

Operating Principles for Impact Management

EBRD Disclosure Statement

April 2026



European Bank
for Reconstruction and Development

This Disclosure Statement affirms that EBRD's policies and practices are aligned with the Operating Principles for Impact Management. This affirmation applies to all EBRD's investment services (including debt, equity, trade finance, syndications, and blended finance instruments). Total assets under management in alignment with the Impact Principles is US\$50.47 billion as of 31 December 2025.

In November 2024, EBRD engaged BlueMark to independently verify the alignment of EBRD's impact management practices with the Impact Principles. BlueMark's findings cover areas of strength and opportunities for improvement, as reflected in the Verifier Statement.



Odile Renaud-Basso

EBRD President

PRINCIPLE 1: Define strategic impact objective(s), consistent with the investment strategy

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee.

The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

The purpose of the EBRD, as set out in [the Agreement Establishing the Bank](#), is to **foster “transition towards openmarket-oriented economies** and to promote private and entrepreneurial initiative”. The core of the Bank’s mandate is to deliver transition impact through its investment, policy and advisory activities, with the aim to build well-functioning, sustainable market economies in its countries of operations. Specifically, the Bank aims at improving the quality of these economies in six areas (known as the “transition qualities”) as to make them: (i) competitive, (ii) resilient, (iii) well-governed, (iv) inclusive, (v) integrated, and (vi) green. While these transition qualities constitute “widely accepted goals” as per the definition above, the Bank also aligns them with the UN SDGs through a defined SDG methodology. Through EBRD’s transition mandate, our projects align with all 17 SDGs. As of 2025, the EBRD publishes an annual [Impact Report](#) exploring the results of Bank’s work across main strategic areas through a combination of data, case studies and deeper analysis of systemic impact.

EBRD investment activities have specific transition (developmental) objectives that are at the core of the Bank’s results architecture. They are aligned with EBRD strategic priorities. At the institutional level, the EBRD sets its strategic priorities for delivering transition impact through a five-year [Strategic and Capital Framework](#) (SCF) that is approved by the Board of Governors. The SCF sets key parameters on the relevance and performance of its operations, balancing transition impact and financial sustainability. The Bank makes the SCF operational annually through a rolling three-year Strategy Implementation Plan (SIP), which considers transition goals together with medium-term operational, financial and capital projections. The SIP also provides the background to the Board’s consideration and approval of the EBRD’s Corporate Scorecard, which sets targets for the EBRD’s portfolio as a whole, including in relation to the transition impact. The Bank published a new [SCF 2026-2030](#), which sets the strategic direction including priority areas of deepening impact for the next 5 years.

At the country level, [EBRD Country Strategies define the Bank’s strategic and operational priorities](#) in a country and set the expected EBRD transition results for a 5-year period. New Country Strategies are launched after the publication of Bank’s internal Country Diagnostics and its cross-country [Assessment of Transition Qualities](#) (ATQs) that identify transition gaps at the country level. A Country Strategy Results Framework supports the monitoring of Country Strategy transition results. Similarly, the Bank prepares Sector Strategies as well as strategic initiatives like [the Equality of Opportunity Strategy](#), [the Green Economy Transition](#) approach, the [Strategy for the Promotion of Gender Equality](#), or [the Approach to Accelerating the Digital Transition](#). These documents set strategic directions for a sector or area across the EBRD regions, reflecting recent developments and transition challenges across all countries of operations. The sector and thematic strategies define (and where necessary regulate) how the EBRD expects to achieve transition impact, and thereby directly inform the development of country strategies.

Moreover, [EBRD’s Environmental and Social Policy defines project-level standards](#) and objectives against which the Bank manages environmental and social risks, impacts and opportunities, while the EBRD Green Economy Transition approach articulates the Bank’s climate-related and environmental considerations, including risks and opportunities associated with both climate change mitigation and adaptation. This approach is the cornerstone of the Bank’s climate action. The recently updated [Green Economy Transition Strategy 2026-2030](#), provides a framework for extensive investments in support of climate change mitigation, adaptation and nature.. The EBRD established an enhanced level of ambition for investing in the Green Economy: scaling its cumulative green financing to at least EUR 150 billion by 2030 from its own funds and mobilised private-sector flow, with at least 50 per cent of annual commitments contributing to green transition objectives and increasing the number of projects with climate resilience by 50 per cent.



PRINCIPLE 2: Manage strategic impact on a portfolio basis

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

The EBRD Corporate Scorecard sets key parameters for managing the process of achieving and balancing the dual goals of delivering transition impact and being financially sustainable at the portfolio level (with the highest possible ambition). The Scorecard includes performance metrics on the transition, operational, financial, organisational, and resource frameworks.

In accordance with its results architecture, the **Bank assesses transition results by tracking performance at the institutional and country levels**. At the institutional level, the transition ambition of investment projects at entry is aggregated across the portfolio to provide an average Expected Transition Impact (ETI) score. Similarly, the transition performance during implementation is aggregated across the portfolio to a share of projects with delivery on track. These measures are included in the Corporate Scorecard together with an average floor threshold and cascaded down to departmental scorecards.

The Corporate Scorecard also captures performance on the progress on six transition qualities through Composite Performance Assessments (CPA), which are included in the Scorecard and generated on an annual basis. These assessments are a combination of quantitative and qualitative measures. Performance-based compensation awards are linked to successful delivery of these targets. The transition architecture thus provides incentives to select the relevant projects, to design them well, and to manage them effectively.

At the country level, **the Bank assesses progress against Country Strategy objectives annually** through Country Strategy Delivery Reviews (CSDRs), including the Country Strategy Results Frameworks (CSRFs).

PRINCIPLE 3: Establish the Manager's contribution to the achievement of impact

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

Each EBRD investment project (or a group of associated investments under a framework) is assessed ex-ante to identify its expected contribution to transition impact (see Principle 4 for more detail). **This assessment is based on the EBRD's transition concept and the underlying Theory of Change** that are structured around the six transition qualities of a sustainable market economy. The Bank further assesses each investment for its compliance with the EBRD's Sound Banking and **Additionality** investment criteria. The Additionality principle is enshrined in the Agreement Establishing the Bank (Article 13, vii) and its application follows the Enhanced Approach to Additionality approved in 2018 and overseen by the Operations Committee (which screens EBRD projects before approval by the Board of Directors).

Additionality must be demonstrated for all projects and can be financial (that is, providing financing that is not available in the market), and/or non-financial (for example, risk mitigation, policy change, standard setting or capacity development). The Enhanced Approach equips Operational Leaders (OLs) with a tool (Enhanced Additionality Questionnaire) to assess and document the Bank's expected contributions for each investment. In addition to this, each project undergoes detailed appraisal to assess environmental and social risks and to identify opportunities to enhance beneficial impacts.

For projects with **blended concessional finance**, the EBRD's Staff Guidelines outline the steps to assess the use of blended finance including an additionality assessment, in order to provide assurance that the use of blended finance is in line with internationally agreed principles on the effective and efficient use of concessional resources.



For more detail visit
[ebrd.com/what-we-do/
 strategies-and-policies.html](https://ebrd.com/what-we-do/strategies-and-policies.html)

PRINCIPLE 4: Assessing the expected impact of each investment, based on a systematic approach

For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations.

In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

All EBRD investment projects (or a group of associated investments under an investment framework) are assessed and scored at entry by looking at how they are expected to contribute to delivering transition impact. This is a part of the "operationalisation of the EBRD's transition concept" that translates EBRD mandate into an EBRD-specific Theory of Change for each of the six transition qualities.

This assessment that derives the project score is grounded in EBRD transition objectives that are framed around the primary transition qualities to which the investment is expected to contribute. For each of the transition objectives, the Bank defines a set of quantitative and qualitative indicators to measure the transition impact. The selection of the monitoring indicators – from the EBRD Compendium of Indicators (Col) – stems from the work of a number of departments and requires a solid knowledge of the investee and the targeted market.

The assessment process also takes into account the periodic ATQ [as defined under P1] for the country (or group of countries) of investment, the project's contribution to the EBRD's Country Strategy priorities, and the selected financial instrument (for example, equity or debt). During the structuring phase of an investment, projects that receive a lower rating are further reviewed to see whether transition impact objectives can be strengthened. Where this is not possible, weaker projects may be de-selected before reaching final review.

The **quality at entry of the entire portfolio** for a given period is assessed as part of the EBRD's Corporate Scorecard. This is then cascaded to departmental scorecards that set a threshold floor on average score (ETI score).

The EBRD has developed a framework (the Transition Objectives Measurement System, TOMS) to support and streamline its ETI assessment, using a questionnaire approach structured around transition objectives, sector and geography, in order to support articulation of the investment's Theory of Change. This tool **facilitates a consistent assessment of investments of a similar nature**. For more complex or innovative projects, the tool is complemented by an in-depth manual assessment. The design, assessment and approval process also takes into account risk factors and opportunities for addressing them, which are articulated in project documentation.

As part of the final design process, a transition results framework is developed for each investment to capture the ETI, which reflects the transition ambition of the project and set targets for delivery through output and outcomes indicators. **Indicators for the result frameworks for investments are drawn from the EBRD's Compendium of Indicators (Col)**. These Col indicators identify the expected impact, beneficiary (where relevant), and have explicit baselines, targets (scale of expected change), implementation timing, source, and further specifications related to the project. Data disaggregation (for example, by gender) is expected to be provided whenever feasible (for example, in line with EBRD's Board-approved Strategy for the Promotion of Gender Equality).

The Bank's Col is based on SMART principles (that is, Specific, Measurable, Achievable, Realistic, and Timely). It draws on industry indicator standards, including the DFIs' Harmonised Indicators for Private Sector Operations (HIPSO) and the Global Impact Investing Network's Impact Reporting and Investment Standards Plus (IRIS+). The final project document for each investment captures the project's transition impact objectives, its ambition, expected transition impact project score, associated monitoring indicators and other key relevant information. This final assessment summary is a part of the project submission package for approval by the investment committee and/or the EBRD Board of Directors.

To further align with Principle 4, **the Bank is enhancing its Transition Architecture. This includes ongoing work on the underpinning Theory of Change and TOMS framework**, to more comprehensively define outputs, outcomes and systemic impacts stemming from an intervention (i.e., going beyond direct effects), and to refine the COI with a more outcome-oriented lens.

PRINCIPLE 5: Assess, address, monitor, and manage potential negative impacts of each investment

For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

EBRD's approach to assessing, addressing, monitoring and managing potential negative effects of investments is set out in the Bank's Environmental and Social Policy (ESP) and the accompanying [Environmental and Social Requirements](#) (ESRs). In 2024, the EBRD launched a new Environmental and Social Policy, as an update to the 2019 ESP. **The ESRs define minimum environmental and social standards** that projects are expected to meet over time. Underpinning the Bank's approach is a commitment to applying applicable European Union standards and best available techniques.

All EBRD investments are subject to environmental and social appraisal; specialised EBRD teams develop environmental and social action plans to help clients meet the PRs over time. The Bank takes a precautionary approach to the protection, conservation, management and sustainable use of living natural resources. It requires relevant projects to include measures to safeguard and, where feasible, enhance ecosystems and the biodiversity they support.

The Bank ensures that all financial institutions receiving its financing have appropriate environmental and social risk management systems in place. **The environmental and social procedures screen all clients/subprojects** against the FI Environmental and Social Exclusion List and categorise the environmental and social risk of proposed subprojects (low/medium/high), in accordance with the EBRD's Environmental and Social Risk Categorisation List for FIs. The procedures further ensure, through its assessment, that subprojects are structured to meet national regulatory requirements relating to environmental and social matters, including (where necessary) requiring clients to implement corrective action plans. The EBRD also monitors projects to ensure compliance with national laws on environment, health and safety and labour.

Where projects present particular environmental or social risks, or where clients have gaps in their capacity, **the Bank engages proactively to understand the risks and help address those gaps**. The obligations on clients to meet the ESRs and take action to address any gaps are set out in legal documents that define the conditions attached to any EBRD investment. The Bank is able to mobilise donor funds for Technical Cooperation to develop new initiatives, build capacity and promote best practice.

EBRD clients must report annually on their environmental and social performance and on the implementation of environmental and social action plans. Clients are also required to notify the Bank of serious accidents or fatalities. For higher risk projects, EBRD environmental and social specialists carry out on-site monitoring visits.

In 2025, the EBRD published its first assured sustainability disclosures report for 2024 that fully comply with International Sustainability Standards Board (ISSB) standards, the first multilateral bank to publish this and one of the first institutions worldwide. These new disclosures expand on the Bank's previous climate reporting, covering its governance, strategy, risk management and performance metrics. The ISSB Report is a major step forward in the Bank's sustainability journey, increasing transparency regarding its climate-related financial risks and opportunities. The Bank is committed to continue its ISSB reporting in 2026 with the expansion from climate-related to sustainability-related disclosures. In addition, the Bank publishes an annual Investor's report on Sustainability, which provides an account of how the Bank's commitments to sustainability are embedded in all EBRD activities.

In addition to the management of ESG risks described above, all EBRD **investments are reviewed along the six transition qualities** to ensure that any potentially negative impact on one or more of the transition qualities is mitigated. This assessment is supported by a set of red flags to identify potentially negative impacts of the project.

As of the beginning of 2023, the EBRD has implemented a requirement for **all new investments to be Paris Aligned**. Through a screening questionnaire, new projects are assessed on their climate risks and determination of Paris Alignment.



For more detail visit
sr-ebd.com

PRINCIPLE 6: Monitor the progress of each investment in achieving impact against expectations and respond appropriately

The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes

Each EBRD investment project (or a group of associated investments under a framework) is reviewed according to a set schedule, typically every year, to assess the extent to which transition objectives (as well as financial objectives) set at design have been achieved. Specifically, the review tracks a project's transition monitoring indicators using the EBRD's Transition Impact Monitoring System (TIMS). This review results in an 'in flight' transition impact assessment rating, which is aggregated across the entire portfolio and forms part of the EBRD's Corporate Scorecard (PTI, discussed).

Throughout the project's implementation, the Bank regularly reviews the progress made in achieving transition objectives, client's compliance with covenants, and environmental, social and other key requirements. The Bank carries out formal credit reviews of ongoing debt operations annually (semi-annually for ongoing equity operations). Any material risks (for example, credit standing, transition and environmental) to operations are monitored, identified/flagged, categorized, escalated and mitigated to the extent possible. In some cases, the Bank executes remedial actions. Moreover, to strengthen its portfolio management, the Bank created a team dedicated to establishing a more effective monitoring through better use of data and resources.

For each project, the results matrix included in the documentation, captures investment level impact. Longer-term effects are considered ex ante as part of the investment transition rationale (Theory of Change), but are not measured at the investment level. The Results Monitoring Matrix together with the Compendium of Indicators set out the period and methodology for assessing impact data, as well as the data source. To facilitate this process, the EBRD has developed a comprehensive IT solution that better captures and consolidates reporting information to help ensure greater consistency of ratings, more systematic capturing of lessons learned and improved ability to aggregate results based on the six transition qualities and the Compendium of Indicators.



PRINCIPLE 7: Conduct exits considering the effect on sustained impact

When conducting an exit, the Manager shall, in goodfaith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

When a project reaches completion, the EBRD assesses the overall transition impact delivered against expectations and potential changes in circumstances. **A final rating is attached to each project.** In the case of equity exits, bond sales, or exits ahead of schedule the EBRD requires an opinion from the competent department(s) if the transition impact was delivered.

In the private debt portion of its portfolio, the EBRD embeds certain covenants in loan documentation that help to **preserve the sustainability of impact beyond the investment period**, including corporate governance and ESGrisk management practices that may persist after the loan matures. These covenants can factor into the ETI score.

To improve the assessment of impact at exit, the EBRD recently revamped its self-evaluation system and launched the pilot of a new project self-evaluation template – the Summary Project Assessment (SPA). The SPA is designed to assess effectiveness, efficiency, and results of an investment project, as well as to provide a structured template to discern lessons learned.

Further alignment with Principle 7 could be achieved by developing an approach for sustaining impact across private debt, the Bank could draw on its current approach to the sustainability of impact at exit for private equity, which is guided by the EBRD Equity Committee's Terms of Reference.

Additionally, in the context of the SPA template, the EBRD could incorporate an assessment of the likelihood of sustainability of impact near, or at the time of, loan maturation. Considerations at that stage could include whether to exercise flexibility in repayment requirements to preserve impact, whether renewal is needed to sustain impact, and to what extent remaining investors are mission aligned.

PRINCIPLE 8: Review, document, and improve decisions and processes based on the achievement of impact and lessons learned

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

In addition to monitoring described under Principle 6, **the EBRD self-evaluates all operations at completion** for accountability and lesson-learning purposes. This final review includes an assessment against expected transition results set at the design stage and identifies lessons learned. Starting in 2024 as part of the EBRD's revamp of its self-evaluation system, a Summary Performance Assessment (SPA) template was piloted to improve the quality and use of self-evaluation by management. As of 2025, the SPAs have been rolled out in the Bank to systematically capture and communicate lessons learned across the institution. A sample of such operations, designed to yield statistically sound and credible findings, is subject to further in-depth independent evaluation by the [Bank's Independent Evaluation Department](#) (IEvD). For learning purposes, IEvD also undertakes periodic reviews of broader themes (including groups of projects related thematically) that are likely to yield lessons and recommendations on what was achieved, what worked, what did not work and why. EBRD management takes into account these lessons and recommendations in the design and approval of new operations (and in particular repeat transactions). Since 2023, the Bank's Impact Assessment and Foresights team conducts thematic impact assessments, to capture and disseminate usable learnings across the institution. Through internal collaboration, the team helps generate knowledge through ex-post assessments and forward-looking foresight analysis.



For more detail visit
ebrd.com/what-we-do/evaluation-reports.html

PRINCIPLE 9: Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

This **Disclosure Statement re-affirms¹ the alignment of EBRD's procedures with the Impact Principles** and will be updated annually. In November 2024, the EBRD undertook an independent verification by BlueMark as an update to the previous verification in 2020. The independent Verifier Statement on the alignment of the EBRD with the Operating Principles for Impact Management is available at ebrd.com. The verification is expected to be replicated every five years.



ebrd.com/operating-principles.pdf
ebrd.com/verifier-statement.pdf

Information on the current independent verifier is as follows:

Name and Address: BlueMark 154 W 14th St, 2nd Floor, New York, NY 10011.

Qualifications: “BlueMark, a Delaware-registered public benefit company, is a leading provider of impact verification services in the impact investing market. BlueMark was founded with a mission to “strengthen trust in impact investing” and to help bring more accountability to the impact investment process. BlueMark has conducted this verification with an independent and unconflicted team experienced in relevant impact measurement and management issues. BlueMark has implemented a Standard of Conduct requiring our employees to adhere to the highest standards of professional integrity, ethics, and objectivity in their conduct of business activities”.

Latest Review: November 20th, 2024

¹ The information contained in this Disclosure Statement has not been verified or endorsed by the Global Impact Investing Network (“the GIIN”) or the Secretariat or Advisory Board. All statements and/or opinions expressed in these materials are solely the responsibility of the person or entity providing such materials and do not reflect the opinion of the GIIN. The GIIN shall not be responsible for any loss, claim or liability that the person or entity publishing

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