

NOMINEE DIRECTORS



European Bank
for Reconstruction and Development

Environmentally sound investment and sustainable development lie at the heart of EBRD's mandate, underpinned at project level by our Environmental and Social Policy. In 2021 the EBRD published its Green Economy Transition (GET) approach (2021-2025) through which it is committed to increase green financing to at least 50 per cent of its annual business volume by 2025 and to achieve cumulative greenhouse gas emissions reduction of 25 to 40 million tonnes per year by 2025. EBRD's green investment in both 2022 and 2023 already reached 50 percent of total financing, representing an early achievement of our targets. In addition, 'green' is one of EBRD's six transition qualities. The green transition quality provides an enhanced context within which the EBRD can pursue the ambitious objectives set out in its GET approach.

When it comes to sustainability and climate ambition, we strongly believe in leading by example. EBRD was the first multilateral development bank to support the Task Force for Climate-related Financial Disclosures in 2018, and since 2019 we have published five stand-alone TCFD-aligned reports. In a similar vein, EBRD was one of the first international financial institutions to align its activities with the goals of the Paris Agreement starting from 1 January 2023.

Through policy reform and investment, EBRD helps its clients and countries of operations align their business models and economies with the goals of the Paris Agreement. EBRD has developed numerous policy products for corporate clients, financial institutions and other stakeholders supported by its Corporate Climate Governance (CCG) Facility. The Bank's efforts to raise awareness of climate and sustainable finance and governance among its clients is often delivered through the EBRD Green Finance Academy platform.

Policy Products

As part of its policy commitments, the Bank has developed a **Climate Toolkit** to support Bank's Non-executive Directors (NEDs) to gain good understanding of the governance of climate-related risks and opportunities and equip them with the tools and information necessary to become strong drivers of corporate climate action and sustainability in their companies. This toolkit helps NDs identify their company's level of climate governance maturity and outline the necessary steps and recommendations to support their companies' efforts in strengthening their CCG agenda.

In an effort to raise awareness of a NED's role at the Board, specifically in relation to climate governance and the issues they should be raising, the team has prepared the following guidance questions.

Guidance Question for NEDs

1. Does your board consider the risks and opportunities associated with climate change to be an integral part of their accountability for the long-term stewardship of the organisation?
2. Does your board make decisions that are informed by the best available information on climate risks and opportunities?
3. Do you consider that the board is sufficiently educated about climate-related risks and opportunities? To what extent does your board have a robust awareness and understanding of how climate change may affect the company? Does the board conduct internal performance reviews? Is accountability for climate risks and opportunities considered during internal evaluations of the board?

4. Has the board considered appointing a climate expert or creating an informal, or ad-hoc, climate advisory committee of internal and external experts? Has an assessment of climate-competence gaps taken place? If so, who is conducting such gap analysis and what recommendations does it contain?
5. What governance mechanisms are in place for the management of current and future climate risks?
6. How are climate change issues likely to affect the company's business, operations, and value creation in the foreseeable future?
7. Does the company link or plan to link executive compensation to meeting climate related KPIs?
8. Are climate considerations incorporated into the strategic planning, business models, financial planning, and other decision-making processes of the company? What is the strategy for responding to physical risks arising from climate change? In terms of risks and opportunities, what is the potential impact of climate change adaptation and mitigation on the company's business model and strategic plans?
9. How does your board ensure that climate considerations are given sufficient attention across the board (e.g., being discussed in the audit, risk, nomination or remuneration committees)? Does the company identify, assess, and manage climate risks and opportunities?
10. Does the company disclose or plan to disclose on climate risks and opportunities in accordance with any voluntary climate-related reporting standards (CSRD, ISSB, TCFD, CDP, GRI, etc.)?

How to Access the Climate Toolkit

The Climate Toolkit is hosted on the EBRD Green Finance Academy (GFA); a platform that draws on the vast experience of the EBRD and provides access to essential resources for users to seize new business opportunities and contribute to a more sustainable world. Please follow the steps below to access and complete the Toolkit:

- **Step 1:** Access the landing page of the EBRD GFA by clicking at: [EBRD Green Finance Academy – Join the EBRD in accelerating the transition to a climate-neutral economy!](#)
- **Step 2:** Click on the 'Climate Risk Series' button (irrespective of whether your company is a corporate or a financial institution)
- **Step 3:** Click on 'Register Now'
- **Step 4:** Upon registering, you will receive a verification/confirmation email (kindly note that this email might be directed to your junk/spam folder)
- **Step 5:** Log in with your username and password.
- **Step 6:** Once directed to the Climate Risk Series landing page, click on the 'NED Climate Toolkit', at the very top of the page.
- **Step 7:** Read through the introduction and click on 'Start the Assessment'.
- **Step 8:** Upon completing the assessment, click on 'Download Report'.

Recommended Resources (with links)

"Climate essentials" for NEDs

- How to set up Effective Climate Governance on Corporate Board – World Economic Forum guiding principles and questions
- Shaping the board's strategic direction on climate - The Chairperson's Guides Series from Deloitte and Climate Governance Initiative
- Directors can up their game on Environmental, Social and Governance Issues – BCG and INSEAD report
- Climate Governance Initiatives's Primer on Climate Change: Directors' Duties and Disclosure Obligations
- Climate Governance Initiative introductory course on effective climate governance for board directors

Introduction to transition planning

- The Transition Plan Taskforce - Disclosure Framework
- The Chapter Zero Transition Planning Toolkit

Emerging markets' point of view

- Climate transformation as an opportunity for business and the economy in emerging and developing markets – summary of the PRECOP28 Chapter Zero initiatives debate and the recording
- Chapter Zero Uzbekistan Corporate Governance Handbook
- COP28 and beyond: Main insights for the Turkish business leaders – Chapter Zero Türkiye webinar

Contacts

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