

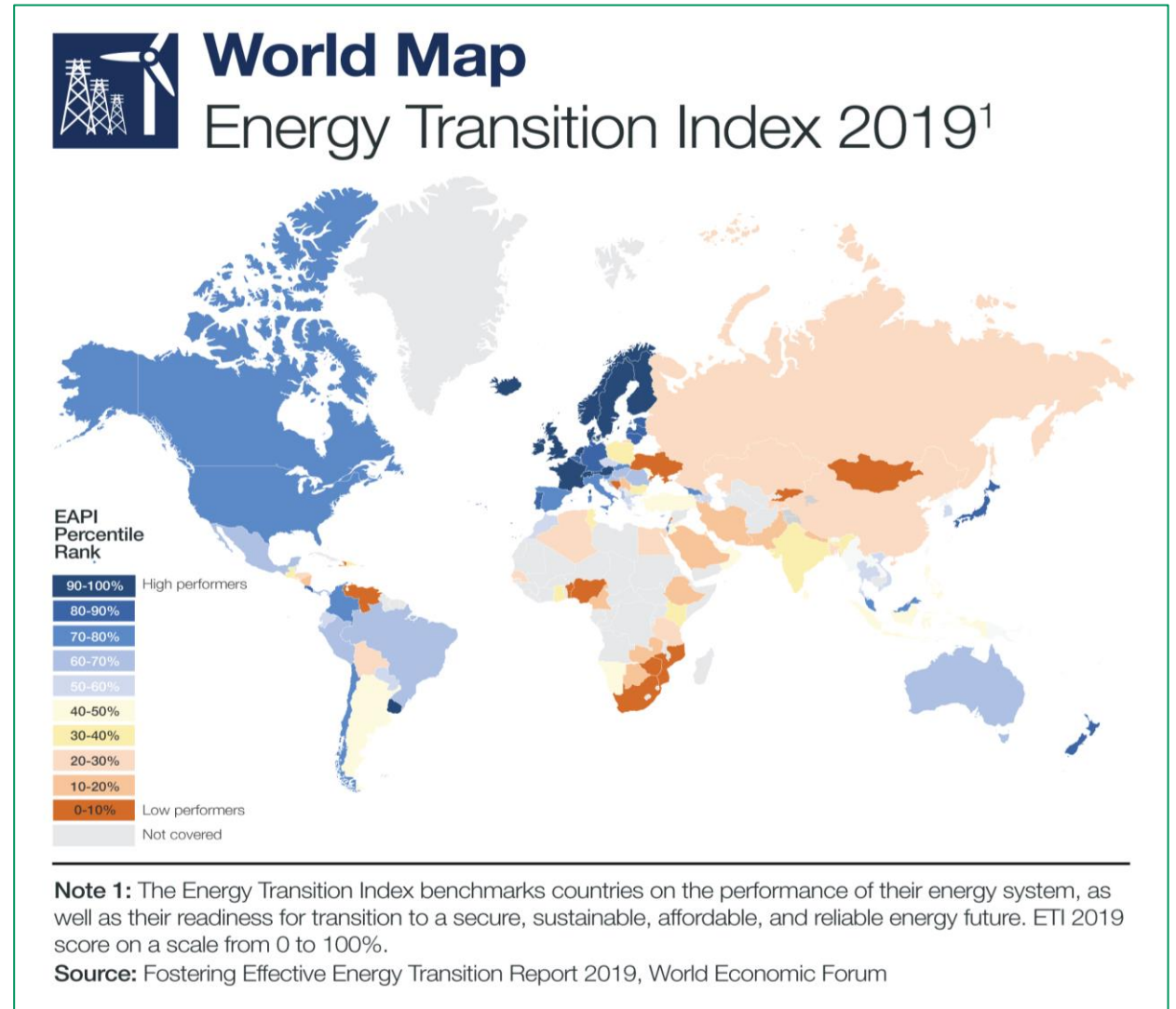


The EBRD's Approach to Greening Relationships with Clients

UKRSIBBANK Sustainable Business Forum, 29th November 2023

Is now a good time for Ukraine to focus on decarbonization?

- ▶ Energy security
- ▶ Climate change
- ▶ Evolving regulatory requirements and investor expectations



Regulation and initiatives that have emerged in support of decarbonization and Paris alignment



Regulatory guidance

Disclosure standards

Voluntary alliances

Other guidance

Regulators are increasingly expecting banks to consider climate in their business decisions, including through transition planning

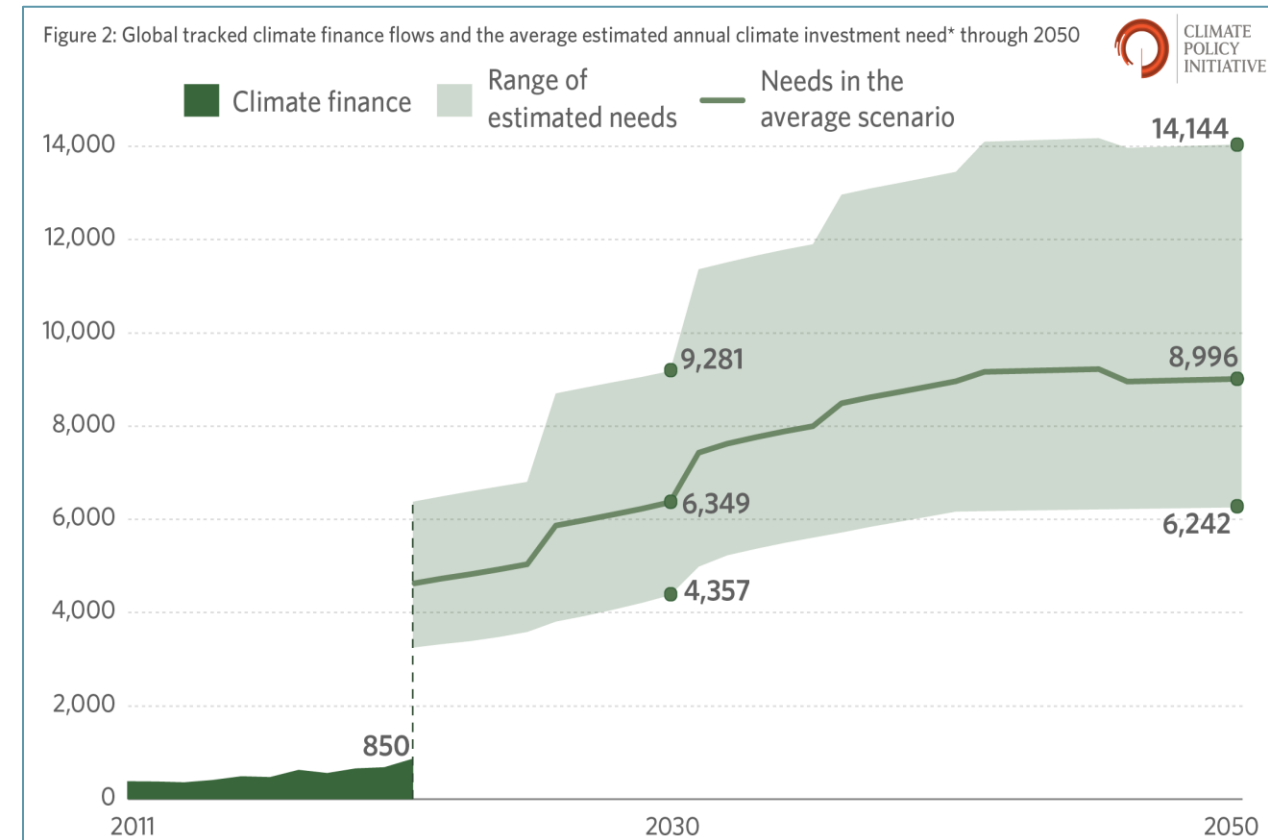
On a mandatory or voluntary basis, banks and large corporates are disclosing climate-related matters, including their transition plans

Voluntary alliances of banks and corporates and other organisations encourage common standards on transition planning and disclosures

Various organisations and initiatives provide guidance on specific topics relevant for Paris alignment, such as climate risk management or greenhouse gas emissions calculations.

How is this all relevant to businesses and financial institutions?

- **Policy makers** are increasingly adopting decarbonisation policies (EU Green Deal, IRA, net-zero commitments, CBAM).
- **Regulators** integrate climate risk disclosure requirements.
- **Investors** are increasingly driven by own decarbonisation commitments or financial risks from climate change and regulatory pressures.
- **Rating agencies** start including climate risk in credit ratings.
- **Businesses across all sectors need to act** to reduce emissions and prepare for the increased risks resulting from climate change. This may require financing restrictions, changes to business model or process changes, but it also leaves space for opportunities.
- **Emerging markets** are lagging behind, both in policy and technology penetration, and investment deployment.
- By 2025 the regulatory reassurance will reshape the EU and will impact the non-EU market **through connected value chains**.



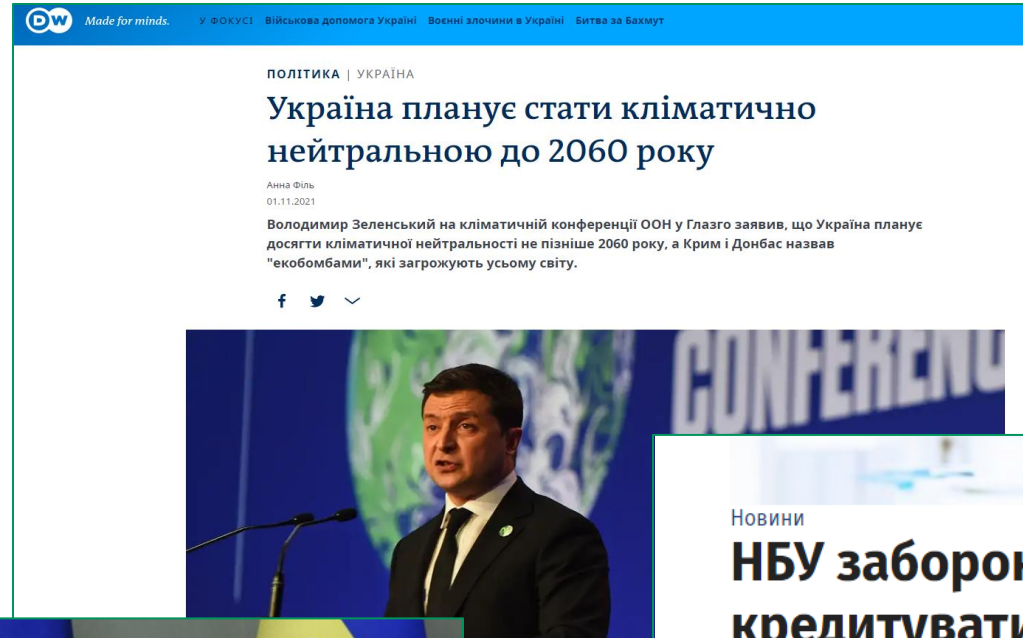
How is this all relevant to businesses and financial institutions in Ukraine?

UKRAINE RAPID DAMAGE AND NEEDS ASSESSMENT

Building back better and principles of green, resilient, inclusive, and sustainable recovery and reconstruction.

The EU accession negotiations for Ukraine in view of Kyiv's significant efforts to address the initial application criteria, including **aligning of the Ukrainian law to the full body of EU law**, or the *acquis* and preparing to integrate into the EU common market.

Some areas need improvement, including **EU climate and environmental acquis, transport and agriculture**.



Новини

НБУ заборонить банкам кредитувати неекологічні проекти

Середа, 20 вересня 2023 13:41
Автор Фінансовий клуб

НБУ планує запровадити нові стрес-тести банків на екологічні ризики.

Банки через кілька років не зможуть кредитувати неекологічний бізнес.

«Спочатку ми маємо оцінити ESG-ризики в банківському секторі», - заявила на щорічному міжнародному форумі International Sustainability Forum 2023 перший заступник голови НБУ Катерина Рожкова.

EBRD: environmental mandate and support to Ukraine

- ▶ Mandate is to 'foster the transition towards open market-oriented economies and to promote **private and entrepreneurial initiative**'.
- ▶ 'Environmentally sound and sustainable development' is one of its core focus areas, with 30 years of all EBRD projects being assessed against E&S impacts and risks, and evolving sustainability policies and financing products.

Ukraine at a glance

559
projects in Ukraine

€19,031 million
cumulative EBRD investment

41%
private sector share of portfolio

€4,838 million
current portfolio of projects

EBRD reaches its €3 billion financing target for Ukraine in 2022-23

Our financing for Ukraine has already included emergency liquidity for its railway and electricity companies and support for Naftogaz. We are also one of the partners working on keeping trade routes open through the Solidarity Lanes initiative.

15.11.23

EBRD Board of Directors recommends €4 billion capital increase to Bank's governors



Directors submit proposal to support future scope of work in Ukraine

EBRD Corporate Climate Governance Facility



Green
Economy
Financing
Facility



European Bank
for Reconstruction and Development

EBRD GREEN
CITIES

Where finance and green technologies meet

EU4BUSINESS | EBRD
Credit Line

EBRD
FINTECC

Small Business
Initiative (SBI)

Resilience and Livelihoods package concentrating on:

1. **Energy security**, incl. through emergency energy purchases to compensate for loss of imports from Russian and Belarus
2. **Municipal services** and livelihoods for displaced persons,
3. Trade finance
4. **Liquidity** for small and medium sized enterprises

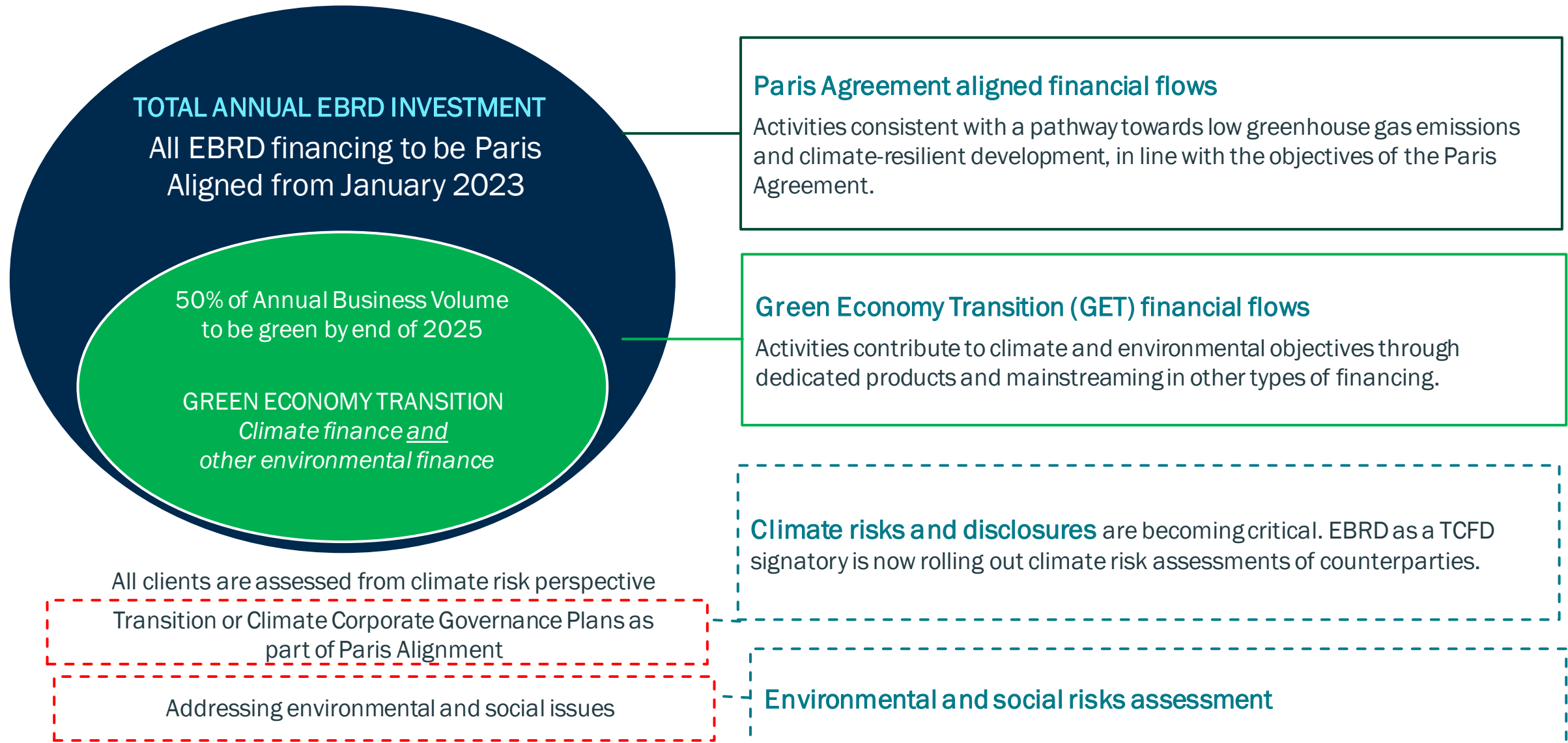


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Business Forum

The EBRD's Expectations from Clients Based on Green Strategy and Paris Alignment Methodology



EBRD's Green Strategy and Paris Alignment methodology



What does GET mean?



- Energy efficiency
- Renewable energy
- Water efficiency
- Resilience to climate change
- Waste minimisation and material efficiency
- Pollution control and environmental compliance

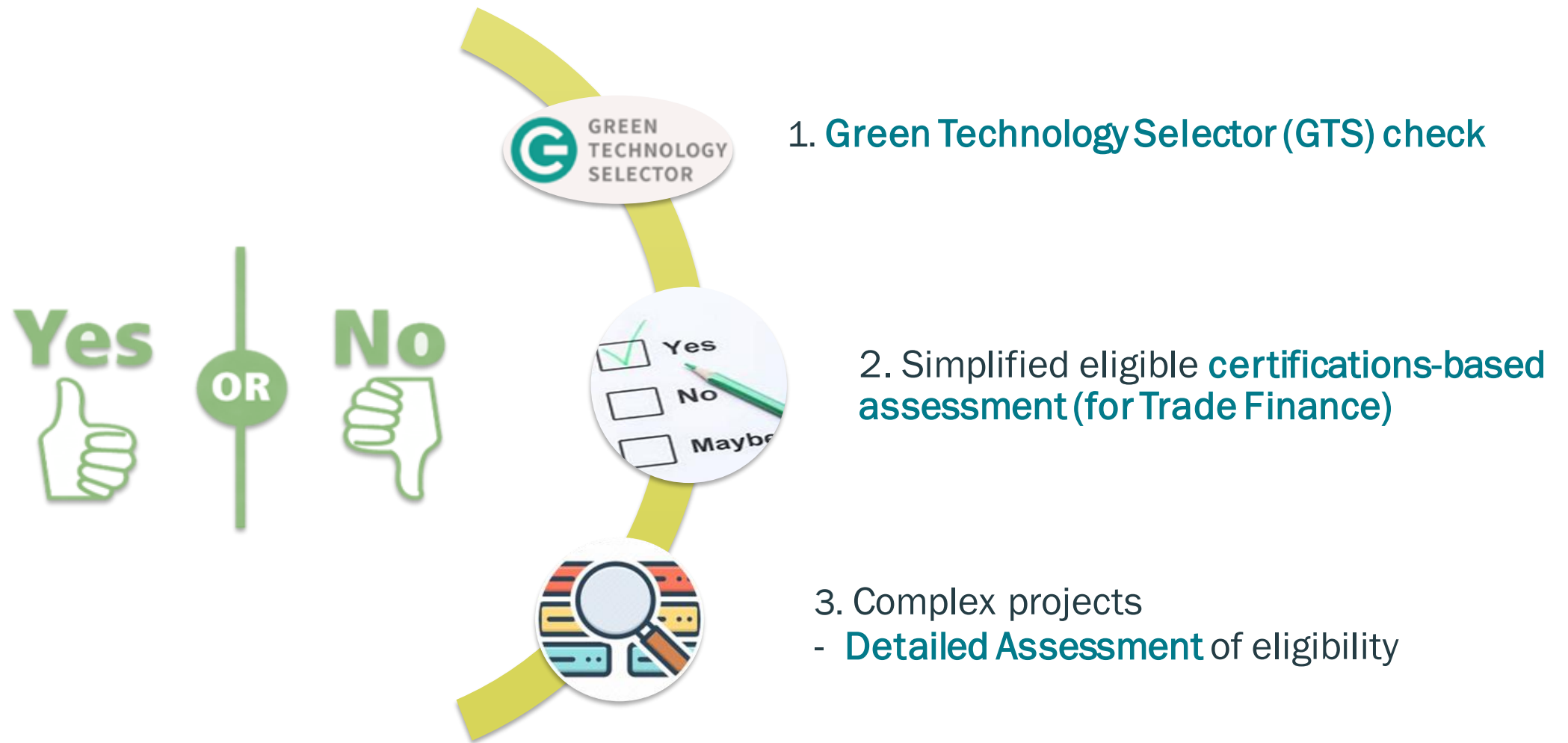
GET projects:

- foster transition to **green economy** and prevent economies from being **locked into carbon-intensive** and/or climate-vulnerable pathways
- result in clearly **measurable environmental benefits** and address environmental challenges that impact economic activity and human health
- bring **incremental environmental benefits** that would not be implemented without the Bank's financing (in other words, they are not seen as "business as usual")
- **compliance with the Bank's Environmental and Social Policy (ESP)** and Performance Requirements
- are aligned with the goals of the **Paris Agreement**,



- EBRD's own "green taxonomy"
- **qualifying criteria** for GET in different sectors and principles for GET attribution in a project.
- serves as guidance for external counterparts (clients, consultants, civil society organizations and so on) EBRD projects.
- **explains how to assess GET finance and benefits and details monitoring, reporting, and verification (MRV) aspects of the GET approach**

How are transactions assessed as GET?



Green Technology Selector (GTS), www.techselector.com



- ▶ Technologies are **pre-assessed** as green by the EBRD technical experts.
- ▶ **Off-the shelf** products for residential and commercial use that contribute to resource savings (i.e. energy, water, material).

Over 30,000 technologies

- ▶ **Helps clients identify** green technologies for their specific needs, report and track green portfolio.

<https://techselector.com/>

Ukraine

[Back to country selection](#)

Product catalogue

Vendor overview

Categories

- Windows & Doors
- Thermal Insulation Systems
- Boilers
- Heat Pumps
- Power & Cogeneration
- Cooling
- Motors & Pumps
- Process Technologies
- Transport
- Appliances
- Lighting
- Cleaning and washing
- Irrigation
- Land preparation and seeding
- Water reuse and recovery
- Ventilation

Quick search

Area of use

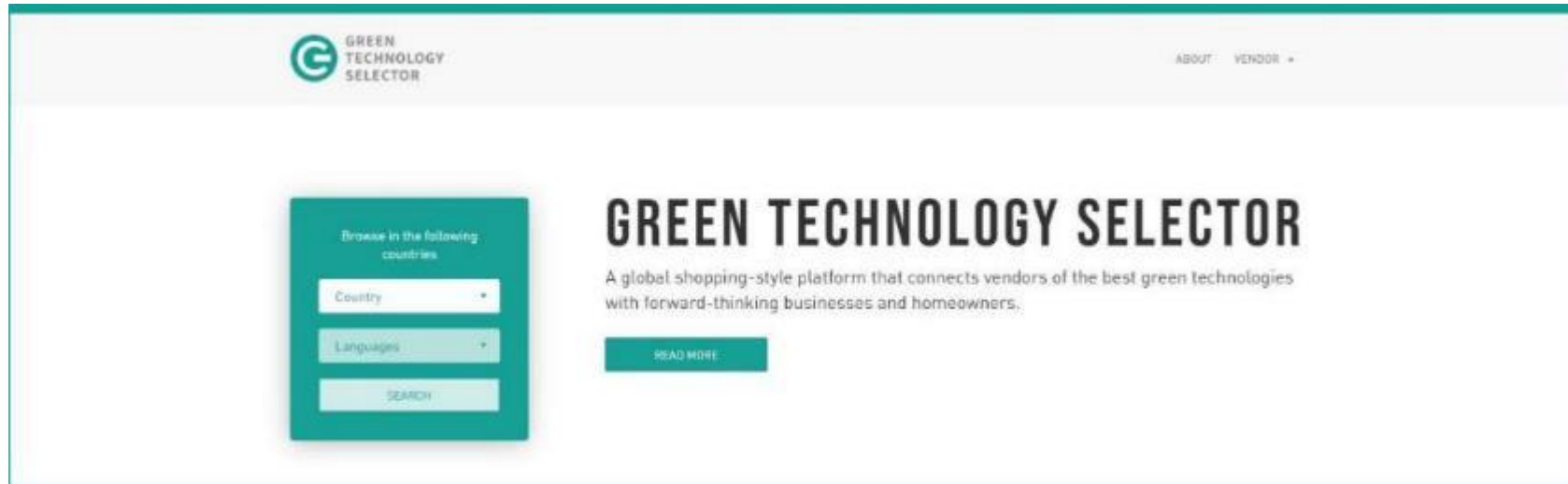
Type of savings

Technology

Manufacturer



GTS matches investors, financiers and vendors to suppliers of technologies from around the world



**36,000 qualified products
manufactured globally**

**Available in 37 countries in Europe, Middle East and
North Africa, and Asia**

**Multi-lingual interface
(20 languages)**

**Over 1,600 manufacturers
worldwide**

**Over 2,000 local suppliers that enable green
products to be locally available**

**International and local experts working
to ensure the GTS integrity**

Case-studies at ebrdgeff.com



CASE STUDY

10 Nov 2022

A sustainable home beneath the hills of Tbilisi



CASE STUDY

25 Jun 2022

Electric vehicles beyond personal use



CASE STUDY

27 Jun 2021

Solar energy put to a great use



CASE STUDY

21 May 2021

Clean and peaceful living



CASE STUDY

25 Sep 2020

Metal processor invests in furnace to upgrade production



CASE STUDY

21 Aug 2020

Efficiency in a nutshell



CASE STUDY

22 Mar 2022

Eco-friendly furniture made with clean power



CASE STUDY

07 Mar 2022

Solar energy in a nutshell



CASE STUDY

21 May 2021

Preparing for future challenges of climate change



CASE STUDY

29 Jan 2021

Healthy work environment



NEWS

28 Jul 2020

EBRD launches mobile app promoting green technologies



CASE STUDY

23 Apr 2020

Road to energy efficiency in Georgia



CASE STUDY

15 Jan 2022

Energy efficient technologies for a new hotel in Tbilisi



CASE STUDY

18 Oct 2021

Energy independence through renewable energy



CASE STUDY

22 Dec 2020

Building a better future



NEWS

25 Sep 2020

UNWTO supports EBRD's web tool for green technologies



CASE STUDY

17 Feb 2020

Local supplier helps customers make greener choices

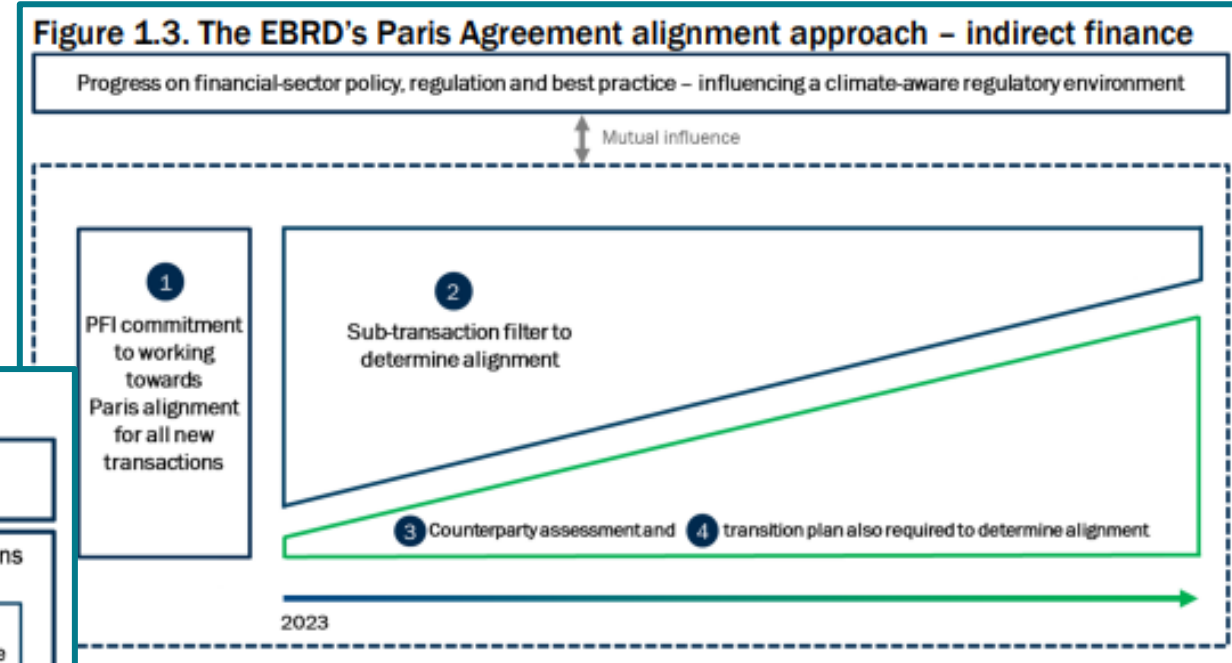
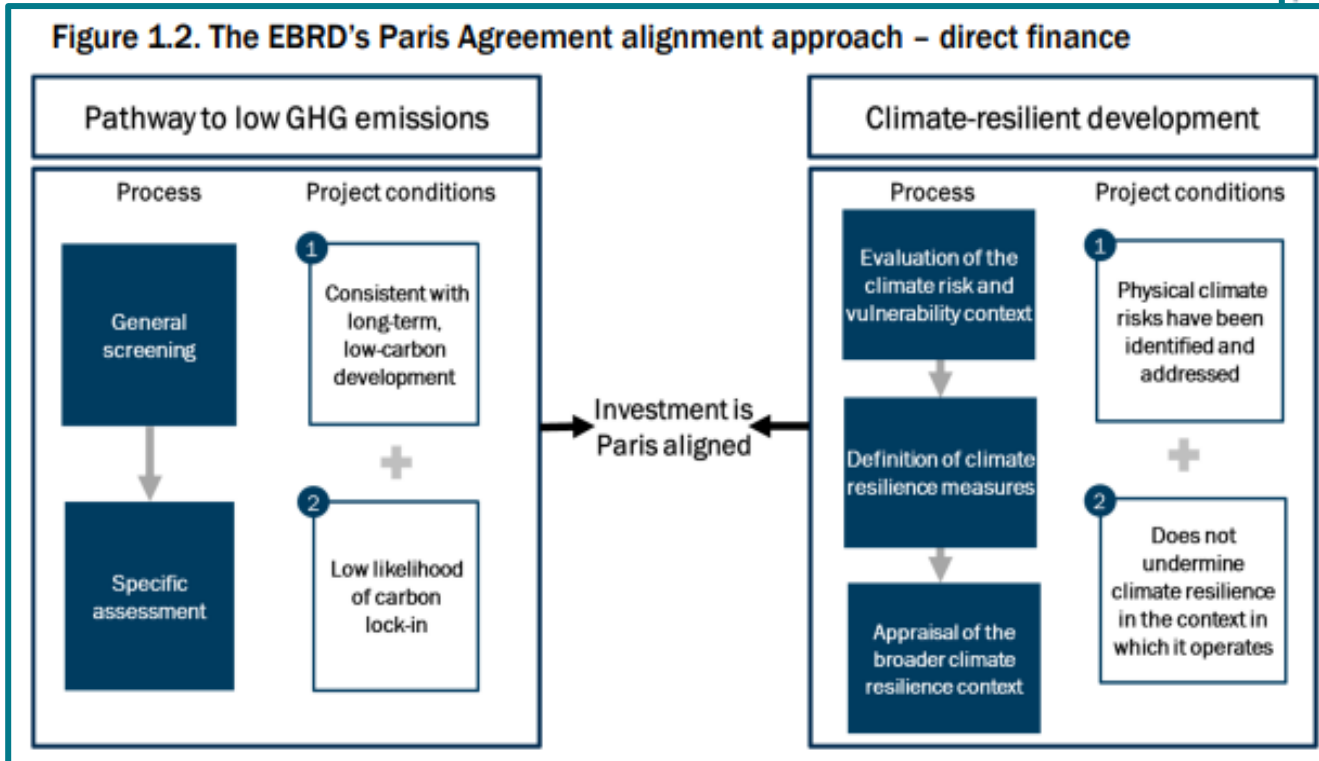


NEWS

10 Dec 2019

EBRD and partners deepen green finance in Georgia

Paris alignment methodology for corporate clients and financial institutions



Transition or Corporate Climate Governance (CCG) plans as a key way for clients to respond to climate change

Proactive steps to plan for the low-carbon transition, as part of their strategy

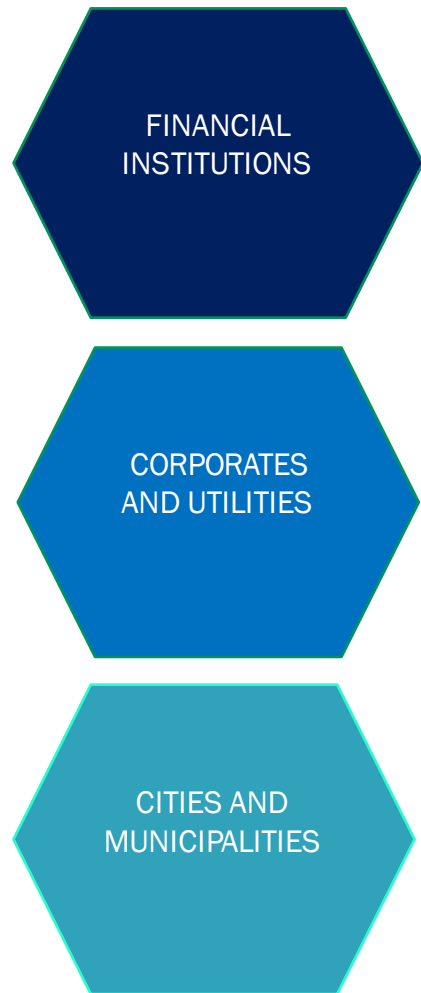
What is a transition or CCG plan?

sets out the steps through which the organisation will improve its business practices in relation to climate change, leading to Paris-aligned financial flows. These steps will be set out as clear, time-bound milestones.

EBRD Paris alignment methodology



EBRD works with clients on corporate climate governance and transition plans



Agribusiness, Power & Energy, Manufacturing & Services, Natural Resources

CCG activities by clients:

- Adopt best practice **disclosure** frameworks
- Build technical capacity for **climate risk assessment** & identification of climate opportunities
- Use of climate scenarios in **value chain assessments**
- CCG roadmaps and **low-carbon pathways**
- Green investment plans, **low-carbon strategies** & access to capital markets e.g. green and sustainability bonds

Energocom - Moldova

- Strengthening company's climate-related corporate governance
- Develop a low-carbon and climate resilient roadmap

Hassan Allam Holding - Egypt

- Strengthening company's climate-related corporate governance and disclosure

Ukraine - Kernel

- Assessment of climate governance
- Climate risks and opportunities assessment
- Low Carbon Pathway
- Blueprint of climate strategy and Climate action plan (mitigation and adaptation)

Ukraine - Nibulon

- GHG emissions calculation
- Climate risks and opportunities
- Low Carbon Pathway
- Blueprint of climate strategy and Climate action plan (mitigation and adaptation)

SQB Bank - Uzbekistan

- Strengthening company's climate-related corporate governance and disclosure in line with the TCFD recommendations

Grupa Azoty - Poland

- Commitment to obtaining energy from renewable sources
- To develop a low-carbon pathway
- To report under the guidelines of the [Task Force on Climate-related Financial Disclosures](#)



Transition plans in advanced economies have some common elements



Green finance

Setting targets for the volume or share of financing earmarked for climate, green and sustainable proceeds.



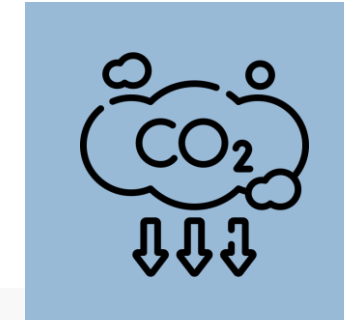
Client engagement

Starting to engage with their clients on topics relating to climate change.



Fossil fuel policies

Phasing out coal and announcing policies to manage other fossil fuel exposures.



Emissions targets

Setting net zero by 2050 targets, accompanied by short-term emissions targets for core high-emitting sectors, such as oil and gas, steel, cement, automotive.



Operational changes

Introducing new processes and policies, including training.

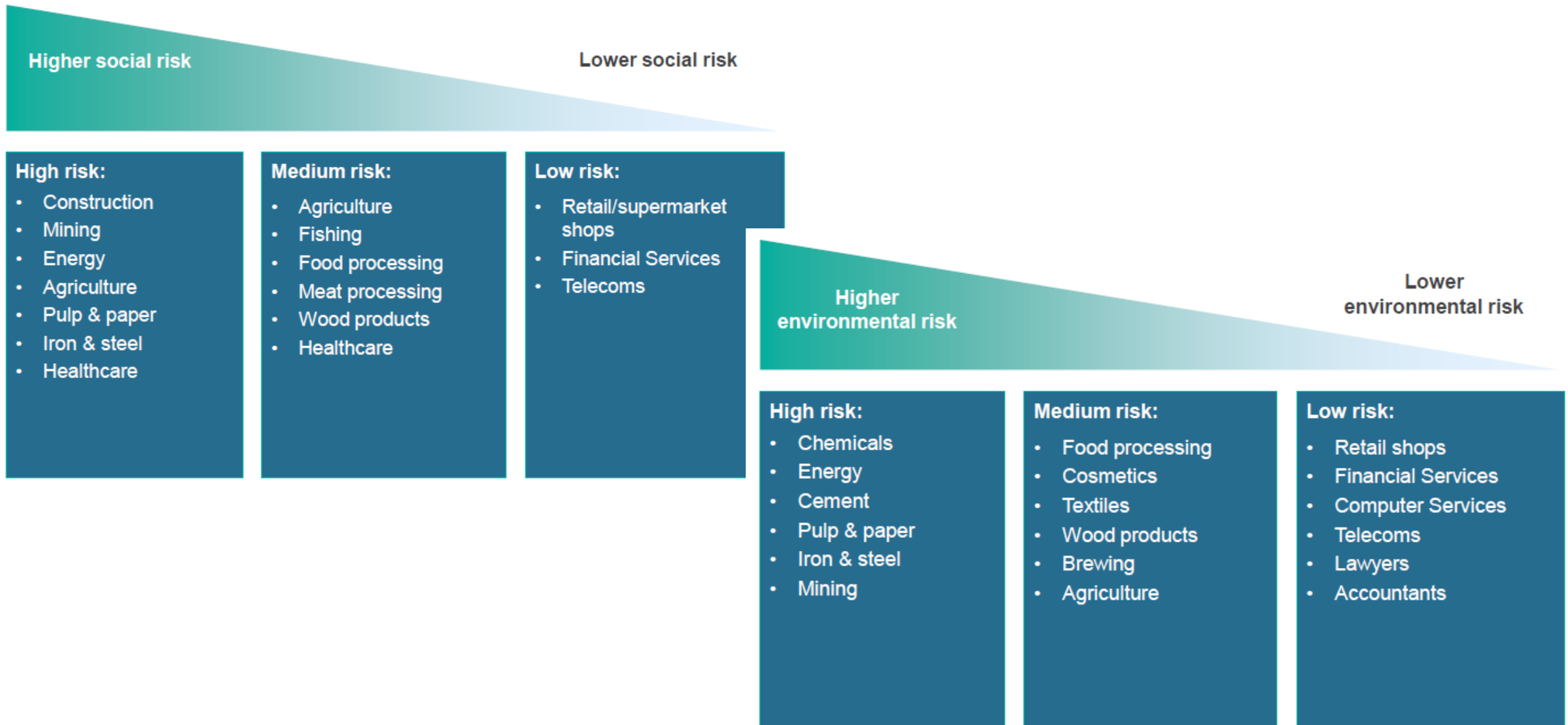
EBRD Environmental and Social Policy (“The ESP”)



EBRD has defined 10 Performance Requirements (PRs) to investments:

- PR 1 Assessment and Management of Environmental and Social Impacts and Issues (Management Systems).
- PR 2 Labour & Working Conditions.
- PR 3 Resource Efficiency and Pollution Prevention and Control.
- PR 4 Health and Safety.
- PR 5 Land Acquisition, Involuntary Resettlement and Economic Displacement.
- PR 6 Biodiversity Conservation & Sustainable Management of Living Natural Resources.
- PR 7 Indigenous Peoples.
- PR 8 Cultural Heritage.
- PR 9 Financial Intermediaries.
- PR 10 Information disclosure and stakeholder engagement.

E & S risks differ by sectors



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