

ASSURANCE

The Bank's policies and procedures for environmental and social issues continued to deliver a high standard of assurance in 2014 through robust due diligence and effective project monitoring.

 The EBRD's full *Sustainability Report 2014* can be found on our website at sr-ebrd.com

GOOD GOVERNANCE POLICIES

In May 2014 our Board of Directors approved revisions to three major EBRD governance policies: the Environmental and Social Policy (last updated in 2008), the Rules of Procedure for the Bank's independent Project Complaint Mechanism (2009) and the Public Information Policy (2011).

Key changes to the Environmental and Social Policy included: placing more emphasis on the importance of human rights; the need for gender considerations to be identified and addressed at the project level, in line with the Bank's Strategic Gender Initiative; and making resource efficiency a main priority, in keeping with our SRI. The Policy's performance requirements were revised to include a greater emphasis on road safety, animal welfare and the environmental and social risks associated with supply chains. The Policy also clarified its biodiversity requirements and broadened the concept of vulnerability to specifically include gender identity and sexual orientation.

Under the revised Public Information Policy we will publish Environmental and Social Impact Assessments on our website; prepare project summary documents (PSDs) for a wider range of transactions, and enhance the information they provide on environmental and social performance; and disclose transition impact ratings for public sector projects in PSDs.

The revised Rules of Procedure for the Project Complaint Mechanism allow a request for a Problem-solving Initiative to be submitted by an individual and/or group with not only economic, but also social and cultural interests, in the area impacted by a Bank project. Complaints are now eligible for a Compliance Review for two years after final repayment, exit from equity or cancellation of a project.

FINANCIAL INTERMEDIARY SUSTAINABILITY INDEX

In June 2014 we launched the EBRD Financial Intermediary Sustainability Index (SI), which was designed to help our partner financial institutions understand how they are responding to sustainability issues and the extent to which they are implementing a systematic approach to managing them. The Index will allow financial intermediaries (FIs) to periodically self-assess and potentially compare their progress in implementing effective arrangements for sustainability risk-management. The SI will also allow us to compare FIs in this area over time and to monitor progress at the portfolio level. Over 250 partner FIs are using the SI.

OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety (OHS) continued to be a key theme in our due diligence, monitoring, technical cooperation and international partnership work in 2014, reflecting the persistent challenges this area presents in the countries where we work, as well as other emerging markets.

LEADING INTERNATIONAL COOPERATION ON OHS

OHS is a constant challenge in almost all emerging markets and continues to demand close and effective cooperation and partnership, both within the development finance community and with other key stakeholders. In November 2014 we hosted the first-ever Working Group on Occupational Health and Safety formed by a development finance institution. Representatives from 13 organisations came together to discuss common safety challenges, share information and find effective intervention points during project design and monitoring.



PROJECT
Ensuring safe working practices
in the water sector

COUNTRY
Romania

Experience shows that safety risks are often greatest during the construction phase of Bank-financed projects, particularly in the infrastructure sector. This is due to the temporary and mobile nature of construction work, pressures to reduce costs, weak enforcement of standards, and minimal independent health and safety inspection and monitoring.

Our safety work in 2014 included a priority effort in Romania, where we are currently co-financing a significant number of water and wastewater modernisation and rehabilitation projects with the European Union. From January to April 2014, with technical cooperation support from the EBRD Shareholder Special Fund, we organised workshops on OHS risks and safe working practices for excavation works in Cluj-Napoca, Pitești and Galați. Our aim is to build capacity in safety management to protect water utilities, municipalities, contractors and subcontractors.

PROJECT
Improving animal welfare
and biosecurity

COUNTRY
Ukraine

Animal welfare and biosecurity are issues that we have only recently started to address. The revision of the Environmental and Social Policy was an opportunity to clarify our approach. One example is the US\$ 30 million (€25 million equivalent) loan to the Ukrainian pig farming company Nyva Pereyaslavschyny (Nyva). The loan will not only finance the expansion of Nyva's pig breeding operations, meat processing facilities and grain storage, but will also support new land purchases and the acquisition of state-of-the-art agricultural machinery.

As well as promoting the use of modern farming practices in Ukraine, the investment will support Nyva's adoption of the European Union's animal welfare standards across all of its pig breeding facilities, far exceeding the requirements set by Ukrainian law. This will allow Nyva to become a national benchmark for animal welfare, biosecurity and environmental standards.



FAO launched a technical cooperation programme in 2014 to prevent an outbreak of African swine fever, a virus-borne disease that threatens to spread across Ukraine.