

About the Report

“The goal of sustainable development is to meet the needs of the present without compromising the ability of future generations to meet their own needs.”

Source: Global Reporting Initiative. 2006. *Sustainability Reporting Guidelines*. <http://www.globalreporting.org>, p. 2. based on the Bruntland Commission Report.

Sustainability reporting is becoming commonplace in the corporate world as companies respond to demands from shareholders and the public for greater accountability and responsibility for their actions as local and global citizens. Such expectations now extend to multilateral development institutions, and ADB is pleased to present here its first sustainability report.

Structure. The content of the report responds to the guidelines of the Global Reporting Initiative (GRI), while adapting to the characteristics of ADB’s work and the multiple audiences interested in the report’s information.

A coalition of corporations concerned about private sector responsibility for environmental protection launched the GRI in 1997 in cooperation with the United Nations Environment Programme (UNEP). The GRI’s goal is to enhance “the quality, rigor, and utility of sustainability reporting.” The report has been prepared pursuant to the third set of guidelines issued by the GRI.¹

While the GRI guidelines have been refined and adapted to the needs perceived by stakeholders, they remain applicable primarily to private

businesses. Like other multilateral development institutions, ADB has tailored its sustainability reporting to its development work.

Focus. The report highlights how ADB’s efforts on the environment, social development, and governance aim to help improve the lives of the poor in the Asia and Pacific region in ways that do not “compromise the ability of future generations to meet their needs.”² The report also shows how ADB manages its headquarters facilities to minimize impact on the environment.

This report is intended to serve the interests of a wide audience of stakeholders, including ADB member governments, ADB staff, the international development community, academia, international and national civil society organizations, socially responsible investment organizations and fund managers, public and private sector proponents of projects in which ADB is involved, and the beneficiaries of those projects in Asia and the Pacific.

Content. The report is meant to provide ready reference to ADB’s relevant policies, practices, and programs, while also furnishing sources for additional related information.

The Asian Development Bank is a multilateral development finance institution. It provides financing and knowledge products to foster development. ADB focuses on reducing poverty in its client countries, which are also its members and shareholders. ADB is the only multilateral development bank specializing in Asia and the Pacific.

Part 1 of the report provides information and specific data about ADB operations, as an introduction for readers who wish to know more about our organization.

Part 2 provides a special focus on how our environment, social, and governance work supports the sustainability of development. It also discusses how we often work in partnership with others in our efforts to achieve this goal.

Part 3 presents information about our corporate operations and staff, and how we are working to reduce our corporate environmental footprint, especially at our Manila headquarters.

Finally, we have included an appendix that cross-references the report's contents with the elements included in the most recent GRI index. It also provides sources for readers interested in obtaining additional information.

The report has been formulated with input, advice, and guidance from an interdepartmental working group at ADB and many ADB staff.

This is ADB's first exercise in sustainability reporting, and we hope that it will help readers who are not familiar with ADB's structure and activities to better understand who we are, what motivates the organization, and how we operate. We have tried to satisfy the needs of the multiple

audiences this report is meant to serve, and your feedback is encouraged.³

Terminology and usage. Given the diverse readership of this report, we have attempted to keep the language appropriate to a wide audience. This has sometimes meant adopting terminology that might not always coincide with ADB's norms or technical definitions. We have emphasized employing terms as they are commonly used, with the following important distinctions:

- ◆ In ADB's Charter, our region of operational responsibility is referred to as "Asia and the Pacific." However, at times this is cumbersome, and "Asia" is often used to refer to the entire area, including the Pacific islands.
- ◆ ADB's "Management" refers to its president and four vice presidents.
- ◆ "Developing member countries" (DMCs) is ADB's official term for its shareholders that are also clients. To simplify, the report uses the term "client countries," which does not imply any view on the part of ADB as to a member's sovereignty or independent status. Furthermore, ADB's clients include not only national governments; but state, provincial, or municipal governments, as well as private sector entities.
- ◆ Our "development partners" are entities we work with to further development in our client countries and in the region. Such partners include government agencies; other

One of the three pillars of ADB's current medium-term strategy is "addressing environmental sustainability"... "The region is experiencing high environmental stress as a result of demographic pressure, combined with high growth."

Medium-Term Strategy II 2006–2008. <http://adb.org/Documents/Policies/>

- multilateral development banks; multilateral and bilateral development agencies; nongovernment organizations (NGOs); the private sector; state, provincial and municipal governments; and others.
- ◆ “Projects” refers to what ADB internally calls “projects,” “programs,” and/or “technical assistance.”
 - ◆ “Financing” is used as an umbrella term that includes ADB’s lending, grant, and technical assistance.
 - ◆ “Nonsovereign lending” refers to lending without guarantee from a national government.
 - ◆ The symbol “\$” refers to the US dollar throughout the report.