

Environmental and Social Sustainability Framework

The EIB group Environmental and Social Policy

Draft – 3 June 2021

This document is for information purposes only.

In case of discrepancies between the different linguistic versions,
the English version of the document prevails.

Preamble

The EIB Group (the “Group”), consisting of the European Investment Bank (EIB)¹ and the European Investment Fund (EIF)²,

Having regard to the Treaties of the European Union³ (EU), the EIB Statute and the EIF Statutes⁴,

Having regard to the Charter of Fundamental Rights of the European Union⁵ which has the same legal value as the Treaties,

Whereas:

- 1) The EIB, as the long-term financing body of the European Union, is committed to supporting the EU’s values and objectives laid down in EU policies through its financing, blending and advisory activities, in the European Union and beyond.
- 2) The EIF has been established as a body with legal personality and financial autonomy dedicated to achieving EU objectives, notably through the design, promotion and implementation of equity and debt financial instruments including in the fields of supporting entrepreneurship, growth, innovation, research and employment.
- 3) Sustainability in its environmental and social dimensions, including climate change-related aspects, and considerations linked with the Union’s fundamental values are key EU objectives, both within and outside the European Union, as acknowledged by the Treaties of the EU⁶.
- 4) The Group’s approach to the environmental and social dimensions of sustainability is based on the key objectives and principles set out in the relevant EU policies and legal framework, as well as on the international community’s response to the global sustainable development challenges as laid down in the relevant treaties and conventions ratified by the European Union.
- 5) In particular, the Group contributes to the commitment made by the European Union to be a global partner and a frontrunner in promoting and implementing the UN’s 2030 Agenda for Sustainable Development and the achievement of its Sustainable Development Goals (SDGs)⁷, as well as the Paris Agreement on Climate Change⁸.
- 6) The Group acknowledges the European Green Deal as the new EU growth strategy and supports the implementation of the actions identified in the EU roadmap to achieve the ambition of making the EU’s economy sustainable with a transition that is just and inclusive for all⁹.
- 7) The Group acknowledges that sustainable finance is essential to implement the EU’s ambitions on environmental, climate and social sustainability objectives¹⁰.

¹ European Investment Bank (EIB) – www.eib.org.

² European Investment Fund (EIF) – www.eif.org.

³ The Treaties of the EU refer to the Treaty on European Union (TEU) (OJ C326/13) and the Treaty on the Functioning of the European Union (TFEU) (OJ C326/47).

⁴ [Statute and other Treaty provisions \(eib.org\)](#); [EIF Statute.pdf](#).

⁵ Charter of Fundamental Rights of the European Union (OJ C326/321).

⁶ In particular, pursuant to Article 11 TFEU, environmental protection requirements must be integrated into the definition and implementation of EU policies, with a view to promoting sustainable development.

⁷ UN General Assembly, Transforming our world: the 2030 Agenda for Sustainable Development, 21 October 2015, A/RES/70/1.

⁸ ADOPTION OF THE PARIS AGREEMENT – Paris Agreement text in English (unfccc.int).

⁹ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, The European Green Deal (COM/2019/640 final).

¹⁰ Communication from the Commission, Action Plan: Financing Sustainable Growth (COM/2018/97 final): “Sustainable finance” generally refers to the process of taking due account of environmental and social considerations in investment decision-making, leading to increased investments in longer-term and sustainable activities” and subsequent supporting legislation, notably Regulation 2020/852 on the establishment of a framework to facilitate sustainable investment (“the Taxonomy Regulation”).

- 8) The EIB Group Climate Bank Roadmap sets out how the Group intends to support sustainable finance, including through developing a framework to ensure that operations¹¹ supported by the Group are aligned to pathways towards environmentally sustainable, low-carbon and climate-resilient development.
- 9) In contributing to ensure a high level of protection of the environment, the Group takes note of the EU Environment Action Programme, as regularly updated, and the relevant EU environment-related thematic strategies and policies.
- 10) In promoting social inclusion and development, equal opportunities and fair working conditions, the Group takes note of the relevant EU social policies and the European Pillar of Social Rights¹².
- 11) In its activities outside the European Union, the Group supports the objectives and priorities of the EU's external actions as laid down in the Global Strategy for the EU¹³ and is guided by the European Consensus on Development¹⁴.
- 12) The Group defines a policy setting out the vision, the main areas of contribution and the operating framework that characterise the Group's actions up to 2030, spelling out how the Group intends to support sustainable and inclusive growth through its financing (hereinafter the "EIB Group's Environmental and Social Policy" or the "Policy").
- 13) The Policy is guided by the general principles of EU environmental law enshrined in the Treaties¹⁵, particularly the integration principle, which calls for a holistic approach towards sustainability.
- 14) The Policy is based on the Charter of Fundamental Rights of the European Union and is guided by the fundamental rights and freedoms recognised by the European Convention on Human Rights¹⁶, as well as the principles of the Universal Declaration of Human Rights¹⁷¹⁸ and the EU Human Rights Sanctions regime¹⁹.
- 15) The EIB Group Transparency Policy²⁰ sets out the Group's approach to transparency and stakeholder engagement, and the EIB Group Complaints Mechanism Policy²¹ sets out the rules and procedures to be followed when a complaint of alleged maladministration is lodged against the Group. The Group values the importance of sound governance, transparency and accountability as key contributors to the efficiency, effectiveness and sustainability of the Group's activities, including through public access to information and meaningful stakeholder engagement.
- 16) The Group upholds the rights of stakeholders to engage with the Group and its counterparts freely and without fear or coercion, with no tolerance for reprisals, intimidations, threats, harassment, violence or any other abuse of the rights of individuals and in particular of human rights defenders and environmental activists.
- 17) The EIB Group seeks to develop and strengthen partnerships with other relevant actors (including international financial institutions (IFIs), EU institutions and bodies, national and local governments, civil society and the private sector)²² to support the commitments expressed in this Policy. It acknowledges that stronger partnerships are at the heart of the EU's

¹¹ Operations include loans, guarantees, equity and advisory for which EIB and/or EIF financing is sought, as relevant and as approved by the EIB and/or EIF Governing Bodies.

¹² Inter-institutional proclamation on the European Pillar of Social Rights (OJ C428/10).

¹³ "Shared Vision, Common Action: A Stronger Europe – A Global Strategy for the European Union's Foreign and Security Policy", June 2016.

¹⁴ Joint Statement on the New European Consensus on Development "Our World, Our Dignity, Our Future" (C210/01).

¹⁵ Environmental principles: the precautionary, prevention, rectification at source and polluter pays principles included in Art. 191(2) TFEU; and the broader integration and sustainable development principles enshrined in Art. 11 TFEU.

¹⁶ [European Convention on Human Rights \(coe.int\)](https://www.coe.int/en/web/european-convention-on-human-rights).

¹⁷ [Universal Declaration of Human Rights | United Nations](https://www.un.org/en/development/desa/destresilization/2015/09/2015-09-28-universal-declaration-of-human-rights.html).

¹⁸ [Universal Declaration of Human Rights | United Nations](https://www.un.org/en/development/desa/destresilization/2015/09/2015-09-28-universal-declaration-of-human-rights.html).

¹⁹ Council Regulation (EU) 2020/1998.

²⁰ <https://www.eib.org/en/publications/eib-group-transparency-policy>.

²¹ <https://www.eib.org/en/publications/complaints-mechanism-policy.htm>.

²² The list is not exhaustive.

approach to deliver on environmental and social dimensions of sustainable and inclusive development.

Having regard to the EIB Rules of Procedure and to the EIF Rules of Procedure and following public consultation,

The EIB and EIF Boards of Directors have adopted the Group's Environmental and Social Policy:

THE GROUP'S ENVIRONMENTAL AND SOCIAL POLICY

1. The Vision

- 1.1 Sustainable and inclusive development lies at the core of the Group's values and underpins all of its policies and activities. The Group recognises the interdependence of the different elements of the environment and their interaction with human life and activities, and acknowledges that pressures on the environment and social inequalities may jeopardise the viability of human activities. It therefore places a balanced integration of the environmental, social and economic dimensions of sustainable and inclusive development at the heart of its activities.
- 1.2 The Group also acknowledges the importance of a just and fair transition to an environmentally and socially sustainable future, and aims to support economic growth that fosters quality employment, promotes inclusion and human dignity, safeguards health and well-being, and provides decent living standards.
- 1.3 The Group strives to support the transition to sustainable economies and communities that are climate and disaster-resilient, low-carbon and more resource-efficient. The Group will do so by financing operations that do not limit the enjoyment of human rights, do not cause significant harm to the environment and meet internationally agreed climate targets.

2. The Group's Contribution

- 2.1 The Group acknowledges that the need to tackle pollution²³, the climate change emergency and the growing pressures on natural resources and environmental systems, particularly on biodiversity and ecosystems, are some of the greatest environmental challenges of the 21st century. Recognising that the advancement of human rights is central to sustainable finance, the Group addresses climate, environmental and social challenges by applying a human rights-based approach to its activities, with the aim of promoting social inclusion, reducing inequalities and risks to human health and well-being.
- 2.2 Therefore, the Group's contribution to the environmental and social components of sustainable and inclusive development is built around ten key areas for action that are strongly interlinked and mutually reinforcing.

PURSUING A ZERO-POLLUTION AMBITION

- 2.3 The Group acknowledges that more must be done to prevent and remedy pollution from air, water, soil, and consumer products to secure healthy ecosystems and a healthy living environment, which in turn calls for better integration of zero-pollution ambition into all its activities, sector policies and strategies. Sound environmental management is key to abating air, soil, water and marine pollution and reducing waste

²³ By reducing pollutant emissions to air, soil, water and marine environment and reducing noise at sources, as well as improving levels of air, water and/or soil quality, thus protecting and reducing risks to human health and/or well-being.

and noise, in order to secure a healthy environment and protect human health and well-being from environmental impacts and risks.

FOSTERING THE TRANSITION TO A NET-ZERO ECONOMY

- 2.4 The Group will seek to stimulate investment to meet the temperature goal of the Paris Agreement. Within the EU, this amounts to reaching net-zero greenhouse gas emissions (GHG) by 2050. This requires increased investment in energy efficiency, in line with the Energy Efficiency First principle. It also requires sustained investment across a range of low-carbon technologies and processes, helping to drive down GHG emissions in the power, transport, industry and agricultural sectors, as well as preserving and enhancing natural carbon sinks. Innovation is a central element in fostering the transition and therefore the Group will continue to work across the entire innovation spectrum: from very early-stage development to more mature technologies, using a range of instruments from seed capital to senior debt.

PROTECTING, PRESERVING, RESTORING AND VALUING BIODIVERSITY AND ECOSYSTEM SERVICES:

- 2.5 The Group recognises that protecting/preserving and restoring biodiversity and well-functioning ecosystems are key to boosting our resilience, preventing the emergence and spread of future diseases as well as fighting climate change. The Group supports the path to recovery of global biodiversity by: (i) addressing the main drivers²⁴ of biodiversity loss through better integration of biodiversity considerations into all of the Group's activities; and (ii) enhancing and valuing natural capital to maximise the synergies with climate action and increase resilience to climate change and other environmental risks.

SUPPORTING RESOURCE EFFICIENCY AND THE TRANSITION TO A CIRCULAR ECONOMY

- 2.6 The Group encourages and supports the transition to a circular economy, in which: (i) new products and assets are designed and produced in a way that reduces virgin material consumption and waste generation; (ii) new business models and strategies are applied that optimise capacity utilisation and extend the useful life of products and assets; and (iii) resource and material loops are closed through recycling of end-of-life products and materials. In doing so, the Group recognises the need for a cross-sectoral and systemic approach which in turn calls for better integration of circular economy considerations into all its activities, sector policies and strategies as well as enhancing synergies with climate action and other environmental sustainability objectives.

BUILDING RESILIENCE TO A CHANGING CLIMATE AND ALL TYPES OF NATURAL DISASTERS

- 2.7 The Group recognises the importance of protecting and strengthening the adaptive capacity and resilience of those areas, communities, ecosystems and activities that are vulnerable to the impacts of a changing climate and natural disasters, either directly or indirectly. The Group will particularly focus on those areas, communities, ecosystems and activities that are most vulnerable in line with the climate resilience goals of the Paris Agreement and on the basis of the latest science.

REDUCING DISCRIMINATION AND FOSTERING SOCIAL INCLUSION

- 2.8 The Group values the principles of non-discrimination and equality for all and recognises that in certain contexts some individuals or groups may be subject to

²⁴ Changes in land and marine use, overexploitation, climate change, pollution and invasive alien species.

structural and/or systematic discrimination based on their socio-economic characteristics, which are further compounded by critical events, such as natural disasters or public health crises. The Group therefore aims to reduce or eliminate, wherever possible, any prevailing patterns of discrimination and related exclusion through its activities.

- 2.9 The Group also aims to take action to promote non-discrimination and social inclusion, and to reduce vulnerabilities that impede certain groups, people or communities from accessing the benefits generated by its activities.

FOSTERING GENDER EQUALITY AND WOMEN'S ECONOMIC EMPOWERMENT

- 2.10 The Group recognises that inequality between women and men remains a stark reality. Whilst gender inequality can affect all people, the Group acknowledges that women and girls are disproportionately more exposed to economic and/or social inequality, including gender-based discrimination, risks and violence, whilst acknowledging the relevance of other socio-economic characteristics that may accentuate such risks.
- 2.11 The Group therefore seeks to prevent, where possible, gender-based violence and harassment, promote zero tolerance of any form of abuse and provide for safe and trusted environments in its activities. The Group also promotes gender equality and seeks to enable equal access, regardless of gender, to the benefits, services and employment opportunities generated by its operations and, where possible, to support the economic empowerment of women.

PROMOTING FUNDAMENTAL RIGHTS AT WORK

- 2.12 The Group considers decent working conditions and the respect of fundamental principles and rights at work as core elements of the employment relationship that has a direct impact on economic performance. It has zero tolerance of forced and child labour²⁵ and promotes the protection of workers from discrimination, exploitation and violation of core labour rights²⁶.

BUILDING ECONOMIC RESILIENCE AND SOCIAL COHESION

- 2.13 The Group seeks to enable economies to have the capacity to absorb and rebound from crises and shocks, whilst maintaining economic growth. The Group supports a transition away from forced displacement to movements of people that are humane, safe, legal, and based on enhanced economic choices. It takes a long-term approach that supports job creation and financial inclusion, tackles structural barriers to private sector growth, invests in public infrastructure projects that enhance quality of life and social inclusion, and builds resilience to climate change and unforeseen shocks.

ADDRESSING FRAGILITY AND CONFLICT

- 2.14 Whilst seeking to build peaceful and stable societies through activities in fragile states that create jobs, stability and contribute to longer-term prosperity, the Group supports recovery in post-conflict and post-disaster situations by fostering social inclusion and cohesion. The Group also seeks to foster cooperation and inclusive partnerships – at the global, regional, national and local levels — which are particularly critical for addressing development challenges in fragile contexts.

²⁵ In line with the ILO Minimum Age Convention No. 138 and the Worst Forms of Child Labour Convention No. 182 and Art. 32 of the EU Charter of Fundamental Rights.

²⁶ ILO [Conventions and Recommendations \(www.ilo.org\)](http://www.ilo.org).

3. The Group's operating framework

- 3.1 In order to deliver on the environmental and social dimensions of sustainability, the Group considers sustainable finance to be its operating model. This fully integrates environmental, climate and social considerations across the Group's activities and processes and focuses on the management of environmental, climate and social risks and impacts and on the pursuit of opportunities to generate benefits and/or positive environmental and social outcomes.
- 3.2 The Group's sustainable finance operating model is articulated around the following core elements:
- i. Mainstreaming environmental, climate and social considerations into its decision-making processes, by: (i) considering setting specific targets in its corporate strategy and operational plans (e.g. the EIB will gradually increase the share of its annual financing dedicated to climate action and environmental sustainability to 50% by 2025 and beyond); (ii) aligning all its financing with the principles and goals of the Paris Agreement while supporting a wide range of public policy goals as approved by the EIB and EIF Governing Bodies; (iii) considering developing thematic strategies or business cases to create an enabling framework on specific areas of intervention; (iv) optimising and enhancing feasible potential impact in operations which respond to the critical global challenges; and (v) incorporating climate, environmental and social risks into the Group's Risk Management Framework, as appropriate;
 - ii. Financing and seeking to mobilise additional resources for operations that contribute to climate, environmental and social sustainability objectives. The Group aims to support €1 trillion of investment in climate action and environmental sustainability from 2021 to 2030. The Group has a special focus on meeting key EU policy priorities, addressing market failures and suboptimal investment situations, and tackling gaps in social equity. The Group will continue to direct its financing towards EU policy objectives, such as innovation and sustainable infrastructure;
 - iii. Only supporting operations that are consistent with its environmental and social commitments and are expected to meet the requirements set out in the EIB's Environmental and Social Standards and in the EIF's Environmental, Social and Governance Principles;
 - iv. Providing relevant advisory services and capacity building, in cooperation with its mandators and when feasible and needed, to support counterparts in planning, designing and implementing environmentally and socially sustainable operations, including for the application of the Group's environmental and social requirements, and operations that actively promote sustainability objectives;
 - v. Striving to develop and strengthen methodologies, resources and appropriate systems to identify, assess, manage and monitor any potentially significant environmental, climate and social harm that support for one sustainability objective may cause to another objective throughout the operation cycle, with the aim to track, report on and evaluate the outcomes and impacts of the operations it finances, while continuously improving its practices over time; and,
 - vi. Contributing to policy dialogue at different levels (international to local), as and when relevant and consistent with the EIB's and EIF's respective roles and business models, and in line with EU policy objectives.
- 3.3 In order to secure the effective implementation of this Policy, the Group shall enhance its human resources management by: (i) ensuring that EIB Group staff have the necessary tools and skills to deliver on the Policy; and (ii) utilising all necessary resource and capacity planning processes.

4. Policy Implementing Framework for the EIB

- 4.1 Whereas the Vision, the Group's Contribution and the Operating Framework of this Policy (Chapters 1, 2 and 3) apply to the EIB Group as a whole, their implementation shall be carried out within the individual institutional framework of the EIB and the EIF respectively. Thus, EIF Board of Directors shall approve a separate procedural framework to implement this Policy for the EIF.
- 4.2 The EIB ensures the implementation of the Policy by the appropriate inclusion of environmental, climate and social considerations in the projects²⁷ it finances through its informed decision-making process.
- 4.3 This section of the Policy:
- i. Describes the roles and responsibilities of both the EIB and its promoters with regard to assessing and managing relevant impacts and risks and maximising the positive effects in the projects it finances.
 - ii. Outlines how the EIB structures its due diligence²⁸ and monitoring, endeavouring to achieve consistency with relevant EU Law and the "Do No Significant Harm" (DNSH) and "Minimum Social Safeguards" (MSS) principles and requirements as defined in the EU Taxonomy Regulation²⁹, and contributing to sustainable investments.

ROLES AND RESPONSIBILITIES

- 4.4 The EIB shall not, to the best of its knowledge, finance projects that do not comply with the relevant national environmental, climate and social (ECS) legal requirements and country obligations under relevant international treaties and are not in line with the requirements of this Policy. The EIB shall not, to the best of its knowledge, finance projects that have the effect of limiting people's individual rights and freedoms or violating their human rights.
- 4.5 When co-financing projects with other IFIs, the EIB may seek to agree on a common approach for the assessment and management of environmental, climate and social impacts and risks that should enable, at a minimum, the project to achieve outcomes materially consistent with the requirements set out in the Policy. In case a common approach is not agreed, the requirements set out in this Policy shall apply.
- 4.6 When blending³⁰ EIB financing with other financial sources, the promoter shall respect the requirements of this Policy as well as any additional requirements related to environmental, climate and/or social aspects, as specifically agreed between the EIB and such financing partners.
- 4.7 The EIB may delegate, on a case-by-case basis and for specific projects, in whole or in part the ECS due diligence and/or monitoring to another financing partner. In such cases, the EIB may agree, on a case-by-case basis, to the use of all or part of the policies and procedures of the relevant institution, provided that the EIB is satisfied that these are materially consistent with the requirements set out in the Policy. The extent

²⁷ Project refers to a set of defined works, goods, services and/or business activities for which EIB financing is sought either directly or through an intermediated financing operation, as approved by the EIB Governing Bodies.

²⁸ EIB due diligence is the comprehensive evaluation of a project to be financed by the EIB and includes: appraisal, decision to finance, contract negotiation and signature. In the EIB project cycle, it is followed by monitoring and completion.

²⁹ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 – <https://eur-lex.europa.eu/eli/reg/2020/852/oj>.

³⁰ Blending or blended finance is the strategic use of a limited amount of grants to mobilise financing from partner financial institutions and the private sector to enhance the development impact of investment projects..

of the delegation as well as the relevant policy framework shall be stipulated in the legal documentation signed between the EIB and the financing partner.

EIB'S ENVIRONMENTAL AND SOCIAL STANDARDS

4.8 The EIB shall adopt a set of Environmental and Social Standards ("E&S Standards" or the "Standards"), based on the EU legal framework, that shall outline the promoter's responsibilities in developing and implementing projects. Central to the Standards is the use of impact assessment as a forward-looking instrument to analyse in an integrated manner the ECS impacts and risks and to apply the mitigation hierarchy³¹ and international good practice.

4.9 During the due diligence carried out for all projects the EIB finances and in all regions where it operates, the EIB takes a risk-based approach and determines the application of the EIB's E&S Standards. The following Standards (complemented, where relevant, by non-binding guidance notes to support promoters in their application) shall be adopted by the EIB's Governing Bodies³²:

- Standard 1: Environmental and/or social impacts and risks
- Standard 2: Stakeholder engagement
- Standard 3: Resource efficiency and pollution prevention
- Standard 4: Biodiversity and ecosystems
- Standard 5: Climate change
- Standard 6: Involuntary resettlement
- Standard 7: Vulnerable groups and Indigenous Peoples
- Standard 8: Labour rights
- Standard 9: Occupational and public health, safety and security
- Standard 10: Cultural heritage
- Standard 11: Intermediated finance

EIB ENVIRONMENTAL, CLIMATE AND SOCIAL DUE DILIGENCE AND MONITORING

4.10 In order to strengthen their environmental and social sustainability, each EIB-financed project shall undergo the EIB's environmental, climate and social due diligence and monitoring. The actual scope of the due diligence and monitoring shall be proportionate to the nature and scale of the project and the likely significance of its impacts and risks. The promoter shall be responsible for providing adequate information so that the EIB may carry out its due diligence and monitoring in accordance with this Policy.

4.11 The EIB pursues an integrated human rights-based approach to its ECS due diligence and monitoring. It conducts a human rights-responsive due diligence process whereby impacts and risks are screened and assessed against its E&S Standards, which in turn are grounded in human rights principles. The process is guided by considerations of likelihood, frequency, and severity of human rights impacts, thereby ordering the prioritisation of mitigation measures.

³¹ Mitigation hierarchy: measures to avoid, prevent and reduce any significant adverse effects and, if required, remedy/compensate any residual effects on affected people, communities and workers, as well as on the environment.

³² The EIB's Governing Bodies include the Bank's Board of Directors and its Management Committee.

Appraisal

- 4.12 The EIB shall undertake an environmental, climate and social appraisal of proposed projects to support the decision of financing and, if financing is endorsed, the way in which: (i) the impacts and risks should be managed and monitored throughout the EIB's project cycle; and (ii) the positive effects are maximised.
- 4.13 In cases where the sub-projects/underlying investments of a project are not known at the time of the EIB's decision to invest, the EIB shall: (i) assess the project based on the impacts and risks inherent to the particular sector and the context of the business activity; and (ii) assess the promoter's capacity and commitment to manage the impacts and risks in accordance with this Policy. These assessments may lead to specific conditions to ensure compliance with EIB E&S Standards.
- 4.14 Where the Bank finances projects through Financial Intermediaries (FIs) the EIB shall conduct the ECS due diligence on the FI which shall, as applicable, assess (i) the FI's relevant policies and procedures and its capacity to implement them; (ii) the level of impacts associated with the FI's expected sub-projects/investments; and (iii) the measures necessary to develop or strengthen the FI's existing environmental and social management system or its equivalent.
- 4.15 Where the projects involve general corporate finance and where the use of proceeds is not directed at specific physical assets, the promoter shall develop measures at the corporate level to manage the environmental, climate and social impacts and risks associated with its business activity.
- 4.16 Due to the nature of capital market transactions³³, a risk-based approach shall be used for the EIB's ECS due diligence. It may have to rely solely on publicly available information to assess the promoter's capacity and commitment to manage the relevant impacts and risks associated with its business activities (and with the sub-projects/investments to be financed) in accordance with relevant legal requirements and international good practice.
- 4.17 The EIB provides technical assistance or advisory support, when feasible and appropriate, to enhance the capacity of the promoters where insufficient capacity might constrain them from meeting their environmental, climate and social commitments as set out in this Policy.

Decision to finance

- 4.18 To support an informed decision-making process, the outcomes of the EIB's risk-based environmental, climate and social appraisal, as well as the appropriate monitoring requirements, where applicable, are included in the documentation that is further submitted to the EIB's Governing Bodies for approval. The information may also contain specific environmental, climate and/or social contractual conditions and/or undertakings to be stipulated in the legal documentation signed with the promoter.
- 4.19 For operations inside the EU, the obligations to be included in the financing agreement will be based on compliance with applicable law and, where relevant, elements of the EU Taxonomy. This will be supplemented by reporting obligations and any specific conditions identified through the appraisals process.

Monitoring

³³ Capital market transactions refer to transactions in publicly traded securities such as listed bonds and shares or transactions in securities that are not publicly traded but remain subject to restrictions on trading in those securities on the basis of material non-public information.

- 4.20 The EIB shall monitor and review compliance with the relevant legal requirements and the requirements set out in this Policy, as well as the fulfilment of the specific contractual conditions and/or undertakings included in the legal documentation signed with the promoter, and may take follow-up action, when appropriate.

5. Final Provisions

- 5.1 On the date of its entry into force, this Policy revokes and replaces the EIB Statement on Environmental and Social Principles and Standards (2009) and supersedes the EIB's Environmental and Social Standards (2013, republished in 2018). All projects receiving approval by the respective decision-making bodies of the EIB and the EIF prior to the entry into force of this Policy shall remain subject to the policies, principles and standards in force at the time of their initial approval.
- 5.2 The Policy is subject to a continuous relevance assessment process. The need for formal reviews, including public consultation with the Group's stakeholders, may be considered every five years or may otherwise be initiated in the event of changes to relevant EU policies and legislative framework, changes to policies and procedures within the Group that require a realignment of this Policy, and any other changes the Group may deem necessary and appropriate. Substantial changes to the Policy shall be subject to approval by the EIB's and EIF's respective Boards of Directors.

DRAFT