

1. Introduction



President's message

I am delighted to introduce the EBRD's Sustainability Report for 2021. It is published as our world is engulfed by another serious crisis, caused by the Russian-led invasion of Ukraine. Despite the need to provide immediate resilience support to Ukraine and our other countries of operations affected by the war, we will not lose sight of our sustainability goals. We will build on a very successful 2021 – the year that the EBRD celebrated its 30th anniversary. From the outset, sustainability has been fundamental to what the Bank does and, over the course of the past three decades, it has accelerated, deepened and broadened its efforts to make a meaningful environmental and social impact.

Last year was no exception. In 2021, the EBRD pledged to align all of its activities with the goals of the Paris Agreement by the end of 2022 and promptly started to deliver on that commitment. It adopted its first Equality of Opportunity Strategy, as well as a new Strategy for the Promotion of Gender Equality, and sharpened its focus on combatting gender-

based violence. With its partner multilateral development banks (MDBs), the Bank pledged to work to enhance biodiversity and mainstream nature-based solutions. It also continued to finance green projects, which, for the first time in the Bank's history, accounted for more than half of the Bank's annual investment, contributing to its [Green Economy Transition](#) (GET) initiative.

For the EBRD, as for the world, the sustainability focus in 2021 was dominated by the response to the twin emergencies of the Covid-19 pandemic and the increasingly evident climate crisis. In 2020, the Bank moved swiftly to address the immediate impact of the world's largest recorded economic contraction. In 2021, as the crisis evolved, it focused on supporting its investee economies in rebuilding and making their economies sustainable and resilient for the long term.

A central part of this effort was a redoubling of the Bank's efforts to address unequal access to economic opportunity, particularly for women. Under its new strategies, the EBRD has set itself a target that by 2025, 40 per cent of its projects will have a gender component and 25 per cent will involve greater inclusion – both more than double current levels, further embedding sustainability in the Bank's operations.

The EBRD has long experience in supporting action to combat climate change. The Bank played an active role in both the preparations for and discussions at the COP26 climate conference and, over the course of the year, set out an ambitious climate agenda. Alongside its own commitments on Paris alignment, the Bank will work with the government of Egypt, host of COP27, and lend greater support to the economies in which it operates, so that they can put in place their own ambitious long-term plans for decarbonisation – essential steps in achieving sustained climate action.

The Bank has also set out a comprehensive action plan for the mobilisation of much-needed private-sector climate finance. As part of this effort, it has launched the High Impact Partnership on Climate Action together with a set of donor countries, to overcome obstacles to private-sector investment. Lastly, I am proud that the Bank was among the first to join the Global Methane Pledge, signatories to which commit to reducing methane emissions by at least 30 per cent from 2020 levels by 2030.

We all know that the task ahead of us is huge – made even greater by the impact of the war on Ukraine – and that global challenges can only be tackled with a comprehensive, collaborative and consistent response. The EBRD will continue to play its full part in this essential endeavour to achieve a world that is both sustainable and prosperous. This report details some of the ways in which the Bank is delivering on that commitment.

Odile Renaud-Basso

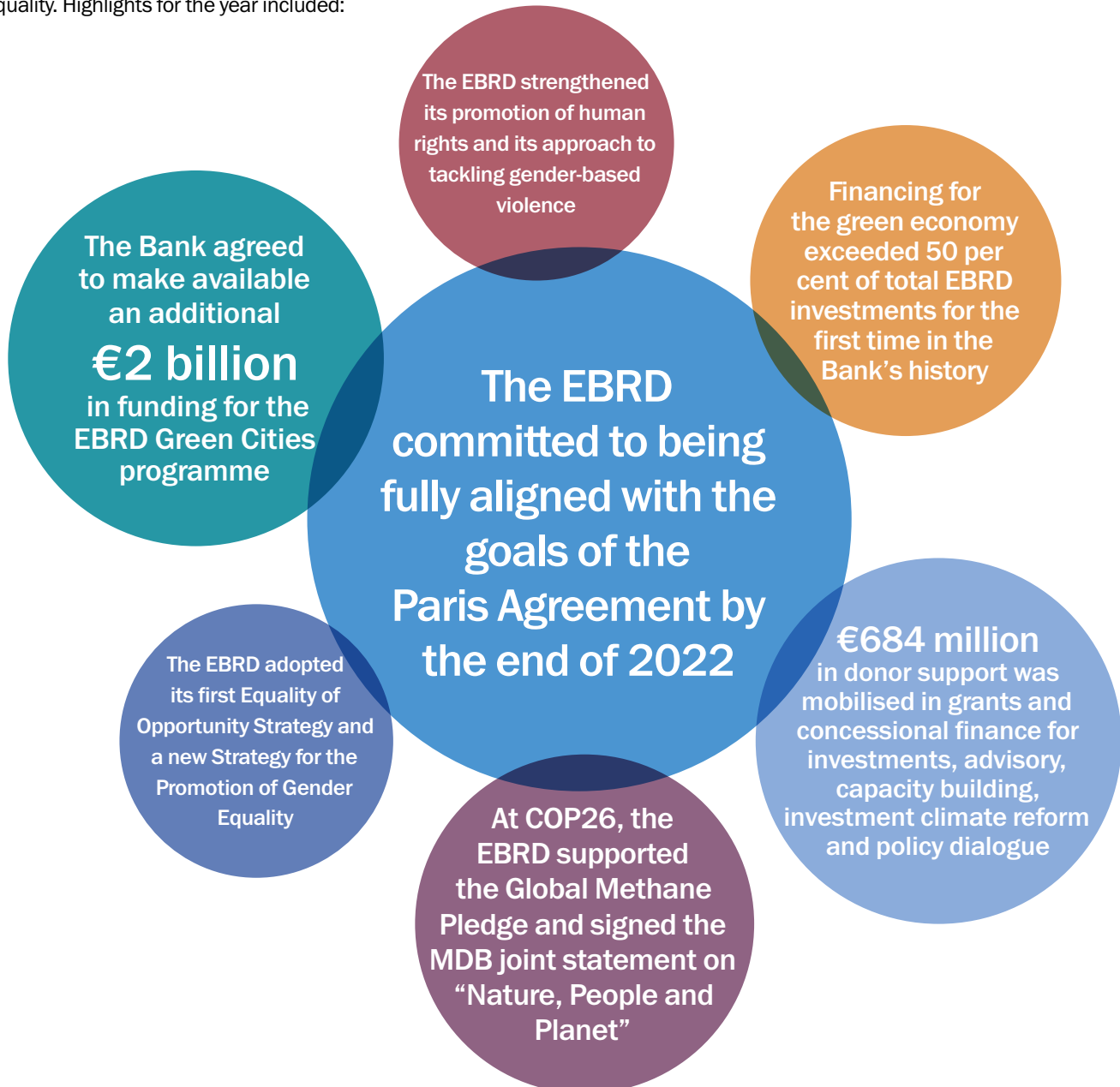
President, European Bank for Reconstruction and Development
March 2022





Highlights for 2021

2021 was a milestone year for environmental and social sustainability and the EBRD was proud to contribute to global efforts to address climate change, project nature and advance equality. Highlights for the year included:



The EBRD's approach to sustainability

The EBRD's approach to sustainability is closely aligned with the United Nations (UN) 2030 Agenda for Sustainable Development. The [Sustainable Development Goals](#) (SDGs) constitute a globally shared blueprint for ending poverty, improving health and education, spurring inclusive economic growth, tackling climate change and working to preserve our oceans and forests.

The Bank sets and adheres to the highest standards of governance, while managing its own footprint. It measures, monitors and reports on the impact of its work to ensure transparency and accountability in seeking to deliver on its mandate for sustainable development in the economies where it operates.

Further details about the EBRD's approach to sustainability can be found in the Bank's Global Reporting Initiative (GRI) disclosure report for 2021. This provides a comprehensive overview of the EBRD's approach to environmental, social and governance (ESG) issues.

Covid-19 response

In 2021, the Covid-19 pandemic and its economic consequences continued to pose an unprecedented challenge to the economies where the EBRD operates. It exposed weaknesses in global systems, including health infrastructure and staffing, medical supply chains, access to and quality of healthcare, pandemic preparedness and national budget allocation. The impacts were felt most acutely in emerging economies, including many regions where the Bank invests.

The pandemic is still unfolding and the vaccine rollout is racing against the emergence of new variants. The number of deaths in the EBRD's regions are reported to be high, with some economies among the 20 most affected worldwide. While central Europe and the Baltic States, Mongolia, Morocco, Turkey and Turkmenistan have achieved 50 per cent vaccination to date, in Armenia, Belarus, Egypt, the Kyrgyz Republic, Tajikistan and Ukraine, vaccination rates are low.

An EBRD [report](#) published in November 2021 examined how the Bank's regions have been affected by the Covid-19 pandemic, with a focus on the five largest recipients of EBRD funding: Turkey, Egypt, Ukraine, Kazakhstan and Poland. The report underlines the critical role the Bank plays in investing in the healthcare and hospital sectors, supporting sustainable recovery and aligning with the SDGs.

In 2021, the EBRD continued to implement its Resilience Framework to meet the short-term liquidity and working-capital needs of existing clients, especially those badly affected by the crisis, including financial institutions, small and medium-sized enterprises (SMEs), and corporate sectors, such as tourism and hospitality, automotive, transport providers, agribusiness and medical suppliers.