our projects throughout the life of our investment. This monitoring normally involves a combination of client reporting, regular site visits by our staff and independent audits.

As part of our monitoring, we require each of our clients to provide us with a report, at least annually, on their environmental and social performance and the implementation of applicable Environmental and Social Action Plans (ESAPs). Across the portfolio 96 per cent of projects have fulfilled this environmental and social reporting requirement over the last two years. We conducted environmental and social monitoring visits to 60 projects in 2013.

OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety is a consistently challenging issue for businesses, utilities and other organisations in the countries where the Bank invests, and it is a key due diligence and monitoring

consideration for almost all projects that are financed by us, regardless of sector or size. We have robust processes that hold Bank-financed projects to high standards of occupational health and safety. Our experts carried out site visits to 10 projects in 2013 where occupational health and safety had been identified as a priority for monitoring. We also introduced a safety alert initiative during the year to raise awareness and disseminate information to our clients.

In addition, during the year we hosted two important events at our London headquarters. In February, we hosted the International Roundtable of the UK-based Institution of Occupational Safety and Health (IOSH), attended by practitioners and stakeholders from around the world. In November, we welcomed 30 representatives of non-governmental organisations in the road safety sector to an Occupational Road Risk Training Academy event, organised by EASST and Cranfield University.

ENGAGEMENT

Our approach to sustainable development includes a strong emphasis on open and inclusive dialogue with a wide range of external stakeholders in our countries of operations, and at the global level.

During 2013, we held extensive consultations for the review of our Energy Sector Strategy, and commenced the first round of consultation on the review of our Good Governance Policies. Other highlights of the year included a shift towards early engagement and high-level dialogue with civil society stakeholders on policies, strategies and projects in the countries where we operate.

ENGAGEMENT WITH CIVIL SOCIETY

Open dialogue was the main theme of our engagement with civil society in 2013. Throughout the year we scaled up and enhanced our engagement with civil society organisations (CSOs) in the countries where we operate, through both working-level and high-level dialogue between civil society and our senior management, including with the EBRD President, and early engagement with civil society on our key policies and strategies. In 2013, more than 2,300 CSOs were registered with the EBRD, and over 530 civil society representatives participated in the 45 thematic meetings that we organised. This represented a 37 per cent increase in our overall engagement with civil society compared with 2012.

REVIEW OF GOOD GOVERNANCE POLICIES

We are currently revising and updating our Environmental and Social Policy, our Public Information Policy and the Rules

of Procedure for the Bank's independent Project Complaint Mechanism. Collectively, these policies are known as our Good Governance Policies.

The purpose of the reviews is to ensure that each policy remains fit for purpose, taking into account lessons of experience, changes in international best practice and the views of stakeholders, including clients, industry associations, civil society, peer organisations and our shareholders.

The review process began in spring 2013, with a request for comments on the existing policies. We received numerous submissions from clients, shareholders and CSOs, all of which have helped to shape the proposed changes to the policies.

The Environmental and Social Policy and Performance Requirements are expected to retain their current overall scope and structure, but will build on lessons learned since their last revision in 2008, including a greater emphasis on issues that have grown in importance and profile in the last few years. These issues include gender, human rights, animal welfare and health and safety.

Draft revised policy documents were released in early 2014, followed by a series of public meetings. A summary report on consultations will be issued for each policy, including the comments received and staff responses. These reports will be issued with the final revised policies once the policies are approved by the Board of Directors.

NUMBER OF CSOS REGISTERED WITH THE EBRD:

2,300

CONSULTATION MEETINGS IN 2013:

45

CSO REPRESENTATIVES PARTICIPATED:

530

CIVIL SOCIETY AT THE EBRD ANNUAL MEETING:

The Civil Society Programme was part of the Bank's Annual Meeting of the Board of Governors and associated Business Forum (Istanbul, Turkey, 10-11 May 2013)

EBRD Sustainability Awards 2013

The annual EBRD Sustainability Awards recognise achievements by our clients in addressing sustainability in their business activities in two categories, 'Sustainable Energy and Climate Change' and 'Environmental and Social Performance'. Entrants were nominated by EBRD staff, and assessed by an independent judging panel. The awards were presented at the EBRD's Annual Meeting (Istanbul, Turkey, May 2013). Read about the winners on the following page.



AWARD CATEGORY:
Sustainable Energy
and Climate Change

CLIENT:
FENICE RUS LLC

FENICE RUS LLC – the first specialised Energy Service Company (ESCO) in Russia – won an award for its environmental standards and its innovative approach to delivering services. FENICE's core focus and business is delivering turn-key energy efficiency solutions tailored to clients' needs, rather than promoting specific vendors.

CLIENT:
Şişecam

The other winner in this category was Turkey's **Şişecam**, one of the world's largest glass producers. The judges praised the company for its ongoing efforts to mitigate its operational footprint in this energy-intensive industry, through a range of improved energy efficiency measures, from recycling to heat recovery.

Left Yildirim Teoman,
Vice President of
Research and Technology
of Şişecam and Betsy
Nelson, EBRD Vice
President, Risk

Below Vincent De Rul,
General Director
of FENICE RUS LLC

EBRD SUSTAINABILITY AWARD WINNERS 2013

AWARD CATEGORY:
Environmental and
Social Performance

CLIENT:
Rotor Wind Farm

The outright winner in the Environmental and Social Performance category was **Rotor Wind Farm**. Rotor was the EBRD's first investment in Turkey, and represents a milestone in the country's path to greener and cleaner energy. The 135 MW onshore site sets an exemplary standard for future wind farms, not only through its state-of-the-art monitoring and mitigation measures, but also in its impact management, habitat restoration and community programmes.



Web site

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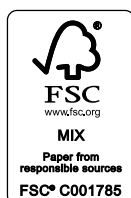
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