



Eurasian Development Bank

# The Sustainability Principles of the Eurasian Development Bank



**The Bank acknowledges the interdependency** of sustainable development, long-term economic growth and human prosperity and believes that commitment to the sustainability principles **is essential** for achieving long-term prosperity in the Eurasian region and improving the well-being of the people living there. **The EDB's 2022–2026 Strategy** highlights its role in supporting its Member States to achieve the UN Sustainable Development Goals. **The Bank aims to become Eurasia's leading sustainable financial institution**, creating significant positive impacts on society and promoting a more ethical and environmentally friendly approach to doing business. Further integration of ESG factors into the Bank's business processes is facilitated by **the EDB's Sustainable Development Principles**.

## PRINCIPLE 1

### SUSTAINABLE GOVERNANCE AND RESPONSIBLE INVESTMENT

The Bank integrates sustainable development principles into its operations and follows responsible business practices

## PRINCIPLE 2

### ESG RISK MANAGEMENT AS A PILLAR OF THE BANK'S ACTIVITIES

The Bank diagnoses and monitors ESG risks of projects and assesses their compliance with environmental, ethical, social criteria

## PRINCIPLE 3

### FINANCING MEANINGFUL SUSTAINABLE DEVELOPMENT

The Bank promotes green and fair transition in the Eurasian region and increases the share of projects with positive environmental and social effects in the portfolio

## PRINCIPLE 4

### SUPPORTING MEMBER STATES AND CLIENTS IN THEIR SUSTAINABILITY JOURNEY

The Bank supports member countries in achieving climate goals and co-operates with international organisations

## PRINCIPLE 5

### MANAGING OUR OWN OPERATIONS AND IMPACT

The Bank invests in the continuing professional development of its employees, sets an example of responsible corporate practices, and raises socio-ecological awareness

## PRINCIPLE 6

### ACCOUNTABILITY TO ALL STAKEHOLDERS

The Bank provides available and easily accessible information in order to increase stakeholder engagement and participation

# GENERAL PROVISIONS

The Eurasian Development Bank (hereinafter, the “Bank” or “EDB”) plays a unique integration role in its Member States, supporting the expansion of mutual trade and investment and fostering deeper socio-economic ties between the countries. The EDB acknowledges several factors essential to achieving the long-term prosperity of the Eurasian region and wellbeing of its communities. These are a strong commitment to sustainability principles, respect and regard for sustainability priorities, and the implementation of advanced knowledge and best sustainability practices.

The Bank’s 2022–2026 Strategy highlights its role in supporting its Member States to achieve the United Nations Sustainable Development Goals (hereinafter, the “UN SDGs”). The Bank recognises that although some priorities may be reconsidered in response to changes in the macroeconomic environment, the outlook of its stakeholders, or emerging economic challenges, the social focus on sustainable development should remain, and its significance for the business landscape should increase.

The Bank acknowledges the interdependency of sustainable development, long-term economic growth and human prosperity. The Bank aims, therefore, to become Eurasia’s leading sustainable financial institution, creating significant positive impacts on society and promoting a more ethical and environmentally friendly approach to doing business.

In formulating its approach to sustainability, the EDB considers UN-led and other widely accepted principles, treaties and commitments, best practice in multilateral development banks and other leading financial institutions, the needs of its Member States, their economic strategies and approaches to sustainability, business goals and community values, and the Bank’s own expertise, achievements and accountability to its stakeholders.

The Sustainability Principles of the Eurasian Development Bank (hereinafter, the “Principles”) promote further integration of environmental, climate, social and governance factors into the business practices and financial operations that span its entire value chain, consistent with its mandate and to the benefit of sustainable development in the Eurasian region. The Principles outlined inform every aspect of the operations, actions and decisions of the Bank’s management bodies and employees. The Bank is confident that these Principles will have the support of its broad base of stakeholders.

## PRINCIPLE 1. SUSTAINABLE GOVERNANCE AND RESPONSIBLE INVESTMENT

The Bank is guided by the need to ensure appropriate governance and oversight of the most fundamental contributors to sustainability and to prioritise their consideration in strategic and operational decision-making.

The Bank will adopt a collaborative approach in addressing the most complex, cross-functional and strategic sustainability issues. The Bank aims to ensure its executives have the advanced knowledge and capability required to respond to the ever-evolving dynamics of the sustainable agenda.

The Bank seamlessly integrates sustainability principles into the operations of each business division, including its front office directorates and senior management, effectively organising activities and allocating responsibilities. The Bank aims to give all employees the opportunity

to acquire the knowledge and expertise required to make effective decisions relating to sustainability.

The Bank implements and strictly adheres to the highest principles of responsible business conduct based on the stringent requirements for accountability, responsibility, transparency and fairness in corporate behaviour and associated processes. The Bank has zero tolerance for actions and practices that violate or could potentially infringe ethical and moral standards and expects the same approach from all its counterparties and stakeholders.

The Bank undertakes to refine its internal regulatory framework and associated documents, including those related to project activities, in order to align them with existing and emerging sustainability market standards. The Bank systematically enhances risk assessment and mitigation processes in its investment activities and explores new projects which promise to have a positive impact in the future.

As and when required, the Bank updates its strategy, its country strategies and its industry portfolio priorities to reflect key sustainability goals and their influence on emerging risks, opportunities and perspectives in the Member States.

## PRINCIPLE 2. ESG RISK MANAGEMENT AS A PILLAR OF THE BANK'S ACTIVITIES

The Bank complies with the legislation of its Member States, taking into account the best investment practices of leading multilateral development banks and financial institutions in environmental, social and governance (hereinafter, "ESG") and risk management. This requires the application of the latest scientific knowledge and key market-based approaches, assimilating ESG considerations into the Bank's risk management architecture, core business operations and financing activities, and investment policy.

The Bank will adopt a comprehensive approach in assessing the exposure of new projects and business streams to ESG risks. The Bank executes stringent due diligence and monitoring oversight throughout the lifetime of a project. This framework allows for the timely implementation of measures to eliminate any adverse impacts of a project, and the option to consider divestment to prevent impact, proactively informing stakeholders about inherent sustainability risks and the corresponding mitigations.

The Bank seeks access to ESG-related data on an ongoing and ad-hoc basis in order to exercise its risk management and oversight duties throughout the project cycle, thus ensuring robust accountability and transparency regarding the impact of the Bank's investments.

The Bank aims to deploy strategies to ensure the long-term sustainability of projects, including their environmental safety and contribution to social well-being, maintaining a well-balanced portfolio.

The Bank reserves the right not to knowingly finance, either directly or through other financial institutions, nor provide any type of technical and non-financial support for, projects, businesses and economic activities that are not compliant with environmental, ethical or social criteria that accord with the Bank's values. This approach aims to prevent controversy and mitigate the risk of negative consequences, and to contribute to ethical and responsible financing in Eurasia.

## PRINCIPLE 3. FINANCING MEANINGFUL SUSTAINABLE DEVELOPMENT

The Bank upholds the principles of sustainable development both in its internal processes and in project financing. The Bank contributes to the green and fair transition in the Eurasian region. The EDB aims to maintain dialogue with key actors in international, regional and national markets on sustainability policy, and on developing and refining regulation in this field; to improve the investment products it offers; to optimise new and enduring funding sources; and to attract funding from international sources and via green, social and other sustainable debt instruments. The Bank contributes to the growth of climate-related investment in the region and aims to increase the share of projects in its investment portfolio which have net positive environmental and social impacts.

The Bank develops and fosters the growth of new sustainable finance instruments and helps to create the conditions to meet demand in the Eurasian market. The EDB supports the development of climate financial instruments and market-based innovation and offers ready-made solutions including, but not limited to, public-private partnerships, grants and loans.

The Bank ensures that the sustainable projects that it finances comply with leading global market principles, with the standards and guidelines of sustainable finance, and with national and regional green taxonomies, avoiding greenwashing or any other deliberate misrepresentation of published and unpublished information. The Bank respects the climate commitments of its Member States, contributing to the achievement of nationally determined contributions (NDCs) within the Paris Agreement and balancing climate transition with socioeconomic priorities in working towards achieving UN SDGs.

## PRINCIPLE 4. SUPPORTING MEMBER STATES AND CLIENTS IN THEIR SUSTAINABILITY JOURNEY

The Bank provides support for its Member States, clients and stakeholders in their promotion of long-term climate projects, improving the investment cycle of high-impact green projects, and helps them make consistent progress towards the UN SDGs and Paris Agreement provisions. Sustaining these projects in multiple sectors and business activities in Eurasia will inspire economy-wide transition to an environmentally resilient, climate-neutral and fair future.

The Bank extends technical and financial assistance to fast-track the execution of projects that promote the adoption of greener and more competitive business models. These projects include industrial and infrastructure modernisation and resource efficiency in carbon-intensive sectors, which are currently an essential pillar of the Eurasian economy and are highly exposed to the risk of becoming stranded assets due to decarbonisation policies. These measures will reduce the risk of expanding high-carbon industries and will widen the availability of credible decarbonisation pathways and science-based approaches to climate action.

The Bank facilitates the growth of investment in technologies, research and development in low-emission and natural solutions and projects with significant sustainability effects which may help the Member States to achieve net-zero targets within the declared timeframe.



In addition, the EDB carries out its own applied research and analytical reviews of the current status of and opportunities for low-carbon transition and sustainable development in the Eurasian region.

The Bank pursues strategic partnerships with international organisations, including UN-led organisations, financial institutions and development banks, public and private sector organisations, funds and non-governmental organisations, academic institutions and think tanks, and other sustainable development partners. Strengthening bilateral and multilateral cooperation contributes to the exchange of expertise, builds capacity, and creates opportunities for joint analytical research and innovation. It encourages the mobilisation of sustainable resources and advances sustainable development in Eurasia.

The Bank is committed to open dialogue with all stakeholders of the projects it finances, facilitating equitable, transparent and inclusive consultations and audiences with government authorities, representatives from civil society and non-governmental organisations, local community bodies and other interested parties. This approach includes offering complaints procedures and opportunities to give feedback, especially with regard to the environmental and social effects of projects.

## PRINCIPLE 5. MANAGING OUR OWN OPERATIONS AND IMPACT

The Bank strives to cultivate a values-based corporate culture which focuses on the highest standards of ethical and respectful business conduct and integrity, transparency and accountability at all levels and in all business processes. The Bank encourages a vibrant and inclusive working environment that fosters a strong ownership culture, builds inclusive leadership, and increases creativity and innovation for high performance and excellence. The EDB creates open channels of communication that stimulate meaningful dialogue and the exchange of ideas between stakeholders from different areas and with different viewpoints.

The Bank has created a comprehensive development strategy for its human capital, investing in programs and incentives to attract, retain and promote the most talented, engaged and productive employees. The Bank sees value in attracting people of diverse backgrounds, qualifications, cultural identities and perspectives, and is committed to equality, diversity, inclusion and human rights, which together form the basis for long-term competitiveness.

The Bank invests in the continuing professional development of its employees, supporting the organisation to achieve its strategic goals. Moreover, the EDB adheres to the latest standards of occupational health and safety and creates favourable working conditions to ensure the well-being of its employees.

The Bank aims to raise the socio-ecological awareness of its employees and executive leadership, providing access to knowledge and educational resources, and incentivising transformation to a sustainable mindset. The Bank encourages business and personal actions to reduce environmental and climate footprints, generating a multiplier effect from the positive contributions of each conscious and responsible individual and their influence on the planet and society at large.

The Bank leads by example as a sustainability-led organisation, embracing best practice for green and environmentally friendly buildings and offices. It aims to calculate its own environmental footprint and become carbon neutral in its operations, exploring the

availability and use of more eco-friendly products and minimising its reliance on non-recyclable and single-use goods and packaging.

The Bank also promotes sustainable procurement by engaging with and screening a diverse range of responsible suppliers, prioritising local vendors and locally sourced products, optimising business events and travel, and using online meetings.

The Bank aims to source clean and renewable energy from its utility providers and to switch to energy-efficient operations and electric transport. Whenever possible, the Bank uses natural lighting, heating, ventilation and cooling to reduce its energy consumption while providing comfortable office temperature and air quality for its employees, third-party contractors and visitors.

The Bank also improves its waste management practices through separated waste collection, recycling, water efficiency, and responsible management of e-waste, reusing supplies and materials whenever possible, and taking other measures to reduce the amount of waste generated.

## PRINCIPLE 6. ACCOUNTABILITY TO ALL STAKEHOLDERS

The Bank aims to be transparent in the disclosure of its sustainability performance indicators, ensuring that high-quality and objective information is made available and easily accessible to all stakeholders in a timely fashion. The Bank provides open access to all its official means of communication in order to increase stakeholder engagement and participation, the feedback process and sharing of views.



Eurasian Development Bank

**DIRECTORATE OF SUSTAINABILITY  
EURASIAN DEVELOPMENT BANK**

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The electronic version of the document is available at the Eurasian Development Bank website at <https://eabr.org/sustainability/>.

Your comments and suggestions concerning the document are welcome at: [esg@eabr.org](mailto:esg@eabr.org).

For more information on sustainability activities of the Bank, as well as a monthly ESG news digest in Eurasia, please visit the Eurasian Development Bank Telegram channel: [t.me/eabr\\_bank](https://t.me/eabr_bank).

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