<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Overview of EBRD and the Environment</td>
<td>3</td>
</tr>
<tr>
<td>2. EBRD’s Environmental Sustainability Bond (“ESB”) Issuance</td>
<td>12</td>
</tr>
<tr>
<td>3. EBRD’s Climate Resilience Bond (“CRB”) Issuance</td>
<td>30</td>
</tr>
<tr>
<td>4. EBRD’s Green Transition Bond (“GTB”) Issuance</td>
<td>38</td>
</tr>
<tr>
<td>5. Annex A – Case Studies</td>
<td>46</td>
</tr>
<tr>
<td>a. ESB Case Studies</td>
<td>47</td>
</tr>
<tr>
<td>b. CRB Case Studies</td>
<td>52</td>
</tr>
<tr>
<td>c. GTB Case Studies</td>
<td>56</td>
</tr>
<tr>
<td>6. Annex B – Use of Proceeds and the SDGs</td>
<td>63</td>
</tr>
<tr>
<td>7. Annex C – Technical Notes</td>
<td>73</td>
</tr>
</tbody>
</table>
Overview of EBRD and the Environment
Introduction
About EBRD

Who we are:
• Supranational Institution founded in 1991 owned by 69 countries, plus the European Community and the European Investment Bank

Our mandate:
• Promoting transition to open, market-based economies in more than 30 countries from central Europe to central Asia and the southern and eastern Mediterranean;
• Sound banking principles: ensuring the project returns are commensurate with the risks;
• Additionality: financing projects, which would not solely be funded by commercial banks;
• Sustainability: ensuring socially and environmentally sound development

What we do:
• Provide project finance mainly to the private sector

Key facts:
• €31.5 billion operating assets at cost (2,016 active projects) at 3Q19
• €17.3 billion available capital (paid in capital plus retained earnings and reserves) with an additional €23.5 billion of callable capital 3Q19 (over 60% rated AA/Aa or better)
• Up to €12 billion borrowing programme in 2020
• AAA/Aaa/AAA Credit Rating with stable outlook
Introduction

Focus on Environment

- The EBRD is the first Multilateral Development Bank with an explicit requirement in its mandate to promote environmentally sound and sustainable development.

- We apply strict environmental and social standards to all projects we finance, which are governed by the Environmental and Social Policy and Performance Requirements.

- We are one of the largest investors in environmental projects in our countries of operations, including €14.3 billion in energy efficiency, climate change and sustainable resource finance as at 4Q 2019 under our Green Economy Transition (“GET”) approach. (GET investments include projects undertaken under two previous initiatives: the Sustainable Energy Initiative and the Sustainable Resource Initiative).

- Our annual Greenhouse Gas (“GHG”) assessment provides an estimate of the net carbon footprint that will result from all EBRD-financed projects signed during a given year, once the projects are fully implemented.

Our aim is to ensure that all projects we finance are socially and environmentally sustainable and respect the rights of local communities.
ESG integration

- EBRD’s robust ESG criteria focus on identifying and mitigating risk, as well as measuring impact;
- The Environmental and Sustainability Department is responsible for environmental and social risks, mitigants and impacts;
- Project summary documents include environmental and social information such as the main environmental and social benefits, relevant risks, mitigants and action plans.
- The Compliance, Legal, Risk Management and Banking Departments collectively oversee governance issues;
- Several EBRD policies and procedures govern ESG issues, including:
  ✓ EBRD Environmental and Social Policy;
  ✓ The Enforcement Policy and Procedures;
  ✓ Corporate Governance Review Toolkit;
  ✓ Domiciliation Policy;
  ✓ Fraud and corruption - definitions and guidelines; and
  ✓ Integrity Risks Policy.

Environmental and social sustainability

- EBRD must “promote in the full range of its activities environmentally sound and sustainable development” (Article 2.1 (viii) of the Agreement Establishing the EBRD);
- Projects are required to meet a comprehensive set of minimum environmental and social performance requirements covering key areas of sustainability;
  ✓ Assessment and Management of Environmental and Social Impacts and Issues;
  ✓ Labour and Working Conditions;
  ✓ Resource Efficiency and Pollution Prevention and Control;
  ✓ Health and Safety;
  ✓ Land Acquisition, Involuntary Resettlement and Economic Displacement;
  ✓ Biodiversity Conservation and Sustainable Management of Living Natural Resources;
  ✓ Indigenous Peoples;
  ✓ Cultural Heritage;
  ✓ Financial Intermediaries; and
  ✓ Information Disclosure and Stakeholder Engagement.
From 2006 EBRD’s Sustainable Energy Initiative scaled up sustainable energy investments in our region in:

- Corporate energy efficiency
- Clean and renewable energy
- Municipal and infrastructure energy efficiency

In 2014 the SEI’s scope was broadened with the launch of the Sustainable Resource Initiative (SRI) to promote the efficient use of materials and water.

In 2016 the EBRD officially adopted and rolled out its GET* approach. It builds on a decade of pioneering work in scaling-up climate financing and investments that prioritise energy and resource efficiency, as well as our tried and tested business model of combining investments with technical assistance and policy dialogue.

* GET investments include projects undertaken under two previous initiatives: the Sustainable Energy Initiative and the Sustainable Resource Initiative.
The GET approach aims to:

- advance the transition to an environmentally sustainable, low-carbon and climate-resilient economy; and
- prevent economies from being locked into carbon-intensive, climate-vulnerable and/or environmentally damaging pathways.

The three main categories for environmental benefits of GET projects and project components are:

1. **climate change mitigation** (reduction of greenhouse gas emissions)
2. **climate change adaptation** (enhancement of climate change resilience)
3. **other environmental benefits** (e.g. improved resource efficiency, reduced local pollution and restoration of ecosystems).

EBRD’s GET approach targets green financing of 40% of the Bank’s annual investment by 2020, and includes:

- Green investment and concessional financing
- Policy engagement
- Technical support

Projects that qualify for GET need to demonstrate to “clearinghouse” experts that they:

- result in clearly identifiable and measurable environmental benefits
- address environmental challenges that impact economic activity and human health; and
- bring incremental environmental benefits that would are not seen as “business as usual”.

* For more information on GET, please see: [https://www.ebrd.com/what-we-do/get.htm](https://www.ebrd.com/what-we-do/get.htm)
Introduction
Green Economy Transition (III)

Climate Change Mitigation
• A project module is considered to mitigate climate change if it contributes to
  ✓ 1) reducing GHG emissions into the atmosphere; or
  ✓ 2) sequesters GHG emissions from the atmosphere.
• The main categories include e.g.;
  ✓ renewable energy
  ✓ lower-carbon and efficient energy generation
  ✓ energy efficiency
  ✓ agriculture, forestry, and land use
  ✓ non-energy GHG reductions
  ✓ waste and wastewater
  ✓ transport
  ✓ low-carbon technologies
  ✓ cross-cutting issues

Climate Change Adaptation
• A project module is considered to qualify as climate change adaptation if its intention is to reduce the vulnerability of human or natural systems to the impacts of climate change and climate-related risks, by maintaining or increasing adaptive capacity and resilience.
• Project modules that fulfil the following three design process criteria, can be considered as climate change adaptation if they:
  1. Set out the climate vulnerability context of the project
  2. Make an explicit statement of intent to address climate vulnerability
  3. Articulate a clear and direct link between the climate vulnerability context and the specific project activities
Other Environmental Benefits
• GET includes projects with material environmental benefits that are not primarily climate change mitigation or climate change adaptation.
• Project outcomes may include:
  ✓ sustainable and efficient water use and wastewater management;
  ✓ sustainable and efficient use of materials and resources, including waste management, recovery, and recycling and re-use;
  ✓ pollution prevention and control affecting air quality, surface water, soil, and groundwater;
  ✓ projects that increase the resilience of, reduce the degradation of, or restore ecosystems;
  ✓ development of new environmental technologies, environmental policy, and management;
  ✓ sustainable transport that reduces impacts connected to the movement of goods and people, and reduces emissions of local air pollutants; and
  ✓ production of environmental goods, and provisions.

Specific Exclusions
• Projects with significant adverse environmental and social impacts and risks are not eligible for GET. Therefore, the activities listed below are excluded from GET financing:
  ✓ project components of greenfield, or capacity increasing projects consisting of:
    – environmental protection measures required under applicable national law and regulations
    – measures to mitigate or offset biodiversity impacts to achieve no net loss of biodiversity;
  ✓ greenfield projects involving coal and oil extraction; and
  ✓ greenfield construction, or lifetime extension of large-scale industrial installations (as per EU IED BREF documents), involving technologies that either increase the use of coal or fuel oil, or lock the installation into the use of coal or fuel oil.
Introduction

Green Bond Issuance by EBRD

• Since 2010, EBRD has issued **Environmental Sustainability Bonds ("ESB")**
  ✓ Issued against a Green Project Portfolio ("GPP") of “dark green” assets;
  ✓ The GPP can potentially cover all project categories under the Green Bond Principles ("GBP").

• In 2019, EBRD introduced **Climate Resilience Bonds ("CRB")**
  ✓ Underpinned by a Climate Resilience Portfolio ("CRPP") of assets that are consistent with the CBI’s Climate Resilience Principles;
  ✓ Investments in the CRPP focus on the GBP category of “climate change adaptation”.

• In 2019, EBRD instigated **Green Transition Bonds ("GTB")**
  ✓ Financing a Green Transition Portfolio ("GTPP") that focuses on key sectors of the economy, which are currently highly dependant on the use of fossil fuels, to enable their transition to low carbon and resource-efficient operations;
  ✓ Projects in the GTPP concentrate on manufacturing, food production and the construction and renovation of buildings, with an emphasis on four GBP categories.

All EBRD’s Green Bond (ESB, CRB and GTB) issuance is aligned with the Green Bond Principles
EBRD’s Green Bond Issuance: Environmental Sustainability Bonds (ESBs)
Use of Proceeds

Environmental Sustainability Bonds ("ESBs")

- EBRD’s ESBs provide an opportunity to invest in environmental and sustainable solutions that support public and private sector environmental projects in EBRD’s countries of operations.
- The proceeds of ESBs are specifically earmarked to support the Green Project Portfolio ("GPP"), comprising investments in:

  - Energy Efficiency
  - Renewable Energy
  - Water Management
  - Waste Management
  - Air Pollution Prevention / Sustainable Transport

**Climate Projects**

**Sustainable Resource Projects**

- The GPP criteria are established and periodically reviewed by the EBRD’s Environment and Sustainability Department.
Use of Proceeds
ESBs - Environmental Objectives

• ESBs finance specific projects that target substantial cost-effective improvements in energy efficiency and the expansion of renewable energy production in our region, as well as the provision of credit lines to local financial institutions. These facilities promote energy efficiency and small-scale renewable energy to clients such as SMEs, corporate and residential borrowers, and renewable energy project developers.

• ESBs support both public and private sector operators in the delivery of essential urban municipal services at national and local municipal levels. Projects include wastewater services, public transport, solid-waste management and district heating.

• ESBs enable improved water efficiency by financing municipal water infrastructure projects, including investments in demand-side water efficiency. They also help corporate clients optimise water management through improved operational efficiency, product design and sustainable manufacturing techniques.

• Bankable projects that help companies reduce their resource inputs and capture value from their waste may be funded by ESBs, as well as investments that help companies to reuse or recycle their unavoidable waste generation.

• Sustainable transport projects that are financed by ESBs aim to increase walking, cycling and public transportation usage, modal shift to low carbon transport, increase the energy efficiency and reduce air emissions of urban transport systems and introduce the use of sustainable renewable energy for urban public transport.
Use of Proceeds
EBRD’s ESBs and the SDGs

• The projects in EBRD’s Green Project Portfolio support the EBRD countries of operations to implement the Sustainable Development Goals (SDGs) in the following areas:

1. No Poverty
2. Zero Hunger
3. Good Health and Well-being
4. Quality Education
5. Gender Equality
6. Clean Water and Sanitation
7. Affordable and Clean Energy
8. Decent Work and Economic Growth
9. Industry, Innovation and Infrastructure
10. Reduced Inequalities
11. Sustainable Cities and Communities
12. Responsible Consumption and Production
13. Climate Action
14. Life Below Water
15. Life on Land
16. Peace, Justice and Strong Institutions
17. Partnerships for the Goals

✓ Please also see Annex for a detailed mapping
EBRD Environmental and Social Policy is aligned with

- IFC Performance Standards/ Equator Principles
- EU environmental standards

General EBRD wide exclusions include:
- Defence-related activities, tobacco, selected alcohol products, substances banned by international law or gambling facilities
- Thermal coal mining, coal-fired electricity generation capacity and upstream oil exploration (unless reducing GHG emissions or flaring)
- Projects related to subsidies, sponsorship or donations
- Activities listed on the Exclusion list in Annex 1 of EBRD’s Environmental and Social Policy

GPP selection criteria based on:
- A positive list, based on the environmental benefits of certain industry activities (e.g. Renewable Energy, Energy Efficiency, Water and Waste Infrastructure)
  - Threshold of at least 90% of the funding needs to be directed to environmental goals
- Various exclusion criteria in addition to GET exclusions (see p10)
  - fossil fuel production / regeneration / fuel switching transportation of thermal coal and oil/ transportation with vehicles using diesel fuel / any project that would lock-in fossil fuels or undermine any international or national commitments / construction of new large hydropower installations (as defined by International Commission on Large Dams (ICOLD)) and biofuel production (pending the adoption of internationally recognised sustainability criteria)
  - projects funded via equity and projects that are credit impaired
- Quarterly manual check and sign off by the EBRD Environment and Sustainability Department

The GPP criteria are reviewed on a regular basis, with revisions requiring an internal approval by the Environment and Sustainability Department, in consultation with Banking and Treasury.
Proceeds from issuance are directed towards the GPP through:

- Definitions in the bond documentation;
- Allocating proceeds to existing and new projects in the GPP;
- Limiting total ESB issuance to **80%** of the GPP, tracked quarterly on a EUR equivalent basis.

At **31 Dec 2019**, ESB issuance outstanding was €3.21bn, i.e. **71.5%** of the 4Q19 GPP.

- If outstanding bonds temporarily exceed the GPP, excess funds will be invested and tracked separately in money market instruments.

Since 2010, EBRD has issued 92 ESBs totalling **EUR 5.2 billion** equivalent (31 Dec 2019)

- The Bonds were denominated in AUD, BRL, EUR, HUF, IDR, INR, NOK, NZD, RUB, SEK, TRY, USD and ZAR
Consistent with the fourth core component of the Green Bond Principles, EBRD provides up to date reporting on the GPP.

The information provided on a portfolio basis covers:-

- **Use of Proceeds** (required)
  - Quarterly
  - Geographic, industry, and GPP category breakdown

- **Impact Reporting** (recommended)
  - Annually
  - E.g. GHG savings, Renewable Energy capacity installed
  - Embedded in our Sustainability Report and the Focus on Environment presentation
Green Project Portfolio (at 31 Dec 2019):

- €8.5bn committed amounts (of which €3.9bn is committed undisbursed)
- €4.5bn operating assets vs €3.21bn green bonds outstanding (71.5% usage)
- 390 projects
- 10.19 years weighted average remaining life
- 13.06 years weighted average tenor
- 2.9 years weighted average age of assets

Op. assets and undrawn by country

Op. assets and undrawn by industry

Op Assets

Undrawn

Energy

Depository Credit (banks)

Municipal & Env Inf

Manufacturing & Services

Leasing Finance

Transport

Agribusiness

Property and Tourism

Non-depository Credit (non-...
ESB Benchmark Issuance

- In February 2020, the Bank issued its 5th Global Environmental Sustainability Bond: USD 925 million 1.5% bond due 13 February 2025.

- In January 2019, the Bank issued its 4th Global Environmental Sustainability Bond (and debut EUR-denominated green issuance): EUR 600 million 0.0% bond due 10 January 2024.
EBRD reports on the expected environmental impacts based on the relevant committed amounts of renewable energy (RE) and energy efficiency (EE) projects in the GPP.

- RE and EE projects account for 77.3 per cent of the GPP, with a weighted average age of 2.7 years (from the point of signing the loan agreements as at YE 2018).

- The projects assessed are expected to achieve a GHG reduction of 12.7 million tonnes of CO₂ equivalent (CO₂e) each year.

- Based on the EBRD’s share of funding of the projects, the GHG savings attributable to EBRD finance is estimated to be 5.3 million CO₂e.

- RE capacity installed amounted to 3.5 GW and the associated GHG savings amounted to 7.5 million tonnes of CO₂ equivalent (CO₂e) each year (1.2 GW and 2.5 million tonnes CO₂e based on the EBRD’s share of funding).
Reporting
Energy Efficiency & Renewable Energy

CO2e saved (223 projects: 12.7 mn CO₂e / year - 5.3 mn CO₂e / year pro rata)
Reporting
Renewable Energy CO₂e saved
(132 projects: 7.5 mln CO₂e / year - 2.5 mln CO₂e / year pro rata)
Reporting

Renewable Energy capacity installed
(91 projects: 3.5 GW - 1.2 GW pro rata)
Reporting
Energy Efficiency CO2e saved
(132 projects: 5.2 mln CO2e / year - 2.8 mln CO2e / year pro rata)

CO2e saved by Country
- TURKEY: 62%
- UKRAINE: 3%
- POLAND: 6%
- KAZAKHSTAN: 5%
- SLOVAK REPUBLIC: 7%
- HUNGARY: 7%
- SERBIA: 6%
- BOSNIA AND HERZEGOVINA: 7%

CO2e saved by Technology
- Intermediated energy efficiency finance: 0.39%
- Energy efficiency in industry in existing facilities*: 3%
- Energy efficiency improvements in the utility sector and public services*: 8%
- Other: 11%
- Energy efficiency improvements in existing commercial, public and residential buildings*: 13%
- Energy efficiency in new commercial, public and residential buildings*: 65%

CO2e saved by Country (pro rata)
- TURKEY: 68%
- UKRAINE: 7%
- POLAND: 6%
- KAZAKHSTAN: 3%
- SLOVAK REPUBLIC: 2%
- HUNGARY: 7%
- SERBIA: 1%
- BOSNIA AND HERZEGOVINA: 4%

CO2e saved by Technology (pro rata)
- Intermediated energy efficiency finance: 0.32%
- Energy efficiency in industry in existing facilities*: 5%
- Energy efficiency improvements in the utility sector and public services*: 5%
- Other: 5%
- Energy efficiency improvements in existing commercial, public and residential buildings*: 20%
- Energy efficiency in new commercial, public and residential buildings*: 65%

* These categories also include elements of intermediated finance
EBRD reports on the environmental impacts of water, waste and environmental infrastructure projects based on the relevant committed amounts in the GPP:

• Sustainable resource projects, which include water, waste and sustainable transport projects, account for 22.7 per cent of the GPP, with a weighted average age of 2.9 years (from the point of signing the loan agreements as at YE 2018).

• These investments are expected to benefit a total of 21.85 million people (11.70 million based on the EBRD’s share of funding) in the EBRD regions by providing them with improved water services, district heating and solid waste facilities.

• The water projects are expected to annually save 206 million m$^3$ of water and treat 128 million m$^3$ of wastewater (134 million and 49 million m$^3$ of water and wastewater respectively based on the EBRD’s share of funding).

• The waste management projects are expected to help manage 3.4 million tonnes of waste annually (1.6 million tonnes based on the EBRD’s share of funding). Sustainable waste management includes waste minimisation, recovery, recycling and re-use.

• The transportation projects are expected to reduce the levels of air pollutants: particulate matter (PM) is expected to reduce by 19 tonnes per year (10 tonnes based on the EBRD’s funding) and the nitrogen oxides (N0x) by 455 tonnes per year (351 tonnes pro rata).
**Reporting Sustainable Resource Projects**  
*(people benefitted: 21.8 mn / 11.7 mn pro rata)*

### Numbers of people benefiting from the water, wastewater and environmental infrastructure projects

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Project</th>
<th>Pro Rata</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population benefitting from improved solid waste management services.</td>
<td>10.0</td>
<td>5.9</td>
</tr>
<tr>
<td>Total population benefitting from improved access to tap water.</td>
<td>4.1</td>
<td>2.6</td>
</tr>
<tr>
<td>Total population benefitting from improved access to wastewater services.</td>
<td>3.4</td>
<td>1.5</td>
</tr>
<tr>
<td>Total population benefitting from improved district heating.</td>
<td>4.3</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>21.8</td>
<td>11.7</td>
</tr>
</tbody>
</table>

### Number of people benefitted by Country

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>KAZAKHSTAN</td>
<td>20%</td>
</tr>
<tr>
<td>JORDAN</td>
<td>19%</td>
</tr>
<tr>
<td>GEORGIA</td>
<td>15%</td>
</tr>
<tr>
<td>ARMENIA</td>
<td>12%</td>
</tr>
<tr>
<td>ROMANIA</td>
<td>12%</td>
</tr>
<tr>
<td>EGYPT</td>
<td>11%</td>
</tr>
<tr>
<td>Mongolia</td>
<td>9%</td>
</tr>
<tr>
<td>UKRAINE</td>
<td>7%</td>
</tr>
<tr>
<td>BOSNIA AND HERZEGOVINA</td>
<td>7%</td>
</tr>
<tr>
<td>OTHER</td>
<td>6%</td>
</tr>
</tbody>
</table>

### Number of people benefitted by Country (pro rata)

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>KAZAKHSTAN</td>
<td>16%</td>
</tr>
<tr>
<td>JORDAN</td>
<td>21%</td>
</tr>
<tr>
<td>GEORGIA</td>
<td>14%</td>
</tr>
<tr>
<td>ARMENIA</td>
<td>14%</td>
</tr>
<tr>
<td>ROMANIA</td>
<td>14%</td>
</tr>
<tr>
<td>EGYPT</td>
<td>14%</td>
</tr>
<tr>
<td>Mongolia</td>
<td>9%</td>
</tr>
<tr>
<td>UKRAINE</td>
<td>4%</td>
</tr>
<tr>
<td>BOSNIA AND HERZEGOVINA</td>
<td>4%</td>
</tr>
<tr>
<td>OTHER</td>
<td>1%</td>
</tr>
</tbody>
</table>
Reporting Sustainable Resource Projects
Water savings and waste water treated

Water savings, 75 projects: 206 mn m³/year - 134 mn m³/year pro rata

By Country
- KAZAKHSTAN: 58%
- ROMANIA: 15%
- BOSNIA AND HERZEGOVINA: 12%
- UZBEKISTAN: 6%
- MOROCCO: 5%
- OTHER: 4%

By Country (pro rata)
- KAZAKHSTAN: 78%
- ROMANIA: 8%
- BOSNIA AND HERZEGOVINA: 8%
- UZBEKISTAN: 2%
- MOROCCO: 3%
- OTHER: 1%

Waste water treated, 29 projects: 128 mn ton/year - 49 mn ton/year pro rata

By Country
- EGYPT: 71%
- BELARUS: 21%
- KAZAKHSTAN: 6%
- JORDAN: 2%

By Country (pro rata)
- EGYPT: 57%
- BELARUS: 37%
- KAZAKHSTAN: 4%
- JORDAN: 2%
Reporting Sustainable Resource Projects
Waste management and sustainable transport projects

Waste managed, 32 projects: 128 mn ton / year - 49 mn ton / year pro rata

By Country

73%
22%
3%
2%
0.18%

JORDAN
GEORGIA
ARMENIA
UKRAINE
BELARUS

By Country (pro rata)

52%
43%
3%
2%
0.24%

JORDAN
GEORGIA
ARMENIA
UKRAINE
BELARUS

Sustainable transportation, 18 projects

<table>
<thead>
<tr>
<th>Country</th>
<th>PM (ton/year)</th>
<th>PM (ton/year) pro rata</th>
<th>Nox (ton/year)</th>
<th>Nox (ton/year) pro rata</th>
<th>Number of projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>EGYPT</td>
<td>9.0</td>
<td>3.0</td>
<td>-</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>ROMANIA</td>
<td>9.0</td>
<td>7.0</td>
<td>399.0</td>
<td>336.0</td>
<td>3</td>
</tr>
<tr>
<td>TURKEY</td>
<td>1.0</td>
<td>0.2</td>
<td>33.0</td>
<td>11.0</td>
<td>7</td>
</tr>
<tr>
<td>BULGARIA</td>
<td>-</td>
<td>-</td>
<td>23.0</td>
<td>5.0</td>
<td>4</td>
</tr>
</tbody>
</table>
Section 3

EBRD’s Green Bond Issuance: Climate Resilience Bonds (CRBs)
EBRD’s CRBs provide an opportunity to finance projects that seek to build climate resilience by mitigating physical climate change vulnerabilities and risks identified in public and private sector projects in EBRD’s countries of operations.

The proceeds of CRBs are specifically earmarked to support the Climate Resilience Portfolio (“CRPP”), comprising investments in:

- **Climate Resilient Infrastructure** - Including projects focusing on critical infrastructure systems e.g. energy, water, transport, communications and the built environment including hospitals etc.;

- **Climate Resilient Business & Commercial Operations** - Including projects focusing on e.g. agri-processing, manufacturing/services, logistics/retail, extractive industries; and

- **Climate Resilient Agriculture & Ecological Systems** - Including projects focusing on primary agricultural production.

The CRPP criteria are established in alignment with the Climate Resilience Principles* published on 17 September 2019, and are periodically reviewed by the EBRD’s Environment and Sustainability Department.

* [https://www.climatebonds.net/adaptation-and-resilience](https://www.climatebonds.net/adaptation-and-resilience)
• The physical climate risks that CRB projects seek to address are:
  i) Increasing extreme weather events;
  ii) Increasing water stress;
  iii) Increasing heat stress;
  iv) Increasing hydrological variability (chronic); and
  v) Increasing soil degradation.

• The corresponding climate resilience outcomes that CRB projects seek to achieve are:
  i) Increased water availability in water-stressed regions;
  ii) Increased energy availability despite growing climatic variability;
  iii) Increased agriculture in the face of extreme and unpredictable weather patterns;
  iv) Improved human health and productivity despite climate variability;
  v) Reduced weather-related disruption; and
  vi) Reduced weather-related damage.

• Climate risks result in physical phenomena, and therefore EBRD sees it as relevant to consider climate resilience responses in physical terms.

• In line with the CBI’s Climate Resilience Principles, boundaries and interdependencies for the assessment of climate risks and mitigants for each project are clearly defined, and ongoing monitoring is undertaken to ensure that the climate resilience benefits are maintained.
EBRD’s Environmental and Social Policy is aligned with

- IFC Performance Standards/ Equator Principles
- EU environmental standards

General EBRD wide exclusions include:

- Defence-related activities, tobacco, selected alcohol products, substances banned by international law or gambling facilities
- Thermal coal mining, coal-fired electricity generation capacity and upstream oil exploration (unless reducing GHG emissions or flaring)
- Projects related to subsidies, sponsorship or donations
- Activities listed on the Exclusion list in Annex A of EBRD’s Environmental and Social Policy

CRPP selection criteria based on:

- Projects under the EBRD Green Economy Transition approach that focus on Climate Adaptation*
- Consistency with the Climate Resilience Principles
- Various exclusion criteria, in addition to GET exclusions (see p10)
  - fossil fuel production / regeneration / fuel switching / transportation of thermal coal and oil/ transportation with vehicles using diesel fuel / any project that would lock-in fossil fuels or undermine any international or national commitments;
  - projects funded via equity and projects that are credit impaired
- Quarterly manual check and sign off by the EBRD Environment and Sustainability Department

The CRPP criteria are reviewed on a regular basis, with revisions requiring an internal approval by the Environment and Sustainability Department, in consultation with Banking and Treasury.

* See “Annex C – Approach to Climate Change Activities:
Management of Proceeds

Tracking of Funds

Proceeds from issuance are directed towards the CRPP by:-

• Definitions in the bond documentation;

• Allocating proceeds to existing and new projects in the CRPP; and

• Limiting total CRB issuance to 80% of the CRPP.

At 31 Dec 2019, CRB issuance outstanding was €632mn, i.e. 40% of the 3Q19 CRPP.

• CRB issuance is monitored and compared with the CRPP, which is tracked quarterly on a EUR equivalent basis.

• If outstanding bonds temporarily exceed the CRPP, excess funds will be invested and tracked separately in money market instruments, until they can be allocated to new projects.

• The CRPP is expected to continue to replenish both through disbursements on committed projects and through new investments in line with the EBRD’s GET strategy.
Climate Resilience Portfolio (at 30 September 2019):

- €1.6bn operating assets (€3.0bn committed amounts of which €1.4bn is undisbursed)
- 65 projects (in total 94 individual project facilities)
- 10.3 years weighted average remaining life
- 13.8 years weighted average tenor
- 3.5 year weighted average age of the assets
### Operating Assets and Committed Undisbursed by country

<table>
<thead>
<tr>
<th>Country</th>
<th>Committed Undisbursed</th>
<th>Operating Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>TURKEY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AZERBAIJAN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BOSNIA AND HERZEGOVINA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>JORDAN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALBANIA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOROCCO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UKRAINE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>KAZAKHSTAN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SERBIA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TAJIKISTAN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GEORGIA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOLDOVA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NORTH MACEDONIA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>KYRGYZ REPUBLIC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TURKMENISTAN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UZBEKISTAN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MONTENEGRO</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Operating Assets and Committed Undisbursed by industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Committed Undisbursed</th>
<th>Operating Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Municipal &amp; Env Inf</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agribusiness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural Resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and Tourism</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing &amp; Services</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Consistent with the fourth core component of the Green Bond Principles, EBRD provides up to date reporting on the CRPP.

The information provided on a portfolio basis covers:-

- **Use of Proceeds** (required)
  - Quarterly
  - Geographic, and industry category breakdown

- **Impact Reporting** (recommended)
  - Annually
  - E.g. increased water availability (m³/year), or reduction in weather related downtime (days/year) and valorised terms
  - Embedded in our Sustainability Report and the Focus on Environment presentation going forward (first reporting latest 1 year after the initial issuance)
EBRD’s Green Bond
Green Transition Bond (GTB)
EBRD’s GTBs provide an opportunity to finance investments in key sectors of the economy that today are highly dependant on the use of fossil fuels, thereby enabling the transition to low carbon and resource efficient operations.

The proceeds of GTBs are specifically earmarked to support the Green Transition Portfolio (“GTPP”), comprising investments in:

- Energy Efficiency;
- Resource Efficiency including the Circular Economy; and
- Sustainable Infrastructure (including Low Carbon Transport and Green Logistics).

The GTB criteria is underpinned by EBRD’s GET approach, and is periodically reviewed by the EBRD’s Environment and Sustainability Department.
Use of Proceeds
GTBs – Green Transition Goals

- Climate-related risks will not solely be addressed through financing low carbon/zero carbon assets, but will also require key sectors of the economy that are currently highly dependent on fossil fuels to transition to low carbon and resource-efficient operations, notably:
  - manufacturing (e.g. by decarbonising chemical, cement and/or steel production)
  - food production (e.g. by reducing resource intensity and promoting sustainable land use)
  - building construction and renovation (e.g. by improving resource efficiency).

- The decarbonisation and resource efficiency outcomes that GTB projects seek to address must significantly improve the asset’s performance beyond the industry average, for instance by markedly lowering the carbon intensity through energy efficiency measures, or through replacing a high carbon asset with a lower carbon asset.

- Improved climate governance of the related organisation is critical to the success of GTB projects, and will require specific targets and goals to be set and monitored that recognise both the current context and the changes required to effect a transition to a zero net emissions economy over the next 30 years.

- While the impact of GTB projects will typically be measured in CO₂ reductions and in improved energy, water and material efficiency, the application of sector-specific best-available techniques will also reflect EU minimum environmental performance and social standards.
EBRD Environmental and Social Policy is aligned with

- IFC Performance Standards/ Equator Principles
- EU environmental standards

**General EBRD wide exclusions include:**

- Defence-related activities, tobacco, selected alcohol products, substances banned by international law or gambling facilities
- Thermal coal mining, coal-fired electricity generation capacity and upstream oil exploration (unless reducing GHG emissions or flaring)
- Projects related to subsidies, sponsorship or donations
- Activities listed on the Exclusion list in Annex A of EBRD’s Environmental and Social Policy

**GTPP selection criteria based on:**

- Decarbonisation and resource efficiency in key sectors of the economy that contribute to or enable green transition.
- Various exclusion criteria, in addition to GET exclusions (see p10)
  - Upstream fossil fuel production / new stand alone fossil fuel electricity production / transportation of thermal coal and oil / any project that would lock-in fossil fuels or undermine any international or national commitments/ any project that would undermine climate resilience;
  - projects signed before 2016 and/or that are funded via equity and/or projects that are credit impaired
- Quarterly manual check and sign off by the EBRD Environment and Sustainability Department

The GTPP criteria are reviewed on a regular basis, with revisions requiring an internal approval by the Environment and Sustainability Department, in consultation with Banking and Treasury.
Management of Proceeds
Tracking of Funds

Proceeds from issuance are directed towards the GTPP by:-
• Definitions in the bond documentation;
• Allocating proceeds to existing and new projects in the GTPP; and
• Limiting total GTB issuance to **80%** of the GTPP.

**At 31 Oct 2019**, GTB issuance outstanding was €500mn, i.e. **67%** of the 3Q19 GTPP.

GTB issuance is monitored and compared with the GTPP, which is tracked quarterly on a EUR equivalent basis.

If outstanding bonds temporarily exceed the GTPP, excess funds will be invested and tracked separately in money market instruments.

The GTPP is expected to continue to replenish both through disbursements on committed projects and through new investments in line with the EBRD’s GET strategy.
Operating Assets & Committed Undisbursed by year

Op. Assets and Com Undisbursed by FW category

Green Transition Project Portfolio (at 30 Sep 19):
- €754mn operating assets (€1.5bn committed amounts of which €776mn is undisbursed)
- 32 projects (in total 39 individual project facilities)
- 9.8 years weighted average remaining life
- 11.3 years weighted average tenor
- 1.54 year weighted average age of the assets
Operating Assets and Committed Undisbursed by country

- JORDAN
- TURKEY
- POLAND
- SERBIA
- SLOVENIA
- ROMANIA
- LITHUANIA
- UKRAINE
- LATVIA
- ESTONIA
- GREECE
- KAZAKHSTAN
- CROATIA
- EGYPT
- ARMENIA
- BELARUS
- UZBEKISTAN
- BOSNIA AND HERZEGOVINA
- AZERBAIJAN

Operating Assets and Committed Undisbursed by industry

- Energy
- Agribusiness
- Manufacturing & Services
- Municipal & Env Inf
- Transport

Committed Undisbursed vs Operating Assets
Consistent with the fourth core component of the Green Bond Principles, EBRD provides up to date reporting on the GTPP.

The information provided on a portfolio basis covers:

- **Use of Proceeds** (required)
  - Quarterly
  - Geographic, and industry category breakdown
- **Impact Reporting** (recommended)
  - Annually
  - E.g. GHG savings, water savings
    The ex-ante estimate of CO$_2$e savings for the GTPP as at 30 September 2019 are 6.8 million tonnes p.a. for the total project amount.
  - Embedded in our Sustainability Report and the Focus on Environment presentation going forward (first reporting latest 1 year after the initial issuance)
Annex A – Case Studies
The EBRD and the government of Kazakhstan are supporting a programme of water and wastewater improvements in the southern city of Shymkent with a combined financing package equivalent to €18 million.

The Bank will lend up to €10 million to a private water utility, TOO Vodnye Resoursy Marketing, which provides water and wastewater services to Shymkent, to be used for modernising the water and wastewater services in the city. The government of Kazakhstan will provide a capital grant in tenge equivalent to €8 million, and TOO Vodnye Resoursy Marketing will invest the equivalent of €500,000 into the modernisation project.

Privately-owned Vodnye Resoursy Marketing is among the best utility companies in the country in terms of its operational and financial performance, despite working in a low-income city. The new project will further demonstrate the benefits of involving private companies in providing public services in Kazakhstan.
The European Bank for Reconstruction and Development (EBRD) is providing a €3.5 million loan to Armenia to finance the construction of the country’s first European Union (EU) compliant solid waste landfill. The loan is complemented by a €3.5 million capital grant provided by the European Union Neighbourhood Facility.

The new landfill, to be located in the city of Hrazdan in Kotayk Province and managed by eight participating municipalities – Hrazdan, Abovian, Charentsavan, Tsakhkadzor, Byureghavan, Yeghvard, Nor Hachn and Sevan – will be operating as a commercially sustainable unit with modern solid waste management systems, covering the collection and disposal of municipal solid waste. This will provide major environmental and social benefits for some 215,000 people in the area covered by the facility.

This development represents a significant step forward in the implementation of the government’s plans to modernise and upgrade Armenia’s waste management system to European standards. It will serve as an example, raising public awareness of the importance of solid waste management.
The EBRD is providing a long-term loan of up to PLN 292 million (€69.5 million equivalent) to a group of three special-purpose companies fully owned by Polish Energy Partners S.A. (PEPSA) for the construction of a portfolio of three wind farms in Poland. PEPSA is a leading Polish renewable energy developer and producer, listed on the Warsaw Stock Exchange and majority-owned by Kulczyk Investments S.A.

The EBRD finance will support the construction and operation of three wind farms in northern and north-eastern Poland - Gawłowice with a capacity of 41.4 MW, Rajgród with 25.3 MW and Skurpie with 36.8 MW - with a total capacity of 103.5 MW. The expansion of wind energy will reduce CO₂ emissions in Poland by approximately 179,000 tonnes per annum.

Total investment in the project is estimated to be PLN 835 million (€198.8 million). This includes an EBRD commitment of PLN 242.7 million for phase I (creating a capacity of 66.7 MW) which can, with the Bank’s consent, be increased by an additional PLN 49.3 million to be used for the third wind farm (phase II). The first phase of the project should be completed by the end of 2014 and the second by September 2016.
The European Bank for Reconstruction and Development (EBRD) is supporting the construction of a new biomass boiler plant in Prijedor, a municipality in the north west of Bosnia and Herzegovina, with a sovereign loan of up to €7 million.

The funding, the first EBRD investment in renewable energy in Prijedor municipality, will lead to significant cost savings for Toplana AD Prijedor, the plant operator majority owned by the local authorities. The new boiler will no longer be fuelled by oil, but by wood chips, a sustainable and cheaper alternative.

The project will also be supported by grant funding of up to €2 million from the Swedish International Development Cooperation Agency (Sida). The funding will aim at improving the quality of customer service through the installation of individual heat substations and the introduction of heat meters. Over 13,000 people are expected to benefit from this project.

The project will help Bosnia and Herzegovina meet its renewable energy targets for 2020 as set out in the Energy Community Treaty for South Eastern Europe. The country aims at an 80 per cent reduction of CO₂ emissions by that date.

To complement the investments, technical co-operation support for procurement assistance and corporate development measures is also being financed by Sida with additional resources of €550,000.
The EBRD and EU are funding greener public transport systems in Moldova’s second city.

The new vehicles were presented to the public on the occasion of Bălți’s City Day and were the result of a €3 million EBRD loan and a €1.6 million capital grant by the EU’s Neighbourhood Investment Facility (NIF). The new fleet replaced trolleybuses that were more than 20 years old and preceded a second batch to follow in the upcoming weeks.

Lower floors make the trolleybuses more easily accessible, especially to the elderly, families with children and people with walking disabilities. They are also more energy efficient and require far less maintenance than their 20-year old predecessors – a great plus for the local residents (a more reliable service) and for the client (lower costs), the Bălți Trolleybus Department. In total, more than 70 per cent of all their trolleybuses will be replaced thanks to the EBRD/EU project.

Bălți is the second city in Moldova where the EBRD and the EU have introduced greener trolleybuses. In Chisinau, more than 100 new vehicles replaced an old, Soviet-era fleet three years ago.
The EBRD is providing a €120 million loan to the Saïss Water Conservation Project in Morocco that will help protect the country’s agricultural sector from the impact of climate change. The EBRD’s financing for the Saïss Water Conservation Project for the construction of irrigation infrastructure is being supported by a co-financing grant of €32 million from the Green Climate Fund (GCF).

In Morocco, extreme water scarcity is being exacerbated by the impacts of climate change, and the unsustainable use of groundwater is leading to a reduction in groundwater reserves, posing a severe threat to agricultural production and rural livelihoods.

The Bank’s investment in the Morocco Saïss Water Conservation Project will improve climate resilience with support for the development of a transformative water transfer scheme that will deliver more than 100 million cubic metres of irrigation water to the Saïss plain each year. It will enable a switch from highly unsustainable groundwater to the use of sustainable surface water resources, as well as improving access to best-practice and efficient irrigation techniques.

The investment will also bolster community involvement in water governance by scaling up technical skills and institutional capacities and promoting private sector involvement in the adoption of improved, modern irrigation infrastructure and equipment. This will increase the efficiency of water use and services and promote drip irrigation and modern water demand management methods, strengthening the capacity for climate change adaptation in the Sebou-Saïss basin.
The EBRD has provided a senior loan of up to USD 80 million to support the completion of Phase I of the Abdali Urban Regeneration Project (“AURP”), a major urban regeneration of the centre of Amman and currently the largest project of this kind in the SEMED region.

The proceeds of the Loan will be used to finance the development and operation of a food, retail and entertainment centre currently being developed by the Abdali Mall Company positioned in the heart of AURP with an anchoring role of serving as a footfall generator for the wider scheme.

As Jordan is one of the world’s most water-stressed countries and highly vulnerable to the impacts of climate change on its scarce water resources, the AURP is striving to become an exemplary benchmark in terms of sustainable and climate-resilient urban regeneration. This includes the use of ground-breaking innovative solutions such as low-water use, efficient heating and cooling systems, integrated waste water treatment and grey water recycling that is of high importance for the region. The rain water harvested during the rainy season (November to March) will be led to municipal rain water storages in order to replenish municipal water resources.
The European Bank for Reconstruction and Development (EBRD) is providing a loan of up to €200 million to Société Nador West Med to finance the basic infrastructure for a new port on the Mediterranean coast of Morocco, 30 km from the town of Nador.

The development of the port is a major boost for eastern Morocco and is expected to promote the development of the Oriental region by generating economic growth and creating new jobs. However, the project location is exposed to a number of physical climate change hazards such as sea level rise, increased storminess and more frequent extreme heat events.

In response, the project includes the installation of surfacing, mechanical and electrical equipment designed to withstand projected temperature extremes, surface drainage able to cope with extreme rainfall and overtopping events, and storage facilities able to withstand extreme temperatures and extreme weather events. It also includes an analysis of breakwater design to take into account expected sea-level rise over the design life of the port, and the adoption of Emergency Response Plan and Coastal Erosion Monitoring Scheme.

In addition, €1 million of technical cooperation assistance funded by the EBRD Shareholder Special Fund and the SEMED Multi-Donor Account will provide management support, a lender's monitoring consultant and will facilitate the implementation of the environmental and social action plan.
The European Bank for Reconstruction and Development (EBRD) is supporting the modernisation of Korporata Elektroenergjitike Shqiptare (KESH), the largest generator of electricity in Albania, with a €218 million loan to support a company restructuring and reform package.

KESH is a state-owned electricity generation company that provides 70 per cent of total domestic generation and is active in the regional energy-generating sector. Helping KESH modernise and improve its financial standing, as well as building resilience in the face of climate vulnerabilities, is part of the EBRD’s strategy to help the countries where it invests to address challenges of energy security and climate change.

The EBRD loan will be sovereign-guaranteed and provide KESH with long-term financing which will reduce costs and increase liquidity. This will free up resources to allow the company to focus on the maintenance of existing assets and the implementation of a long-term investment and modernisation programme.

Under a comprehensive reform package, KESH will also improve its corporate governance and operational efficiency. The implementation of these changes will allow KESH to comply with the requirements of relevant EU regulations in the energy sector. These provisions include the development of a power exchange, regional integration and tariff formation. The EBRD is also providing technical assistance from its own donor funds to help KESH implement climate resilience components in its daily operations and management.
A long-term loan of up to EUR 150 million (or the equivalent in TRY) to Arcelik A.S. (the "Company"), a Turkish company engaged in production, sales and aftersales services of consumer durable goods and consumer electronics, to finance energy and resource efficiency investments at the Company's refrigerator plant in Eskisehir and washing machine plant in Cayirova, as well as the planned investment in a new R&D technology centre in Istanbul.

The Project is in line with EBRD's Strategy for Turkey as it supports (i) competitiveness of Arcelik and the consumer durables industry overall through financing R&D investments and new product development; and (ii) the energy and resource efficiency improvements both at the production facility and at the consumer level. The Project is also aligned with the EBRD's Green Economy Transition (GET) Approach given the associated CO2 emission savings.

The transition impact of the Project will be derived from:

(i) the Competitive quality as a portion of Bank financing will be used for establishment of a large scaled technology centre, improving Arcelik's innovation capabilities and its cooperation with local universities; and,

(ii) the Green quality, where through modernization investments in the production processes, development of new energy and resource efficient products and construction of an LEED certified R&D building, c. 90K tonnes per annum direct and indirect CO2eq savings are expected. In this respect, the Project is fully aligned with GET.
Provision of a long term senior loan of EUR 41 million, comprised of EUR 23 million A loan for the Bank’s own account, to the joint venture Toplana Zenica d.o.o. for the construction of a new Combined Heat & Power Plant (CHP). The new CHP plant, Toplana Zenica, will supply power to Zenica, the fourth largest city in Bosnia and Herzegovina with a population of over 160,000, and also to its largest employer, the ArcelorMittal steel plant. The Project will entail the replacement of all outdated, coal-based steam generators with modern units fully using recovery gases from the steelworks and natural gas (as back up).

The project will be implemented by a joint venture formed by ArcelorMittal Zenica, the City of Zenica, KPA Unicon (Finland) and Finnfund (Finland) and result in major environmental improvements as well as more cost efficient production of energy.

The proposed project will replace and modernise the existing CHP and provide sustainable source of power and heat for the City of Zenica and Arcelor Mittal Zenica, and will substitute the use of coal with the use of process gases from the steelworks as fuel, and as a result achieve substantial reduction in CO2 emissions, as well as improvement in dust, NOx and SO2 emissions, primarily resulting from the replacement of equipment with new BAT units as well as change in fuel mix (discontinuing use of coal and maximising the recovery of waste gases from the steel plant). The Project will also significantly improve the reliability of district heating supply to the City.
Provision of a EUR 30 million long-term loan to Scandagra Group A.B. ("Scandagra" or the "Company"), a leading agribusiness trader and inputs supplier to farmers in the Baltics region.

In a significant contribution to the development of green agribusiness in the Baltic states, the EBRD is providing Scandagra Group AB with a loan of up to €30 million for its long-term working capital needs. The EBRD financing will support Scandagra in expanding and promoting organic, sustainable and innovative agricultural practices in the Baltics, including through R&D and farmer trainings, scaling up test fields, and supply and procurement of organic products.

Scandagra Group is active in Estonia, Latvia and Lithuania as an agribusiness trader and inputs supplier to over 1,000 farmers operating in those countries. The company is a joint venture between the Swedish cooperative Lantmännens ek. för and the Danish cooperative Dansk Landbrugs Grovvareselskab a.m.b.a. (DLG), both leading agri-cooperatives in Scandinavia and northern Europe.

Technical cooperation funds of up to €60,000 will be mobilised for training farmers to promote the proliferation of sustainable agricultural practices.
The provision of up to EUR 40 million senior unsecured loan to SIJ-Acroni and SIJ-Metal Ravne, the fully owned subsidiaries of Slovenska Industrija Jekla d.d. ("SIJ" or the "Company"). The Bank's financing will be part of up to EUR 240 million long-term facility.

Proceeds from the EBRD's investment will be used to support SIJ’s development and modernisation programmes, including the installation of an argon oxygen decarburisation furnace, with the broad aim of increasing efficiency and reducing energy and water consumption. SIJ will undertake additional commitments to improve the management of their environmental, health and safety systems.

Specifically, the Bank’s proceeds will be used for investment purposes to co-finance installation of the state-of-the-art equipment leading to improved efficiency of the operations i.e. Argon Oxygen Decarburization furnace. Improvements are in line with BAT and go beyond minimum BAT performance. ISO 50001 has been implemented in the facility.

SIJ has a strong record in implementing industrial modernisation projects in Slovenia. As well as supporting the company in implementing the next stage of its development, the EBRD sees this engagement as an opportunity to work with the company to execute a multi-year investment programme to drive SIJ’s production and sustainability standards towards international best practice.
The project will introduce innovative energy efficiency measures in the Egyptian gas transmission network. The energy efficiency investments will aim to deploy technical and feasible projects with very limited penetration in the Egyptian sector in the following areas:

1. Waste heat recovery technologies;
2. Turbo-expanders technologies at natural gas pressure reduction stations;
3. Other resource efficiency and environmental investments including an LPG separation plant and CO2 and mercury removal systems;

In parallel to the capital expenditure investments, the Bank will be supporting the liberalisation of the Egyptian gas market and implementation of the new Gas Market Law through Technical Cooperation (TC) funding.

Through the energy efficiency investments, the project will help conserve considerable amounts of currently used energy, and as such yield significant greenhouse gas emission savings in excess of 250,000 tonnes of CO2e a year.

TC support will assist Egypt in the practical implementation of the new Gas Market Law and liberalisation of the domestic gas market.
A senior project finance secured loan of USD 74 million to Zarqa Le Tawleed Al Takah Al Kahrabaieyah to finance replacement of the oil based 351 MW Hussein Thermal Power Station (HTPS) with highly efficient 485 MW combined cycle gas turbine (CCGT) power plant in Zarqa, 40 km north-east of Amman, Jordan (the Project).

The Project will provide vital energy capacity to Jordan and is of strategic importance for the energy security of the country.

Setting standards for corporate governance and business conduct: The Project will replace the inefficient HTPS with modern CCGT technology, providing vital additional generating capacity to contribute to system stability and reliability of supply in Jordan. Plant efficiency is expected to double, leading to savings in fuel consumption and greenhouse gas emissions. Furthermore, the new plant will be primarily fired on gas, a cleaner fuel than the heavy fuel oil and light diesel oil used by the existing plant, thus resulting in reduced SO2 and particulate emissions as well. Finally, EBRD will also require that the existing HTPS be fully dismantled and any contaminated land be rehabilitated in line with best international practice.

More widespread private ownership: The Project will increase the volume of privately-owned generating capacity in Jordan, strengthening the role of the private sector in supplying energy to the Jordanian system. It will also increase the volume of generation that is paid for at full cost recovery levels.
The EBRD has provided a sovereign guaranteed loan to the National Electric Power Company (NEPCO) to assist NEPCO in its reforms and developing Jordan's electricity sector. The Project will support NEPCO to adapt its operations to allow for further development of renewable energy in Jordan and to decarbonise the power sector.

The proceeds of the Bank's loan will be used for NEPCO to (i) finance capital expenditures to improve renewable energy integration, including smart grid systems and new substations; and (ii) refinance existing debt to lengthen the tenors and provide terms more consistent with its operations.

The Project will contribute to the Competitive and Well-Governed transition qualities through a combination of capex investment and technical cooperation. Specifically, the Project will:

1) Promote renewable energy by enhancing the capabilities of the grid to absorb and manage power produced by renewable energy sources; and

2) Strengthen and reform NEPCO to improve the electricity sector's sustainability.
Annex B – Use of Proceeds Bond Documentation and SDG mapping
The following provisions are included in green bonds issued under the Bank’s MTN Programme:

- The language set out under the heading “Use of Proceeds” in the Offering Circular shall be replaced for these Notes by the following:

- The proceeds of the Notes issuance will be used towards the Issuer’s environmental projects in accordance with and subject to the following provisions:

- An amount equivalent to the net proceeds of the Notes will be allocated within the Issuer’s Treasury liquidity pool to a portfolio that is separately monitored by the Issuer. So long as any of these Notes are outstanding, if the overall balance of such portfolio exceeds the overall amount of the Issuer’s [Green Project Portfolio/Climate Resilience Portfolio/Green Transition Portfolio] (as defined below), the remaining balance may only be invested by the Issuer in certificates of deposits, commercial paper, bank deposits, repurchase transactions or other money-market instruments, as determined by the Issuer.
Use of Proceeds Language in ESB Documentation 2/4

- “Green Project Portfolio” shall mean, as determined by the Issuer, the sum of all loans and investments that are funded, in whole or in part, by the Issuer and in respect of which the entire or substantially the entire amount disbursed or invested is directed at, as determined by the Issuer, any of the following areas: energy efficiency, renewable energy, water management, waste management, air pollution prevention and sustainable transport.

Examples of projects in the Green Project Portfolio include, without limitation, financings of:

- Renewable energy projects, such as
  - photovoltaic installations, and production of photovoltaic cells/modules,
  - installation of wind turbines,
  - construction of small hydro power plants and mini-hydro cascades,
  - geothermal and biomass energy facilities
- Rehabilitation of transmission/distribution facilities to reduce total greenhouse gas ("GHG") emissions and allow for increased integration of renewable electricity in the grid, e.g. smart distribution networks
- Modernisation of industrial installations to reduce total GHG emissions and other pollution
- New technologies that result in significant reductions in total GHG emissions
- Greater efficiency in mass transportation, such as investment in fuel-efficiency (fleet replacement) or more energy efficient infrastructure
- Methane capture on waste landfills and waste water treatment plants
- Rehabilitation of municipal water/waste water infrastructure to improve drinking water quality and wastewater treatment and reduce water consumption and waste water discharges
- Improvements to solid waste management (minimisation, collection, recovery, treatment, recycling, storage and disposal)
- Energy efficiency investments in existing buildings (insulation, lighting, heating/cooling systems)
- Investments to improve efficiency of industrial water use
- Sustainable and stress-resilient agriculture, including investments in water-efficient irrigation
- Sustainable forest management, reforestation, watershed management, and the prevention of deforestation and soil erosion.

The above examples are illustrative only and no assurance can be provided that investments in projects with these specific characteristics will be made.
Use of Proceeds Language in CRB Documentation 3/4

- “Climate Resilience Portfolio” shall mean, as determined by the Issuer, the sum of all loans and investments that are funded, in whole or in part, by the Issuer and in respect of which the amount disbursed or invested is directed at, as determined by the Issuer, climate resilient investments through financing or refinancing projects that are intended to maintain or enhance the resilience of the asset to climate change over its expected life and/or to contribute to the climate resilience of the system.

Examples of projects in the Climate Resilience Portfolio include, without limitation, financings of:

- Investments in climate-resilient infrastructure, which may include:
  - Water infrastructure, such as climate-resilient water supplies, wastewater treatment, water conveyance systems and irrigation systems, etc.
  - Energy infrastructure, such as climate-resilient electricity generation, transmission and distribution systems, etc.
  - Transport infrastructure, such as climate-resilient land transport systems, ports, airports and intermodal transport, etc.
  - Urban infrastructure, such as climate-resilient buildings (e.g. insulation, lighting, heating/cooling systems), and the built environment, etc.
  - Communications infrastructure, such as climate-resilient telecommunications systems, broadband, data servers, etc.

- Investments in climate-resilient business and commercial operations, which may include:
  - Improving water use efficiency in industry, manufacturing etc.
  - Reducing the vulnerability of businesses and their value chains to extreme weather events such as floods, storms, droughts, heatwaves, etc.

- Investments in climate-resilient agricultural & ecological systems, which may include:
  - Sustainable and stress-resilient agriculture, including investments in water-efficient irrigation, etc.
  - Sustainable forest management, reforestation, watershed management, and the prevention of deforestation and soil erosion, etc.

The above examples are illustrative only and no assurance can be provided that investments in projects with these specific characteristics will be made.
The “Green Transition Portfolio” shall mean, as determined by the Issuer, the sum of all loans and investments that are funded in whole or in part by the Issuer and in respect of which the amount disbursed or invested is directed at, as determined by the Issuer, green transition through financing or refinancing projects that are intended to enable significant improvements towards decarbonisation and/or improved resource efficiency in key sectors of the economy.

While a minimum of 50 per cent of the loan or investment must be specifically designated to ensuring the green transition of the asset or project, the requirement to ensure improved climate governance of the related organisation or company in consistency with the transition objectives allows the entire amount of any such EBRD’s loans to be included in the Green Transition Portfolio.

Examples of projects in the Green Transition Portfolio include, without limitation, financings of:

- Investments in decarbonisation and resource efficiency including circular economy products in manufacturing, which may include:
  - chemical production
  - cement production
  - steel production

- Investments in food production which may include:
  - Improving resource efficiency in agribusiness
  - Promoting sustainable land use

- Investments in activities that enable green transition, which may include:
  - electricity grids
  - supply chains
  - low carbon transport (including infrastructure)
  - green logistics
  - ICT solutions

- Investments in construction and renovation of buildings

The above examples are illustrative only and no assurance can be provided that investments in projects with these specific characteristics will be made.
Use of Proceeds mapped to SDGs 1/5

Climate Projects

Green Bond categories “Renewable Energy” and “Energy Efficiency”:
• Renewable energy projects, such as
  • photovoltaic installations, and production of photovoltaic cells/modules,
  • installation of wind turbines,
  • construction of small hydro power plants and mini-hydro cascades,
  • geothermal and biomass energy facilities
• Rehabilitation of transmission/distribution facilities to reduce total greenhouse gas ("GHG") emissions and allow for increased integration of renewable electricity in the grid, e.g. smart distribution networks
• Modernisation of industrial installations to reduce total GHG emissions and other pollution
• New technologies that result in significant reductions in total GHG emissions
• Greater efficiency in mass transportation, such as investment in fuel-efficiency (fleet replacement) or more energy efficient infrastructure
• Energy efficiency investments in existing buildings (insulation, lighting, heating/cooling systems)

Sustainable Development Goals:
SDG 7 Affordable and Clean Energy
✓ 7.1 By 2030, ensure universal access to affordable, reliable and modern energy services
✓ 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
✓ 7.3 By 2030, double the global rate of improvement in energy efficiency
✓ 7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology
✓ 7.a.1 Mobilized amount of United States dollars per year starting in 2020 accountable towards the $100 billion commitment
✓ 7.b By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services
SDG 8 Decent Work and Economic Growth
✓ 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation
SDG 9 Industry, Innovation and Infrastructure
✓ 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure
✓ 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes
Green Bond categories “Renewable Energy” and “Energy Efficiency”:

- Renewable energy projects, such as:
  - photovoltaic installations, and production of photovoltaic cells/modules,
  - installation of wind turbines,
  - construction of small hydro power plants and mini-hydro cascades,
  - geothermal and biomass energy facilities
- Rehabilitation of transmission/distribution facilities to reduce total greenhouse gas ("GHG") emissions and allow for increased integration of renewable electricity in the grid, e.g. smart distribution networks
- Modernisation of industrial installations to reduce total GHG emissions and other pollution
- New technologies that result in significant reductions in total GHG emissions
- Greater efficiency in mass transportation, such as investment in fuel-efficiency (fleet replacement) or more energy efficient infrastructure
- Energy efficiency investments in existing buildings (insulation, lighting, heating/cooling systems)

**Sustainable Development Goals:**

**SDG 11 Sustainable Cities and Communities**
- 11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport
- 11.c Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials

**SDG 12 Responsible Consumption and Production**
- 12.c Rationalize inefficient fossil-fuel subsidies that encourage wasteful consumption by removing market distortions

**SDG 13 Climate Action**
- 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
- 13.a Implement the commitment undertaken by developed-country parties to the United Nations Framework Convention on Climate Change to a goal of mobilizing jointly $100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation

**SDG 17 Partnerships for the Goals**
- 17.3 Mobilize additional financial resources for developing countries from multiple sources
- 17.7 Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries
- 17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources
- 17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships
Green Bond categories “Water Management”, “Waste Management” and “Air Pollution Prevention and Sustainable Transport”:

- Greater efficiency in mass transportation, such as investment in fuel-efficiency (fleet replacement) or more energy efficient infrastructure
- Methane capture on waste landfills and waste water treatment plants
- Rehabilitation of municipal water/waste water infrastructure to improve drinking water quality and wastewater treatment and reduce water consumption and waste water discharges
- Improvements to solid waste management (minimisation, collection, recovery, treatment, recycling, storage and disposal)
- Investments to improve efficiency of industrial water use
- Sustainable and stress-resilient agriculture, including investments in water-efficient irrigation
- Sustainable forest management, reforestation, watershed management, and the prevention of deforestation and soil erosion.

Sustainable Development Goals:

**SDG 2 Zero Hunger**
- 2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality

**SDG 3 Good Health and Well-Being**
- 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination

**SDG 6 Clean Water and Sanitation**
- 6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all
- 6.2 By 2030, achieve access to adequate and equitable sanitation and hygiene for all
- 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials,
- 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
- 6.6 By 2030, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes

**SDG 8 Decent Work and Economic Growth**
- 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation
Use of Proceeds mapped to SDGs 4/5

Sustainable Resource Projects (cont’d I)

Green Bond categories “Water Management”, “Waste Management” and “Air Pollution Prevention and Sustainable Transport”:

- Greater efficiency in mass transportation, such as investment in fuel-efficiency (fleet replacement) or more energy efficient infrastructure
- Methane capture on waste landfills and waste water treatment plants
- Rehabilitation of municipal water/waste water infrastructure to improve drinking water quality and wastewater treatment and reduce water consumption and waste water discharges
- Improvements to solid waste management (minimisation, collection, recovery, treatment, recycling, storage and disposal)
- Investments to improve efficiency of industrial water use
- Sustainable and stress-resilient agriculture, including investments in water-efficient irrigation
- Sustainable forest management, reforestation, watershed management, and the prevention of deforestation and soil erosion.

Sustainable Development Goals:

SDG 9 Industry, Innovation and Infrastructure
- 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure
- 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes

SDG 11 Sustainable Cities and Communities
- 11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport
- 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
- 11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces

SDG 12 Responsible Consumption and Production
- 12.2 By 2030, achieve the sustainable management and efficient use of natural resources
- 12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses
- 12.4 By 2030, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle
- 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
- 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
Use of Proceeds mapped to SDGs 5/5
Sustainable Resource Projects (cont’d II)

Green Bond categories “Water Management”, “Waste Management” and “Air Pollution Prevention and Sustainable Transport”:

- Greater efficiency in mass transportation, such as investment in fuel-efficiency (fleet replacement) or more energy efficient infrastructure
- Methane capture on waste landfills and waste water treatment plants
- Rehabilitation of municipal water/waste water infrastructure to improve drinking water quality and wastewater treatment and reduce water consumption and waste water discharges
- Improvements to solid waste management (minimisation, collection, recovery, treatment, recycling, storage and disposal)
- Investments to improve efficiency of industrial water use
- Sustainable and stress-resilient agriculture, including investments in water-efficient irrigation
- Sustainable forest management, reforestation, watershed management, and the prevention of deforestation and soil erosion.

Sustainable Development Goals:

SDG 14 Life Below Water
- 14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution
- 14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience

SDG 15 Life on Land
- 15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands
- 15.2 By 2020 promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally
- 15.3 By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world
- 15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species
- 15.8 By 2020, introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species
Section 7

Annex C – Technical Notes
1. Set out the climate vulnerability context of the project

Adaptation finance may be identified in projects that clearly set out the context of climate vulnerability using a robust evidence base. Project documents may refer to existing analysis and reports or to original, bespoke climate vulnerability assessments such as those carried out as part of project preparation. Good practice in the use of existing analyses or reports includes citing authoritative, preferably peer reviewed sources such as academic journals, national communications to the UNFCCC, Nationally-Determined Contributions (NDCs), reports of the Intergovernmental Panel on Climate Change (IPCC), or Strategic Programmes for Climate Resilience (SPCRs). Good practice in conducting original, bespoke analysis entails use of records from trusted sources which documents vulnerability of communities or ecosystems to climate change, as well as use of recent climate trends including any departures from historic means. These may be combined with climate change projections drawn from a wide range of climate change models, with high and low greenhouse gas (GHG) emissions scenarios, to explore the full array of projected outcomes and uncertainties. Climate projection uncertainties should be presented and interpreted in a transparent way. The timescale of the projected climate change impacts should match the intended lifespan of the assets, systems or institutions being financed through the project.

2. Make an explicit statement of intent to address climate vulnerability

The project should set out the explicit intention to address the context- and location-specific climate change vulnerabilities in response to the project’s climate vulnerability assessment. An explicit objective to reduce climate vulnerability is important to distinguish between a development project contributing to climate change adaptation and a standard development project. The methodology is flexible on the location and form of this statement of intent in the document, as long as the rationale for each adaptation element linked to the described climate vulnerability context can be recorded and tracked. Climate change adaptation projects customarily state the intention to reduce vulnerability in the final technical document, documents for Board approval, internal memos or other associated project document.

3. Articulate a clear and direct link between the climate vulnerability context and the specific project activities

In line with the principles of the overall MDB climate finance tracking methodology, the estimation of GET adaptation finance is based on finance allocated for specific project activities that are clearly linked to the project’s climate vulnerability context.
Reporting
Methodological References

• How to implement our performance requirements

• Guidance on EBRD’s methodology for assessing greenhouse emissions

• Framework for a Harmonised Approach to GHG Accounting

• Based on the above Framework – Sector approaches for Renewable Energy, Energy Efficiency and Transport
Reporting Monitoring Approach

• All of the projects we finance are subject to due diligence before approval to assess their compliance with our Environmental and Social Policy (ESP).

• All EBRD’s directly financed projects are subject to a methodical systems approach, which includes reviewing and reacting to outcomes in a structured way, aiming for continuous improvement, and to ensure compliance with all social and environmental commitments in the legal documentation.

• Projects are monitored over the term of our investment through self-reporting by clients and, where appropriate, site visits by our specialists and consultants.

• More complex projects may also involve additional mechanisms such as regular reports from independent monitoring consultants or staged disbursements dependent on the attainment of action plan milestones.

For further information, please see:
How to Contact the EBRD Funding Team

**Funding:**

Isabelle Laurent, Deputy Treasurer and Head of Funding: laurenti@ebrd.com

Charles Smith, Senior Funding Officer: smithc@ebrd.com

Aziz Jurayev, Senior Funding Officer, Local Currency Funding: jurayeva@ebrd.com

Stefan Filip, Senior Funding Officer: filips@ebrd.com

Giulia Franzutti, Principal, Funding: franzutg@ebrd.com

Taro Morris, Associate, Funding: morrist@ebrd.com

Funding desk group email: fundingdesk@ebrd.com

Bloomberg

Tel: +44 (0)20 7628 3953

Fax: +44 (0)20 7338 7335

**Treasurer:**

Axel Van Nederveen - Treasurer: vannedea@ebrd.com

Tel: +44 (0)20 7338 7370

Disclaimer

This information is provided for discussion purposes only, may not be reproduced or redistributed and does not constitute an invitation or offer to subscribe for or purchase any securities, products or services. No responsibility is accepted in respect of this presentation by its author, the European Bank for Reconstruction and Development (the "Bank") or any of its directors or employees (together with the author and the Bank, the "EBRD") for its contents. The information herein is presented in summary form and does not attempt to give a complete picture of any market, financial, legal and/or other issues summarised or discussed. The EBRD is not acting as your advisor or agent and shall have no liability, contingent or otherwise, for the quality, accuracy, timeliness, continued availability or completeness of the information, data, calculations nor for any special, indirect, incidental or consequential damages which may be experienced because of the use of the material made available herein. This material is provided on the understanding that (a) you have sufficient knowledge and experience to understand the contents thereof; and (b) you are not relying on us for advice or recommendations of any kind (including without limitation advice relating to economic, legal, tax, regulatory and/or accounting risks and consequences) and that any decision to adopt a strategy, deal in any financial product or enter into any transaction is based upon your own analysis or that of your professional advisors, whom you shall consult as you deem necessary.