



Eurasian Development Bank

REGULATIONS ON THE EDB SUSTAINABILITY COMMITTEE



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1. ABBREVIATIONS AND DEFINITIONS, LINKS TO DOCUMENTS

This Regulation on the Sustainability Committee (hereinafter — the Regulation) of the Eurasian development bank (hereinafter — the Bank, EDB) uses terms, abbreviated names of terms, as well as abbreviated names of independent structural divisions and divisions of the Bank, defined in the Bank's Glossary.

1.1. Abbreviations

ESG — Environmental, Social and Governance

1.2. Terms and definitions used in the IRD

Initiator	A structural unit of the Bank or an employee of the Bank who initiates the request for consideration by the Sustainability Committee
Conflict of interest	A situation in which the personal interest (direct or indirect) of officials or employees of the Bank/external contractors/consultants engaged by the Bank, as well as participants in projects implemented with the participation of the Bank, conflicts/may conflict with their professional duties and may affect the proper, objective and impartial performance of their official duties (exercise of powers) or duties stipulated by contractual relations, as well as a situation in which there is a contradiction between the property or other interests of the Bank and/or one or more counterparties, as a result of which the activity (inactivity) of one party may have adverse consequences for the other party
Secretary	An employee of the Bank who is assigned by the Bank's Board responsibilities for organizational support and preparation of meetings of the Sustainability Committee
Request	Issue submitted by the Initiator for consideration by the Sustainability Committee

1.3. References to Documents

This Regulation uses references to the following Internal Regulatory Documents (hereinafter — IRDs):

- The Environmental and Social Framework of the Eurasian Development Bank.
- Regulations on internal regulatory documents of the Eurasian Development Bank.

2. INTENDED USE AND SCOPE

2.1. Intended Use

These Regulations regulate the composition, functions and powers of the Sustainability Committee (hereinafter — the Committee), determine the procedure for making its decisions, and also regulate the determination of priority areas, goals and basic principles of the Bank's activities in sustainable development.

2.2. Scope, Owner, and Revision

2.2.1. This Regulation applies to all employees of the Bank.

2.2.2. The owner of this Regulation is the Directorate of Sustainability.

2.2.3. In case of reorganization (abolition, change of structure, change of name) of any of the structural units specified in the Regulations or renaming of the positions of the Bank's employees before appropriate changes are made to these Regulations, the responsibilities of such structural unit/employee are carried out by the structural unit/employee to which the corresponding functions are transferred /authority.

2.2.4. This Regulation shall be revised as necessary, as well as analysed for the necessity of changes or invalidation due to irrelevance in the cases and in the manner prescribed by the Regulations on internal regulatory documents of the Eurasian Development Bank.

2.2.5. The Regulation is a public document and may be published on both internal and external resources of the Bank, including the Internet.

3. GENERAL PROVISIONS

3.1. Committee Purposes

3.1.1. The Sustainability Committee is a permanent collegial body of the Bank, accountable to the Board of the Bank, created to organize and coordinate the activities of the Bank's divisions for social and environmental responsibility and management, including influence of these on business reputation, relations with member states, suppliers, clients, credit institutions, rating agencies, public organizations, communities, regions of presence, and other interested parties.

3.1.2. In its activities, the Committee is guided by the Agreement on the establishment of the Bank, the Charter of the Bank, decisions of the Council and the Board of the Bank, the Bank's IRDs, orders and instructions of the Chairman and these Regulations.

3.2. Composition of the Committee

3.2.1. The Committee is created from among the Bank's employees representing various divisions of the Bank and positions.

3.2.2. The numerical and personal composition of the Committee is approved by the Board of the Bank upon the recommendation of the Directorate of Sustainability.

3.2.3. The Chairman of the Committee is appointed by the Board of the Bank from among the members of the Committee and is responsible for organizing the activities of the Committee and the timely and proper execution of the tasks assigned to the Committee.

3.2.4. The Deputy Chairman of the Committee is appointed by the Chairman of the Committee from among the members of the Committee and is responsible for maintaining the work of the Committee and assisting the Chairman of the Committee in achieving the goals of the Committee. The Deputy Chairman of the Committee performs the duties of the Chairman of the Committee in the event of his absence, unless such duties are assigned by the Chairman of the Committee to another member of the Committee.

3.2.5. The Secretary is appointed by the Board of the Bank for the purpose of organizational support for the Committee, preparation of meetings of the Committee, development of its decisions and oversight of their implementation.

3.3. Purpose and objectives of the Committee

3.3.1. The purpose of the Sustainability Committee is to provide expert opinion on sustainable development issues that are consistent with the Bank's goals, functions and responsibilities.

3.3.2. The objectives of the Committee are:

- a) consideration of the Bank's strategic issues in the field of sustainable development, as well as action plans (road maps) in the field of social and environmental responsibility and corporate governance (hereinafter — the Plan);
- b) participation in the development of the Bank's target indicators in sustainable development;
- c) participation in monitoring the implementation of the developed Plan, as well as the Bank's targets in sustainable development;

- d) review the Bank's sustainability report and development of an expert opinion on it;
- e) participation in the assessment of the Bank's contribution to the achievement of the United Nations sustainable development goals of member states;
- f) consideration of issues in the priority areas of the Bank's activities in sustainable development of member states as a whole or individual sectors of the economy;
- g) consideration of projects and initiatives in sustainable development, including projects on green and social financing, issuing green, social or other ESG bonds or attracting green loans, developing new financial ESG instruments, as well as other social and environmental initiatives;
- h) consideration of issues on improving the efficiency of internal procedures and processes in social and environmental responsibility, on improving the Bank's results in ESG ratings, on issues of participation, development and amendments to the Bank's documents, as well as on corporate governance;
- i) participation in the development and presentation of expert opinion on issues of positioning the Bank as a socially and environmentally responsible organization;
- j) participation in the consideration of issues of entry and accession of the Bank to industry, inter-industry, local, regional, state and international associations, unions, unions and programs in sustainable development;
- k) participation in the consideration of other key issues of the Bank related to reducing the impact on the environment, social investments, sustainable development in general, including the consideration of projects with significant potential risks in the field of sustainable development;
- l) performing other tasks on behalf of the Chairman of the Board or the Board of the Bank, and (or) in accordance with the Bank's IRDs.

3.3.3. If it is necessary to approve the IRD for the purposes of implementing the Committee's tasks specified in clause 3.3.2. of this Regulation, the procedure for developing, approving and accounting for such IRD is carried out in accordance with the Regulations on internal regulatory documents of the Eurasian Development Bank.

3.4. Rights of the Committee

3.4.1. The Committee has the right to invite and hear managers and employees of the Bank's structural divisions on issues considered at its meetings.

3.4.2. The Committee has the right to request and receive from the Bank's divisions materials and necessary information on issues considered at its meetings.

3.4.3. The Committee has the right to submit proposals and (or) recommendations on issues corresponding to subparagraphs "a" – "f" of paragraph 3.3.2. for consideration by the Bank's Board, as well as to make decisions on the need to develop the Bank's IRD on such issues in accordance with clause 3.3.3. of this Regulation.

3.4.4. The Committee has the right to make decisions independently on issues corresponding to subparagraphs "g" – "l" of paragraph 3.3.2. of these Regulations, unless otherwise established by decisions of the Board and (or) the Bank's IRDs, and also give instructions to members of the Committee to perform the tasks related to the clause 3.3.2. of this Regulation.

3.4.5. The Committee has the right to oversight the implementation of its decisions made in the cases provided for in paragraph 3.4.4. of this Regulation.



3.5. Organisation of the Committee's meetings

3.5.1. A meeting of the Committee is valid if more than half of the total number of members are present. Participation in the work of the Committee by audio or video conference is allowed.

3.5.2. Meetings of the Committee are held as necessary, but at least twice a calendar year, as well as at the request of Committee members.

3.5.3. At the meeting of the Committee, issues included in the agenda by decision of the Chairman of the Committee or Deputy Chairman of the Committee are considered.

3.5.4. Bank employees who are not members of the Committee and other persons at the invitation of the Committee Chairman or Deputy Chairman of the Committee may participate in Committee meetings.

3.5.5. The Initiator is responsible for the completeness and accuracy of the information provided, compliance with the procedure for preliminary discussion and approval of the issue being raised with the head of the department.

3.5.6. Meetings are held in person; the date and place of the meeting are determined by the Chairman of the Committee or Deputy Chairman of the Committee.

4. LIST OF REGULATED PROCESSES AND THEIR OWNERS

The organization of the work of the Sustainability Committee is ensured by a group of processes:

Nº	Group of processes	Process	Owner (responsible)
1	Organizational support for activities and preparation of Committee meetings	<ul style="list-style-type: none"> • drafting agenda for the Committee meeting; • organizing the Committee meeting; • holding a meeting of the Committee; • registering Committee decisions. 	Secretary
2	Processing requests received by the Committee	<ul style="list-style-type: none"> • receiving requests to the Committee; • assessing of the validity of the request; • providing recommendations to the Committee. 	Secretary, Directorate of Sustainability
3	Voting of the Committee		Members of the Committee

5. DESCRIPTIONS OF PROCESSES

5.1. Receiving requests to the Committee

5.1.1. Requests addressed to the Committee by Initiators may be included in the agenda of the next meeting of the Committee.

5.1.2. The Initiator of the request, no later than 10 (ten) working days before the Committee meeting, draws up an official note addressed to the Secretary, which sets out the essence of the request, the rationale for the request, indicating the relevant supporting documents, copies of which must be attached to the official note. The official note is placed in the electronic document flow system and approved in the following order:

- (1) the responsible employee of the Initiator;
- (1) co-executors, if any;
- (2) the head of the Initiator;
- (3) Secretary of the Sustainable Development Committee.

5.1.3. The Secretary has the right to request additional information or supporting documents from the Initiator in order to provide complete information to the Committee meeting.

5.1.4. The Secretary, on the day of receiving a request to the Committee, forwards the received request to the Directorate of Sustainability for a preliminary assessment of the validity and provision of recommendations to the Committee on the request.

5.1.5. The Directorate of Sustainability reviews materials upon request and provides an assessment of the validity and recommendations within 2 (two) working days from the date of receipt of the materials.

5.1.6. When agreeing on agenda items, the Chairman of the Committee or the Deputy Chairman of the Committee has the right to refuse to consider the request to the Initiator in the absence of the necessary data for making a decision and to send the materials for revision. In this case the following is determined:

- volume and characteristics of updates, including a list of documents necessary to the submission, detailing of these issues, etc.;
- period of execution;
- responsible persons on the part of the Initiator.

5.2. Organization of the Committee meeting

5.2.1. The Secretary shall prepare the agenda of the Committee meeting and send it to the Chairman of the Committee or, in their absence, to the Deputy Chairman of the Committee for approval.

5.2.2. The Secretary shall send the agreed agenda of the Committee meeting and accompanying materials to all members of the Committee by e-mail for preliminary review, informing them of the planned date and place of the meeting.

5.2.3. Invitation to the Committee meeting shall be sent by e-mail no later than 5 (five) working days prior to the planned date of the meeting.

5.2.4. If a Committee member is unable to attend the meeting, they shall notify the Chairman of the Committee, the Deputy Chairman of the Committee and the Secretary of their absence by e-mail.

5.2.5. If the number of attendees at the meeting does not reach a quorum, the Committee Chair or Deputy Chair shall have the right to adjourn the meeting.

5.2.6. The Secretary shall inform the Committee members about changes in the date or venue.

5.2.7. The Chairman of the Committee, Deputy Chairman of the Committee shall be entitled to invite to the meeting Initiator and other employees of the Bank relevant to the issue included in the agenda of the meeting.

5.2.8. Secretary shall send materials on a particular agenda item to the employees invited to the meeting prior to the meeting.

5.3. Holding of the Committee meeting

5.3.1. Meetings of the Committee shall be presided by the Chairman of the Committee.

5.3.2. In the absence of the Chairman of the Committee at a meeting, their duties shall be performed by the Deputy Chairman of the Committee or a Committee member authorized by the Chairman of the Committee.

5.3.3. Invited employees shall participate in the meeting only within the scope of consideration of a certain agenda item.

5.3.4. Committee member shall abstain from discussing an issue if there is a conflict of interest. In this case, they shall inform the Chairman of the Committee of the conflict of interest prior to the meeting or during the Committee meeting.

5.3.5. When the Committee makes decisions at a meeting, the Committee members present at the meeting shall express their opinion on the agenda items. If a Committee member cannot attend the meeting in person, the Committee member may submit their written opinion on agenda items.

5.3.6. Committee decisions shall be adopted by a simple majority of votes of the total number of votes of the Committee members present at the meeting. In case of a tie vote, the Chairman of the Committee has a casting vote.

5.4. Formalization and execution of the Committee's decisions

5.4.1. Decisions made at the Committee meeting shall be formalized in minutes no later than 3 (three) working days after the Committee meeting, which shall be agreed upon by the Committee members in the electronic document management system and numbered by sequential numbers. The Secretary shall be responsible for keeping minutes of the Committee meetings.

5.4.2. The minutes shall include the date of the meeting, the list of Committee members present at the meeting, the presence of a quorum, the list of invitees present at the meeting, the agenda of the meeting, and the decisions made. The minutes shall obligatory reflect

a dissenting opinion of a Committee member in case of disagreement with the proposed decision.

5.4.3. The Secretary shall bring the Committee's decisions to the notice of interested persons and the Bank's units whose activities they concern by sending excerpts from the minutes of the Committee's meetings.

5.4.4. Copies of the minutes of the Committee, extracts and excerpts therefrom certified by the Secretary may be provided to the members of the Council of the Bank, members of the Board of the Bank, the Internal Audit Service, heads of departments of the Bank concerned on issues related to the activities of such departments, external auditors of the Bank and representatives of other counterparties of the Bank (rating agencies, intergovernmental commissions, consultants, etc.).

5.4.5. The Bank's employees may receive excerpts from the minutes of the Committee's meetings on issues concerning them on the basis of an e-mail request to the Secretary.

5.4.6. The Secretary prepares the necessary package of materials for subsequent submission of issues in accordance with clause [3.4.3.](#) of these Regulations for consideration and approval by the Board of the Bank in accordance with the Procedure for interaction between departments in preparing materials for meetings of the EDB Board.

6. ROLES AND RESPONSIBILITIES

6.1. The Board of the Bank

6.1.1. Approves the composition and number of members of the Committee

6.1.2. Appoints the Chairman of the Committee

6.1.3. Appoints the Secretary

6.1.4. Approves decisions of the Committee in accordance with paragraph 3.4.3. of these Regulations relating to the competence of the Management Board of the Bank as defined by Article 16 of the Charter of the Eurasian Development Bank.

6.2. The Chairman of the Committee

6.2.1. Organizes the work of the Committee.

6.2.2. Appoints the Deputy Chairman of the Committee.

6.2.3. Is responsible for timely and proper fulfillment of tasks and functions assigned to the Committee.

6.2.4. Holds meetings of the Committee.

6.2.5. Controls the activities of the Secretary.

6.3. Committee Members

6.3.1. Consider materials on the issues on the agenda of the meetings.

6.3.2. Take part in the meetings.

6.3.3. Are responsible for disclosure of information discussed at the meetings of the Committee in accordance with the procedure established for the Bank's employees.

6.3.4. Are responsible for the reasonableness of decisions taken by them.

6.4. Secretary of the Committee

6.4.1. Prepares and organizes meetings of the Committee.

6.4.2. Updates the number and composition of the Committee, prepares materials on changes in the composition of the Committee for making relevant decisions by the Bank's Board.

6.4.3. Timely submits the necessary meeting materials to the Committee members.

6.4.4. Draws up minutes of the Committee meetings, organizes the process of their approval by the Committee members through the electronic document management system.



6.4.5. Prepares documents for subsequent approval of the Committee's resolutions by the Board of the Bank.

6.4.6. Notify the concerned persons who have submitted an issue for the Committee's discussion of the Committee's decisions on this issue.

6.4.7. Supervises timely execution of the Committee's decisions.

6.4.8. Is responsible for disclosure of information discussed at the meetings of the Committee in accordance with the procedure established for the Bank's employees.

6.5. Directorate of Sustainability

6.5.1. Preliminarily reviews materials on agenda items.

6.5.2. Reviews materials requested by the Initiator and provides an assessment of validity and recommendations to the Committee.

6.6. Initiator

6.6.1. Provides the Committee with full information related to the essence of the request.

6.6.2. Is responsible for the accuracy of the information provided.

6.6.3. Participates in the Committee meeting upon invitation of the Chairman of the Committee or their deputy.

6.6.4. Is responsible for disclosure of information discussed at the meetings of the Committee in accordance with the procedure established for the Bank's employees.

6.7. Invited employees

6.7.1. Review materials sent by the Secretary.

6.7.2. Participate in the Committee meeting upon invitation of the Chairman of the Committee.

6.7.3. Is liable for providing unreliable information when considering an item on the agenda.

6.7.4. Is responsible for disclosure of information discussed at the Committee meetings in accordance with the procedure established for the Bank's employees.



Eurasian Development Bank

**DIRECTORATE OF SUSTAINABILITY
EURASIAN DEVELOPMENT BANK**

This document is the official translation. Original document has been approved in Russian by the Management Board of the Eurasian Development Bank (Minutes 1120 dated 5 April 2024).

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The electronic version of the document is available at the Eurasian Development Bank website at <https://eabr.org/sustainability/>.

Your comments and suggestions concerning the document are welcome at: esg@eabr.org.

For more information on sustainability activities of the Bank, as well as a monthly ESG news digest in Eurasia, please visit the Eurasian Development Bank Telegram channel: t.me/eabr_bank.

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