



European Bank
for Reconstruction and Development

Environmental & Social (E&S) reporting to EBRD

Introduction

Under the requirements of PR 9, an FI is required to report annually to EBRD on the implementation of its Environmental and Social Management System (ESMS) and the E&S performance of its portfolio.

The level of reporting required on a FI's portfolio depends on the nature of the contractual relationship with EBRD.

- If EBRD has an equity stake in the FI, the FI is required to report on the E&S risk management of its full portfolio of business activities.
- If EBRD does not have an equity stake in the FI, but provides, for example, a credit line, the FI is required to report on the E&S risk management of transactions carried out using EBRD financing.

EBRD recommends that FIs document E&S risk management activities on an ongoing basis in order to have easily accessible information for reporting.

Reporting format

EBRD is transitioning to an online E&S reporting system, called the FI Sustainability Index. The FI Sustainability Index is an online tool designed to help FIs understand and report on how they are responding to the E&S risks in their own operations and business activities, as required by EBRD's PR 9. EBRD will inform FIs when you can transition your reporting to the online system.

For a 12-month period beginning April 2014, FIs are permitted to report under the Sustainability Index or the existing annual report template. In April 2015, all FIs will be required to report under the Sustainability Index. EBRD will inform FIs in advance if there are changes to these dates.



European Bank
for Reconstruction and Development

Existing reporting template

If FIs choose to use the existing annual reporting format, access the template here [\[LINK\]](#).

The annual report includes the following:

- Breakdown of the FI's portfolio by:
 - Type of transaction
 - Industry sector
 - E&S risk classification
- List of medium and high E&S risk clients
- Description how E&S procedures have been integrated into the transaction approval process
- Confirmation that no transactions are financed for businesses whose activities appear on EBRD's E&S Exclusion List
- Details of any transactions rejected on E&S grounds
- Details of any material E&S issues associated with customers during the reporting period, in particular:
 - Accidents/litigation/complaints
 - Incidents of non-compliance with applicable E&S regulations and standards such as fines, penalties or excess fees for non-compliance
 - Incidents of significant non-compliance by customers with E&S covenants/conditionality imposed by the FI.
- Details of any transactions or initiatives used to finance E&S improvements, such as: energy efficiency, waste minimisation, switch to cleaner technology, reduction of permit fees or fines due to E&S improvements

FI Sustainability Index

FIs choosing to report to EBRD using the FI Sustainability Index will submit an online report.

The Sustainability Index includes the following areas:

- Basic information about the FI
- Relationship with International Finance Institutions, Multi-lateral Development Banks or other donors
- Basic information about the FI's portfolio (e.g. industry sectors and E&S risk category)
- Details about the FI's approach to sustainability in relation to the marketplace, workplace, environment and community
- Details about the FI's strategic and governance approach to sustainability