

Report of the Board of Directors to the Board of Governors



European Bank
for Reconstruction and Development

Diversity and Inclusion in the EBRD Board of Directors 2023



Executive summary

This is the European Bank for Reconstruction and Development's (EBRD) first report on diversity within its Board of Directors, with a focus on assessing future developments in Board representation. It aims to increase awareness of diversity and inclusion among Board Officials and to start aligning the practices of the Board of Directors with the ambitious diversity and inclusion measures already in place at the EBRD.

The EBRD Board of Directors affirms that diversity and inclusion are, both in our institution and in the regions where we operate, central to cohesion, innovation and promoting economic growth.

This first annual report to the Board of Governors on EBRD Board diversity and inclusion (D&I) aims to help ground our Governors' decisions on representation in a sound understanding of the diversity of the Board. The ultimate goal – for which the Board established its own Diversity, Equity and Inclusion (DEI) Working Group in September 2023 – is to foster a Board that affirms and celebrates difference.

While the Board shows some diversity on all of the demographic dimensions captured, it faces similar challenges to peer international financial institutions (IFIs) in reflecting the societies that Board Officials represent. The representation of women on the Board has increased significantly since the Bank's inception, doubling over the past 15 years at Director level. However, the trend line has not shown a steady rise. The EBRD has an internal target of increasing female representation to parity at Corporate Leadership Group level by 2030, but the Board has yet to reach or, indeed, target gender parity at Director and Alternate Director level, and there remains, on average, an inverse relationship between female representation and level of responsibility.

Recognising that diversity encompasses much more than gender, this report also seeks to examine other aspects of Board diversity, to facilitate our efforts to drive inclusion from the top.

The Board has a responsibility to lead by example on D&I and has committed to developing a deeper, qualitative understanding of Board diversity challenges in future annual assessments of Board demographics and long-term trends. The Board also pledges to put its commitment to D&I into practice in Board Committee leadership selection, Board training regimens and broader institutional policies, in coordination with Management.

“Diversity and inclusion are at the heart of the EBRD's mission, and the economic development of our countries of operation depends on greater inclusion. It is important for international organisations such as the EBRD to set an example in their own governance, and I commend the work of the Board in promoting diversity within its ranks.”

Odile Renaud-Basso, EBRD President



Board diversity: putting it in context

Understanding Board diversity data is more meaningful in context. The Board affirms the principle that gender parity remains a relevant long-term benchmark for gender equity,¹ as recognised in the international system since the 1995 Beijing Declaration and consistent with numerous United Nations General Assembly resolutions. Women make up a consistent 51 per cent or so of the population in the European Union, the United States of America, Japan, the United Kingdom, Canada and the economies in which the EBRD operates, so gender parity remains a relevant issue. EBRD Management has internal targets of increasing female representation at Corporate Leadership Group level to 45 per cent by 2025 and 50 per cent by 2030.

In the short term, we can look to external benchmarks for institutional leadership to calibrate our progress. In recognition of the Bank's strong and continued commitment and action towards workplace gender equity, the EBRD has earned certification under the Economic Dividends for Gender Equality (EDGE) gender-binary standard since 2017 and achieved "Move" level since 2021. For the EBRD to progress to the next and top level of EDGE certification, one of the remaining requirements is to have female representation of at least 30 per cent at Board level.²

In 2023, the EBRD achieved EDGEplus Certification. According to the EDGE website³, "EDGEplus Certification (gender and intersectionality) is an add-on to EDGE (gender-binary) Certification, offering organisations the possibility to analyse data and information related to women and men as diversified groups, to deepen their understanding of, and to measure the intersectionality of gender and other aspects of diversity, such as non-binary gender identity and LGBTQ+, race/ethnicity, nationality, age, and working with a disability." Data on some of these

aspects of diversity vary across the economies where the Bank works and benchmarks remain unfeasible on such broad dimensions at present. Recognising the collection of diversity data as the first step in understanding strengths and opportunities, the EBRD has initiated a voluntary and confidential staff data campaign to build understanding of a number of broader diversity aspects.⁴ The Board has aligned with Management's initiative to promote a broadly inclusive workplace by embarking on voluntary diversity data collection for Board members, detailed later in this report, and engaging with staff networks to understand and uplift key diversity and inclusion initiatives across the Bank.

The Board also recognises that the EBRD is only one part of the broader ecosystem of IFIs, and shareholders have the right to make decisions about how to allocate talent across the institutions of which they are members, with different factors coming into consideration. This report, therefore, serves as a useful companion to similar reports at peer institutions.



¹ Statistics overlaying non-binary or intersex gender identification are difficult to triage across the EBRD's regions. The Working Group is considering how to address gender identity data collection in a meaningful way for the Board.

² The EBRD is EDGE certified biannually and the data snapshot is taken from a one-year certification period. The next year that will be considered will be 1 May 2024 to 30 April 2025.

³ <https://www.edge-cert.org/dei-framework/#edgeplus-certification-gender-and-intersectionality>

⁴ Although not formally applicable to the EBRD's data-collection efforts, in some EBRD shareholders' jurisdictions, local law does not permit the use or collection of such data.

In their words

Drawing on their experience, a number of female Board members shared their views on the importance of gender diversity at Board level.

Gender diversity incorporates different points of view

“The balanced participation of women and men in decision-making bodies is an essential imperative for all organisations, particularly for multilateral development banks, so they can better represent and deliver on the expectations of our stakeholders. Gender-diverse boards tend to have a wider range of backgrounds, experience, perspectives and skills that contribute to the better exercise of the Board’s roles in strategic guidance and supervision. This is particularly important for MDBs, which have public missions and public ownership, as well as a role in demonstrating best practice in corporate governance.”

Maria Shaw-Barragan, EBRD Board Director for the European Investment Bank

Fosters innovation and strengthens decision-making

“As a dedicated female director with several years of experience at the EBRD, I proudly embrace the positive trend of increasing gender diversity on our Board of Directors. This remarkable transformation not only reflects our commitment to inclusivity, but also underscores the intrinsic value of diverse perspectives. When women hold leadership positions, they bring unique insights, fresh ideas and a different set of experiences to the table. This diversity fosters innovation, strengthens decision-making and, ultimately, enhances the effectiveness of our esteemed institution. The growth in female Directors is not just a numerical achievement; it is testament to our shared belief in harnessing the power of diversity to drive forward the EBRD’s mission. Let us continue to champion equality, inclusivity and progress for the benefit of our organisation and the communities we serve.”

Klára Król, EBRD Board Director for Czechia, Hungary, the Slovak Republic, Croatia and Georgia

Maximises impact and builds consensus...

“I joined the Bank in the middle of my career, becoming part of a heavily male-dominated group, where the majority of members had already had long and senior careers, often coming from highest ministerial and diplomatic positions in their respective countries. The limitations on diversity and inclusion at that time related not only to gender, but also age and background. I grew up in Poland under a communist regime and started my career in a society undergoing rapid transformation to an open market economy, so I inherently understood the challenges faced by most of the economies in which the EBRD operates. I must say that, by and large, I felt greatly supported by my male Board colleagues, who were prepared to listen to constructive arguments and were ready to deliver change. Over the years, I observed an evolution on the Board with the arrival of younger shareholder representatives and more women being nominated to these roles. In my view, to have more balance in terms of the gender, age, seniority and background of the Board of Directors is beneficial to an organisation. A more diverse and inclusive composition corresponds well with the EBRD’s mandate and values, and is instrumental in building a consensus among shareholders. Women are more likely to challenge the status quo and to take a more direct approach. Women have proved to be very efficient in leading committees, as well as overseeing the Bank’s operational and strategic matters, with great attention to detail. While shareholders are actively enabling more inclusive policies, it may be the case that the Bank could do more to enhance this trend by reviewing relevant policies. The shareholders could, for example, be encouraged to rotate Board positions equally between women and men, where possible.”

Wioletta Barwicka-Lofthouse, Board Director for Poland, Bulgaria, Albania 2017-23

Gender diversity: unsteady progress over time

Female representation has gradually improved across all Board Official positions since the EBRD was established in 1991. At end December 2023, the proportion of women serving as Directors and Alternate Directors was noticeably higher than the historical average. Female representation at Director and Alternate Director level is currently close to the EDGE top-level benchmark and, at Adviser level, the Board comes close to gender parity. We note in this context that over the past 15 years, women have filled 100 per cent of Board Assistant positions (EBRD staff supporting Board Officials).

Given the size of the Board, these ratios remain vulnerable to individual departures and new hires. As Board Officials in most positions are appointed for terms of 3-4 years, on average, each individual appointment has

a significant impact on the level of gender parity within the Board. Even when higher levels of gender diversity are reached, a new wave of appointments can quickly reverse a strong trend.

Consequently, we can see that the trend line has not been rising steadily. Female representation among Directors declined markedly in 2016, to 9 per cent, and remained at this very low level for four years (2016-19). The number of female Directors did not recover to 2015 levels until 2021. While the positive uptick of 2021 has continued in the following two years, the Board of Directors is, as at end 2023, just over halfway to achieving gender parity. At the Alternate Director level, gender diversity has fluctuated more, with female representation at this level peaking at 35 per cent in 2019.

Figure 1: Gender breakdown of EBRD Board Officials, observed data as of 31 December 2023⁵

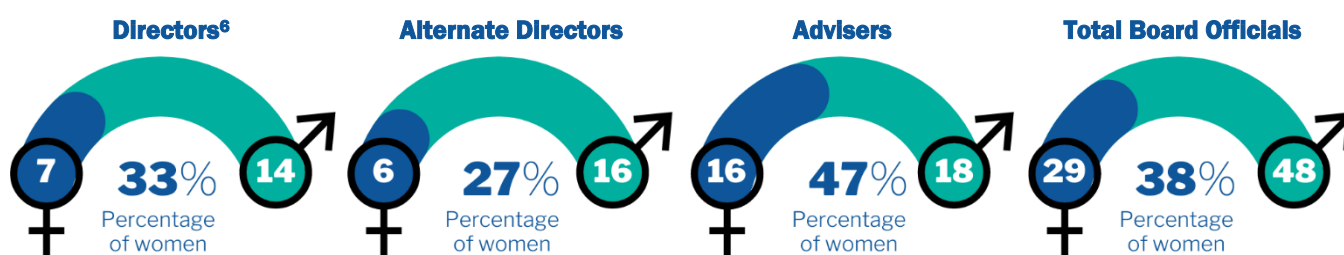
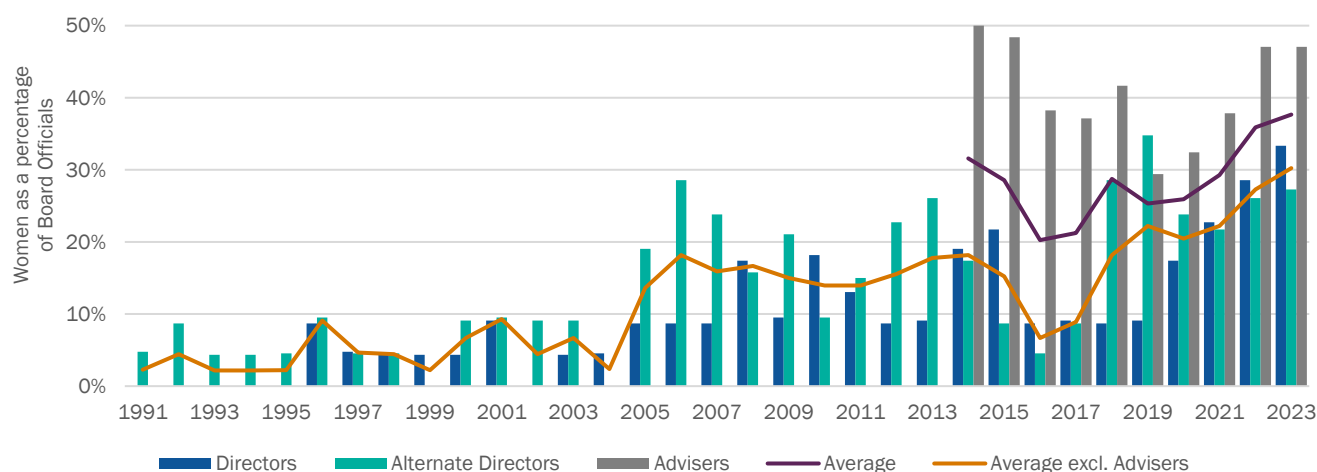


Figure 2: Gender diversity among EBRD Board Officials

(percentage female; observed data as of each December)



Note: Data are as at December of each year. Data at Adviser level are not readily available prior to 2014.

⁵ As the first Board-wide diversity survey was only conducted in 2023, data in this section are observed, not self-reported. Data are therefore reported on a strictly binary (male/female) basis and may not accurately reflect the identities of former Board Members. Continued diversity surveys will allow for more granular reporting on gender identity.

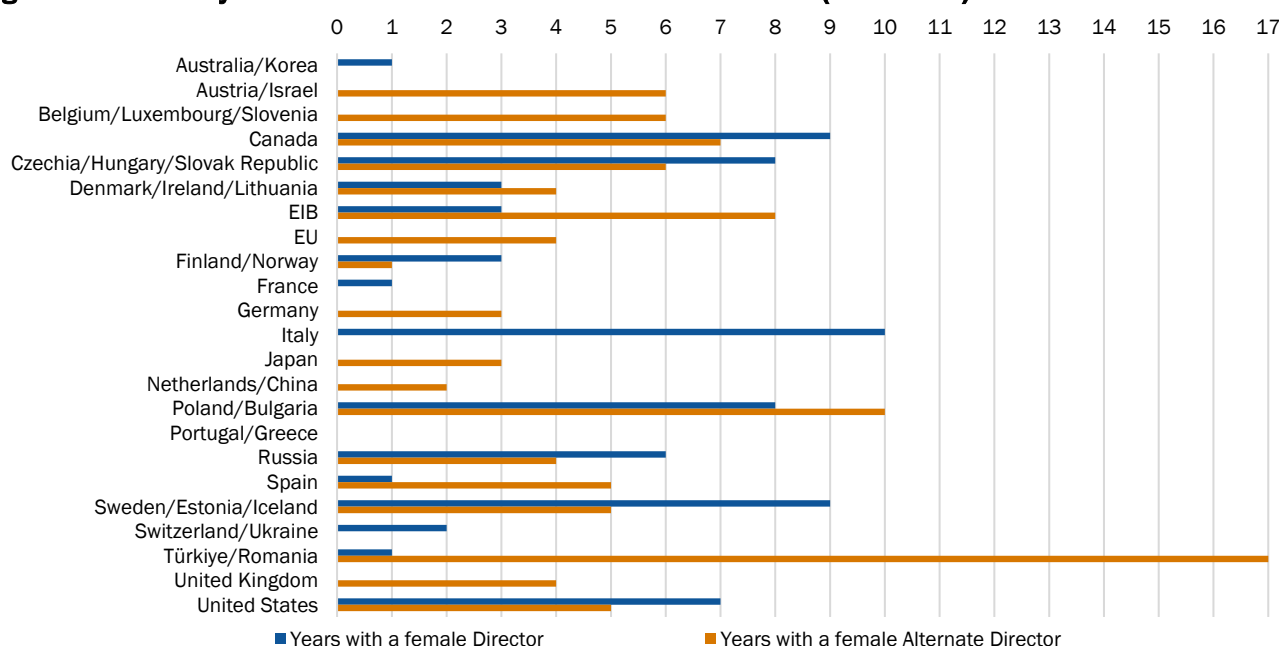
⁶ Two vacant Director positions, in which Alternate Directors (one of whom is a woman) are serving in an acting role, bring the total Board constituency number to 23.

Constituency trends⁷

The track record of appointing women to EBRD Board positions varies among constituency offices. Some constituency offices have a strong trend of appointing women to all three roles, whereas eight offices have never had a female Board Director at the EBRD. As of December 2023, four constituencies had their first female Board Director in the Bank's history: Australia, Spain, Switzerland and Türkiye.

While these data focus on Directors and Alternate Directors, there are constituencies who otherwise have strong records of appointing women as Advisers

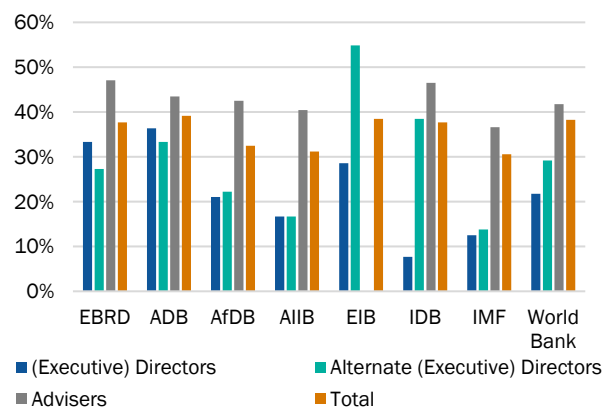
Figure 3: Number of years with a female Director and Alternate Director (1991-2023)



IFI trends

The EBRD's gender diversity is largely in line with that of its peer institutions.⁸ Other institutions also come closest to gender parity at Adviser level, with the EBRD modestly in the lead (47 per cent). Among IFIs, the EBRD also had the second-highest share of women Directors at end 2023 after the Asian Development Bank.

Figure 4: Share of female representation of the Board of Directors and Advisers at IFIs



⁷ These statistics do not necessarily reflect the status of gender inclusion in the economies or governments these officials represent and Governors may want to consider the data in light of their own domestic regulatory frameworks. For example, a number of shareholders have specific national laws requiring gender diversity in

leadership positions of public service bodies, including specific quotas for gender representation.

⁸ IFIs: the Asian Development Bank, African Development Bank, Asian Infrastructure Investment Bank, EBRD, European Investment Bank (EIB), Inter-American Development Bank, International Monetary Fund and the World Bank.

Board diversity: more than gender

It is the Board's view that diversity is not limited to male/female ratios. By recognising other dimensions of diversity, the Board wishes to demonstrate to Governors our dedication to an inclusive approach internally and to leading by example in the Bank and in the economies where we operate.

In line with EBRD Management's efforts to understand and address diversity on a broader basis, the EBRD Board recognises that diversity data collection is the first step to understanding, analysing and addressing inclusion beyond gender.

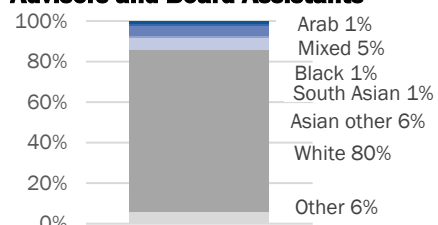
A respectable 86.2 per cent of Board constituency members responded to the inaugural confidential and voluntary Board D&I data survey conducted in Q4 2023 to collect additional demographic diversity data. The survey collected data anonymously from Directors, Alternate Directors, Advisers and Board Assistants, and the results cannot be disaggregated by role. These data will inform

the Working Group's efforts to affirm and celebrate diverse Board representation, advance an inclusive working environment and track future trends. The Board may also consider whether to expand its voluntary data collection to additional aspects of diversity. Recognising that our members have a variety of domestic legal regimes in place to uphold equal opportunity, this data transparency will not necessarily drive individual hiring decisions.

Despite female underrepresentation at Director and Alternate Director level, a number of Board offices showed diversity in other ways. The following are visual representations of the results of the Q4 2023 Board D&I data survey.

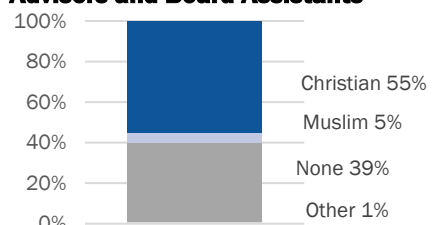
It would benefit the EBRD for all of its leaders to be mindful of this wider diversity, consistent with the Bank's EDGEplus certification.

Figure 5: Ethnicity and race – EBRD Directors, Alternate Directors, Advisers and Board Assistants



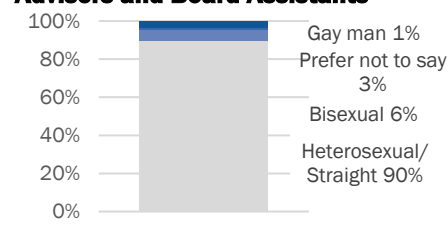
Note: The survey distinguished between "White European" (68 per cent) and "White other" (12 per cent). All of the categories in Figure 4 encompass numerous different ethnic backgrounds, which have not been disaggregated for the purpose of this survey.

Figure 6: Religious beliefs – EBRD Directors, Alternate Directors, Advisers and Board Assistants



Note: The survey distinguished between Roman Catholics (27.1 per cent), Protestants (24.9 per cent), Orthodox (2 per cent) and Other Christians (1 per cent).

Figure 7: Sexual orientation – EBRD Directors, Alternate Directors, Advisers and Board Assistants



Note: Zero responses were recorded for the following categories: "Gay woman", "Prefer to self-describe" and "Other".

Figure 8: Disability and neurodivergence⁹ – Directors, Alternate Directors, Advisers and Board Assistants

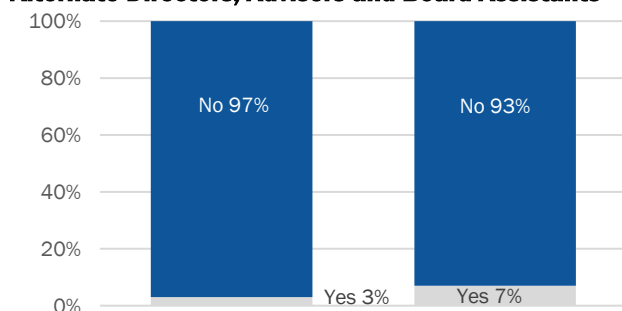
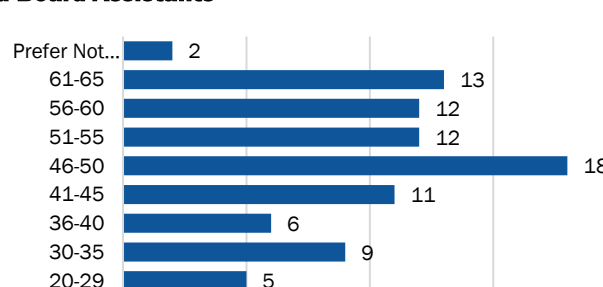


Figure 9: Age of Directors, Alternate Directors, Advisers and Board Assistants



⁹ Oxford Languages defines neurodivergence as a [divergence](#) in mental or [neurological](#) function from what is considered typical or normal (frequently used with reference to autistic spectrum disorders).

Inclusion: stepping up

The Board also recognises that maintaining an inclusive workplace does not rest on diversity statistics alone. A resident Board must lead by example, to entrench a mindset of respect and inclusion into the institution. In the first year of the Board DEI Working Group's planning, we have taken steps to broaden Board awareness of inclusion challenges, including through professional development opportunities and deeper engagement with staff networks.

Training and professional development

As an international organisation that promotes inclusion and equality of opportunity, the EBRD expects its leaders and managers to stay current on best practices on promoting inclusion, nurture self-awareness and encourage sensitive interpersonal and intercultural communication. The professional development resources available to the organisation include topics such as managing cultural differences, uncovering unconscious bias and promoting good mental health.

All members of the Board DEI Working Group undertook inclusion training courses and provided recommendations to the rest of the Board. The full Board also engaged in an inclusion exercise in early 2024, in which it considered how to handle with tact and compassion several real-life inclusion situations, for example, for autistic, transgender or menopausal staff.

Cooperation with the staff D&I steering group and employee networks

As part of its commitment to leading on inclusion, the Board DEI Working Group sought to better understand the priorities and challenges of these employee groups. We have established working relationships with EBRD Management's Diversity and Inclusion Steering Group, as well as each of the Bank's employee diversity networks: African-Caribbean, Asian, DisAbility, EBRDconnect, EBRD Family, Spectrum (LGBTQ+) and Young Professionals. Based on common inclusion themes across these groups, the Board DEI Working Group plans further dialogue and engagement to facilitate greater awareness of these employee groups among the Board.

Regularising our responsibility

It is evident that the EBRD Board has a responsibility to raise awareness about the impact of leading by example on diversity and inclusion in the Bank.

The EBRD Board commits to updating its authorities on Board diversity, encouraging self-awareness about the implications of recruitment decisions and promoting diverse selection.

As we look forward to 2024-25, the Board DEI Working Group will sustain the EBRD Board's momentum in visibly leading on D&I issues. We will aim to:

1. build on this report and, with the objective of establishing ongoing data-driven baselines, continue to refine our scope and definition of diversity at the Board, as needed, and how best to collect the necessary data and statistics (including through self-identification rather than observation)
2. develop greater qualitative understanding of a) barriers to increasing gender diversity in nomination and recruitment processes for Board Officials and b) inclusion challenges faced by the current Board
3. consider diversity aspects, among other factors, in the selection of Board Committee Chairs and Vice-chairs working together with the Chair of the Board Steering Group
4. elevate the institutional conversation about diversity and inclusion on the Board by implementing a mandatory curriculum of training for all Board Officials and by using our platform to amplify staff inclusion priorities, such as by hosting events
5. work with Management to develop a greater qualitative understanding of diversity and inclusion barriers at the EBRD.

Annex 1. List of EBRD constituencies as of December 2023

| Director | Alternate Director | Other constituency members |
|---|-------------------------------|---|
| Australia | South Korea | New Zealand, Egypt |
| Austria | Israel | Cyprus, Malta, Kazakhstan, Bosnia and Herzegovina |
| Belgium | Slovenia | Luxembourg |
| Canada | Canada | Morocco, Jordan, Tunisia |
| Czechia | Hungary | Slovak Republic, Croatia, Georgia |
| Denmark | Lithuania | Ireland, Kosovo |
| European Investment Bank | EIB | |
| European Union | EU | |
| Finland | Norway | Latvia, Lebanon |
| France | France | |
| Germany | Germany | |
| Greece | Portugal | San Marino, India |
| Italy | Italy | |
| Japan | Japan | |
| Netherlands | Netherlands (<i>vacant</i>) | China, Mongolia, North Macedonia, Armenia |
| Poland | Bulgaria | Albania |
| Russian Federation(<i>vacant</i>) | Russian Federation | Belarus, Tajikistan |
| Spain | Spain | Mexico, United Arab Emirates |
| Sweden | Sweden | Iceland, Estonia |
| Switzerland | Ukraine | Liechtenstein, Turkmenistan, Serbia, Montenegro, Uzbekistan |
| Türkiye | Romania | Azerbaijan, Moldova, Kyrgyz Republic, Algeria |
| United Kingdom | United Kingdom | |
| United States of America (<i>vacant</i>) | United States of America | |

Annex 2. The Board DEI Working Group

The EBRD Board DEI Working Group was established in September 2023 with the aim of raising awareness of EBRD Board diversity and promoting Board leadership on D&I issues. The work programme of the Board DEI Working Group for September 2023 to July 2024 includes multiple workstreams: (i) drafting the Bank's first-ever Board of Directors report to the Board of Governors on the Board's diversity and inclusion, (ii) organising DEI events, (iii) liaising with the EBRD employee diversity networks and (iii) facilitating DEI-related training among Board Officials.

The DEI Working Group has 22 members in total. We are 68 per cent female and 32 per cent male, and we cross categories of seniority (5 Directors, 5 Alternate Directors, 10 Advisers, 1 Board Assistant and 1 staff member from the Bank's Office of the Secretary General). We represent 15 of the 23 Board constituencies and 18 different nationalities: American, British, Bulgarian, Czech, Canadian, Finnish, French, Italian, Irish, Israeli, Japanese, Latvian, Lithuanian, Portuguese, Romanian, Slovak, Spanish and Swedish.