

Environmental and Social Sustainability Framework

Standard 3 – Resource Efficiency and Pollution Prevention

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STANDARD 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION

INTRODUCTION

- 1 This Standard recognises the contribution of resource efficiency to relieve pressures on the environment and climate change whilst bringing increased competitiveness through cost savings from improved efficiency, commercialisation of innovation and better management of resources over their whole life cycle.
- 2 This Standard encourages the identification, design and use of the appropriate technologies, processes and services to achieve environmental quality objectives, including the use of Best Available Techniques¹ (BAT) or emerging techniques², as relevant.
- 3 This Standard promotes the transition to a circular economy through the development and use of existing and/or new business models that seek to increase circularity (the value of products, materials and other resources is maintained for as long as possible) which can deliver substantial material savings throughout value chain and production processes, generate extra value and unlock economic opportunities.

OBJECTIVE

- 4 This Standard outlines the promoter's responsibilities to ensure an integrated approach to resource efficiency, pollution prevention and control of emissions to air, water and land, noise pollution, radiation, prevention of accidents, as well as waste management and the safe use of hazardous substances and pesticides, avoiding the shift of pollution from one environmental medium to another, ensuring consistency with the "Do Not Significant Harm" principle³ and thus contributing to the achievement of the "zero pollution" EU ambition target⁴.

SCOPE

- 5 This Standard applies to a specific project when its relevance determined during the environmental impact assessment/environmental social impact assessment (EIA/ESIA) process (as outlined in Standard 1) and additionally to EIB-financed projects associated with modifications and/or extensions of existing activities/facilities, for which the promoter shall determine the appropriate requirements.

GENERAL REQUIREMENTS

- 6 All projects located in EU, EFTA, Candidate and potential Candidate countries shall comply with the applicable national and EU environmental legislation. For projects located in Candidate and potential Candidate countries, the promoter shall consider any timeframes for reaching compliance with specific EU environmental legislation as agreed with the European Union through bilateral agreements and/or action programmes. Where national environmental standards and requirements are more stringent than those contained in EU environmental legislation, as may be the case for environmental quality standards and/or emission limit values, national standards shall apply.
- 7 All projects located in the rest of the world shall comply with the applicable national legislation and this standard which reflects the core principles and essential procedural elements laid down by EU legislation and policies that EIB considers relevant to environmental quality standards and/or emission limit values, the safe use and management of dangerous substances and environmental sound management of waste as outlined in this Standard. The EIB shall agree with the promoter the applicable requirements of EU standards on a case-by-case basis taking into account local conditions and specificities.

¹ 'BAT' means the most effective and advanced stage in the development of activities and their methods of operation, which indicates the practical suitability of particular techniques for providing the basis for emission limit values and other permit conditions designed to prevent and, where that is not practicable, to reduce emissions and the impact on the environment as a whole as defined in Directive 2010/75/EU on industrial emissions (integrated pollution prevention and control).

² 'Emerging technique' means a novel technique for an industrial activity that, if commercially developed, could provide either a higher general level of protection of the environment or at least the same level of protection of the environment and higher cost savings than existing best available techniques (Directive on industrial emissions).

³ As defined in the EU Taxonomy 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>.

⁴ EC Communication Pathway to a Healthy Planet for All EU Action Plan: 'Towards Zero Pollution for Air, Water and Soil' of 12th May 2021 (COM (2021) 400).

SPECIFIC REQUIREMENTS⁵

Resource efficiency and circular economy

- 8 The promoter assesses the effectiveness and efficiency of the project's use of materials and natural resources (e.g. land, soil, water, biodiversity), as well as energy, in particular in production processes, and the impacts on the environment resulting from resource use over the lifetime of the project and life cycle of any products produced. Based on the outcome of such life cycle assessment, the promoter, on a best effort basis, undertakes preventive and mitigating measures to protect natural resources and avoid any significant harm in order to preserve their long-term availability for human activity. Such measures include, but are not limited to, the following:
- reduce inefficiencies in the use of materials and substances or in the direct or indirect use of natural resources such as non-renewable energy sources, raw materials, water and land at one or more stages of the life cycle of products and assets, including in terms of durability, reusability, upgradability, reparability, recyclability or, where applicable, easy disassembly and adaptability of products and assets;
 - promote waste prevention, reuse and recycling in accordance with the waste hierarchy⁶;
 - avoid activities that would lead to a significant increase in the generation, incineration or disposal of waste,; and,

Pollution prevention and control

Projects located in the EU, Candidate and potential Candidate Countries

- 9 For projects associated with activities listed in Annex I to the Industrial Emissions Directive⁷ (IED) that are also subject to an EIA process, the promoter shall provide the EIB with:
- the EIA Report, where applicable, that includes a description of the proposed technology and other techniques (including the use of BAT or emerging techniques) for preventing or, where this is not possible, reducing emissions to air, water and land, generation of waste, use of raw materials and noise, as well as enhancing energy efficiency, the prevention of accidents and restoration of the site upon closure, in line with the requirements of the IED;
 - the relevant decision(s) from the competent authority that satisfy the requirements set out both in the EIA Directive and the IED;
 - the existing permit issued by the competent authority in accordance with the IED requirements, including the results of emission monitoring, if applicable.
- 10 The promoter shall implement all environmental conditions attached to the decision(s) the measures envisaged to avoid, prevent or reduce and, if possible, offset significant adverse effects on the environment, as well as where appropriate, monitoring measures.
- 11 For projects associated with modifications and/or extensions of existing activities/facilities, covered by Annex I to the IED that are not subject to the EIA process, the promoter shall provide the EIB with the permit granted by the relevant competent authority and, upon request, the following information:
- a description of the existing activities/facilities, including the proposed modifications and/or extensions, where applicable;
 - the raw and auxiliary materials, other substances and the energy used or generated, as well as the waste generated and the nature and quantities of emissions into each environmental medium;
 - the use of BAT and/or any emerging techniques;
 - the appropriate preventive measures taken against pollution into air, water, including groundwater, and soil, including the monitoring arrangements, if applicable.

⁵ Specific requirements are applicable to all projects regardless of their location, unless specified otherwise.

⁶ Directive 2018/851 amending Directive 2008/98/EC on waste.

⁷ Directive 2010/75/EU on industrial emissions (integrated pollution prevention and control).

Projects located in the rest of the world

- 12 For projects associated with activities listed in Annex I to the IED that are subject to an ESIA process, the promoter shall:
- provide the EIB with ESIA Report that includes a description of the proposed technology and other techniques for preventing or, where this is not possible, reducing emissions to air, water and land, generation of waste, use of raw materials and noise, as well as enhancing energy efficiency, the prevention of accidents and restoration of the site upon closure;
 - agree with the EIB the applicability of BAT and any emerging techniques, in whole or in part, including the relevant time frames for their implementation;
 - implement all required environmental conditions and the measures envisaged to avoid, prevent or reduce and/or, where necessary, offset significant adverse effects on the environment as a whole, as well as the appropriate monitoring measures as outlined in the ESMP.
- 13 For projects associated with modifications/extensions of existing activities/facilities listed in Annex I to the IED that are not subject to the ESIA process, the promoter shall provide to the EIB, upon request, the information listed in Annex I of this Standard.

Emergency Prevention, Preparedness and Response

- 14 The promoter shall be prepared to respond to any incident, accident and emergency by setting up effective management systems and implementing control measures for ensuring prevention, preparedness and adequate response to major accidents⁸ in line with the applicable legal framework⁹ and international good practices.
- 15 The promoter's overall environment and social management systems (as outlined in Standard 1 and communicated to the EIB accordingly) sets out, where relevant:
- a major accident prevention policy and the safety management system to be put in place for its implementation;
 - a contingency plan¹⁰ that analyses disaster risks and establishes arrangements in advance to enable timely, effective and appropriate responses, including actions to ensure that those plans are tested, revised, and implemented.
- 16 The promoter plays an active role and supports the relevant competent authorities in designing external emergency plans that should be duly consulted with potentially affected people and communities, as well as other interested stakeholders, especially when their participation and collaboration are necessary to ensure effective response.

Management of Waste

- 17 For projects involving the production of waste with significant environmental impact, the promoter shall include, as part of the EIA/ESIA Report a waste management plan containing measures planned to mitigate such impacts and feasible goals and objectives for waste prevention, reuse, recycling and recovery, in line with the waste hierarchy principle. Where applicable, the plan shall include life cycle assessment methods and indicators in order to identify and assess the environmental impacts associated with its products, processes, or activities by quantifying raw materials, energy and waste the project releases into air, water and soil.
- 18 Hazardous waste shall need to be reduced and, if not possible, safely managed to minimise adverse effects on human health and the environment, following a strict control regime as required by EU standards and relevant international treaties. This includes labelling, record keeping, monitoring and control obligations. The promoter is, moreover, encouraged to identify relevant market-based

⁸ As defined by EU Directive 2012/18/EU on the control of major-accident hazards involving dangerous substances (so-called Seveso III Directive).

⁹ For projects located in EU, EFTA, Candidate and potential Candidate countries where dangerous substances may be present (e.g. during processing or storage) in quantities exceeding a certain threshold, the requirements of the Seveso III Directive shall be considered. For all projects, regardless of their location, the approach defined in the UN Convention on the Transboundary Effects of Industrial Accidents. (https://www.unece.org/fileadmin/DAM/env/documents/2017/TEIA/Publication/ECE_CP_TEIA_33_final_Convention_publication_March_2017.pdf) is also considered.

¹⁰ As defined by Sendai Framework for Disaster Risk Reduction 2015-2030: https://www.preventionweb.net/files/43291_sendaiframeworkfordren.pdf.

alternatives for its environmentally sound disposal, also considering the limitations applicable on its transboundary movements¹¹.

- 19 The promoter shall record and report on a regular basis the waste quantities generated, as well as their off-site transfer, as required by the national and/or EU legislation, the relevant international treaties and good practices. When third parties provide for the final disposal of waste and hazardous waste, the promoter shall ensure the use of licenced contractors.

Sound Management of Hazardous Substances and Materials

- 20 The promoter shall seek to avoid, reduce or eliminate the use and storage of hazardous substances and materials of high concern and consider replacing them by less hazardous substitutes, where suitable economically and technically viable alternatives are available. Furthermore, the promoter is also encouraged to develop projects that lead to the innovative development and use of sustainable substitutes.
- 21 Where avoidance or substitution is not feasible, the promoter shall consider the safety use and storage of hazardous substances and materials by strictly applying/aligning to the requirements of EU horizontal chemicals legislation¹² and international good practices. In doing so, the promoter shall identify and shall apply appropriate risk management measures to minimise and/or control the exposure/release to/of hazardous substances and materials of very high concern.

Pesticide Use and Management

- 22 When the activity includes the use of pesticides, the promoter shall implement the general standards of the sustainable use of pesticides by:
 - a. reducing the risks and impacts of pesticide use on human health and the environment;
 - b. promoting the use of integrated pest management (IPM)¹³;
 - c. promoting alternative approaches or techniques such as non-chemical alternatives to pesticides.
- 23 The promoter shall pay particular attention to avoiding pollution of surface water or groundwater by acting appropriately and reducing, as far as possible, or eliminating, if appropriate, the use of pesticides in sensitive areas (e.g. areas designated for abstraction of drinking water, on sealed or very permeable surfaces) that can lead to higher risk of pollution of the aquatic environment.
- 24 The promoter shall handle and store any pesticides as well as their packaging and remnants in line with applicable EU legislation and international good practices by applying measures that lead to the avoidance of dangerous handling operations and prevention of unwanted releases.

¹¹ Basel Convention on the control of transboundary movements of hazardous waste and their disposal: text in English (basel.int).

¹² Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and Regulation (EC) No 1272/2008 on classification, labelling and packaging of substances and mixtures.

¹³ EU Directive 2009/128/EC on the sustainable use of pesticides, as subsequently amended.

ANNEX 1 – INFORMATION TO BE PROVIDED BY THE PROMOTER FOR PROJECTS ASSOCIATED WITH MODIFICATION AND/OR EXTENSIONS OF EXISTING ACTIVITIES/FACILITIES LISTED IN ANNEX I TO THE IED, LOCATED IN THE REST OF THE WORLD, THAT ARE NOT SUBJECT TO THE ESIA PROCESS:

1. information on the site with all the activities developed;
2. the raw and auxiliary materials and other substances and the energy used in or generated on the site;
3. the application of best available techniques (BAT) and/or any emerging techniques, the proposed timeframe for reaching the compliance with them;
4. the nature and quantities of emissions on the site released into each medium;
5. the appropriate preventive measures taken against pollution into air, water, including groundwater, and soil;
6. the monitoring arrangements put in place to ensure that the level of pollution is controlled;
7. the measures taken to prevent the generation of waste and, where waste is generated, taken to prepare it for reuse, recycling, recovery or, as a very last resort, disposal in such a way that avoids or reduces any impact on the environment;
8. the measures taken for the efficient use of energy and resources, which can generate significant opportunities in terms of competitiveness, cost reduction, improved productivity and security of supply.

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