

Environmental and Social Sustainability Framework

Standard 3 – Resource Efficiency and Pollution Prevention

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This document is for information purposes only.

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

Glossary

Terms used in these Standards have the following meanings:

“gender”	refers to the social, behavioural and cultural attributes, expectations, norms and opportunities associated with being male or female, or with an individual’s sexual orientation or sexual identity
“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 A human rights mitigation hierarchy is premised on the principle of remedy rather than compensation
“project”	a set of defined works, goods, services and/or business activities for which EIB financing is sought either directly or through an intermediated financing structure for a specific sub-project/underlying investment, as approved by the EIB’s Governing Bodies
“promoter”	EIB’s counterparty implementing a project, as defined in the finance contract
“rights-holders”	from a human rights perspective, all individuals and population groups that can make valid claims to fundamental rights. In the context of EIB projects, persons who are, actually or potentially, adversely affected by the project, including project-affected persons, local community members, workers, etc.
“sexual abuse”	the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions. All sexual activity with children (defined by the UN Convention on the Rights of the Child as any person under the age of 18) is sexual abuse, regardless of the local age of maturity or consent. Mistaken understanding of the age of a child is not a defence
“sexual exploitation”	any actual or attempted abuse of a position of vulnerability, differential power or trust for sexual purposes, including profiting monetarily, socially or politically from the sexual exploitation of another
“sexual harassment”	any form of unwanted verbal, non-verbal or physical conduct of a sexual nature with the purpose or effect of violating the dignity of a person, in particular when creating an intimidating, hostile, degrading, humiliating or offensive environment
“social issues”	issues which pertain to workers and persons or groups affected by the project, in relation to: a) Standards 6 to 10; and b) cross-cutting issues such as human rights, stakeholder engagement, gender equality, building resilience in particular in conflict-affected and fragile situations, and social inclusion
“stakeholder engagement”	an inclusive and iterative process that involves, in varying degrees, identification and analysis of stakeholders, engagement planning, information disclosure, meaningful consultation, and a mechanism ensuring access to grievance and remedy
“stakeholders”	persons and/or communities who: i) are directly and indirectly affected by the project, including their legitimate representatives; or ii) have an interest in the project and/or the ability to influence its outcome, either positively or negatively; and iii) the project workforce

“vulnerable groups”	groups or persons who may be more adversely affected by project impacts than others on the basis of their socioeconomic characteristics, such as, but not limited to, sex, sexual orientation, gender, gender identity, caste, racial, ethnic, indigenous or social origin, genetic features, age, birth, disability, religion or belief, political or any other opinion, activism, membership of a national minority, affiliation to a union or any other form of workers’ organisation, property, nationality, language, marital or family status, medical condition, or migrant or economic status
“vulnerability”	a context-specific characteristic determined the interplay of three factors: i) exposure to risk and adverse impacts; ii) sensitivity to those risks and impacts; and iii) adaptive capacity

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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, thereby reducing their environmental impact).

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.

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 Projects located in the rest of the world shall comply with the applicable national legislation and shall align with the principles and standards set out in EU legislation and policies, as well as international good practices that are relevant to environmental quality standards and/or emission limit values, the safe use and management of dangerous substances 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.

SPECIFIC REQUIREMENTS³

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 assessment, the

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

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:

- a. reduce inefficiencies in the use of materials 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, reparability, upgradability, reusability or recyclability of products and assets;
- b. avoid activities that would lead to a significant increase in the generation, incineration or disposal of waste; and,
- c. promote waste prevention, reuse and recycling in accordance with the waste hierarchy⁴ and product life cycle approach.

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 Directive⁵ (IED) that are also subject to an EIA process, the promoter shall provide the EIB with:
 - a. 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;
 - b. the relevant decision(s) from the competent authority that satisfy the requirements set out both in the EIA Directive and the IED;
 - c. 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. a description of the existing activities/facilities, including the proposed modifications and/or extensions, where applicable;
 - b. 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;
 - c. the use of BAT and/or any emerging techniques;
 - d. the appropriate preventive measures taken against pollution into air, water, including groundwater, and soil, including the monitoring arrangements, if applicable.

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:
 - a. 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;

⁴ Directive 2018/851 amending Directive 2008/98/EC on waste.

⁵ Directive 2010/75/EU on industrial emissions (integrated pollution prevention and control).

- b. 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;
 - c. implement all required environmental conditions and the measures envisaged to avoid, prevent or reduce and, if possible, 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 accidents⁶ in line with the applicable legal framework⁷ 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. a major accident prevention policy and the safety management system to be put in place for its implementation;
 - b. a contingency plan⁸ on-site, 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, 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.
- 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 alternatives for its environmentally sound disposal, also considering the limitations applicable on its transboundary movements.
- 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

⁶ As defined by EU Directive 2012/18/EU on the control of major-accident hazards involving dangerous substances (so-called Seveso III Directive).

⁷ 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.unep.org/fileadmin/DAM/env/documents/2017/TEIA/Publication/ECE_CP_TEIA_33_final_Convention_publication_March_2017.pdf) is also considered.

⁸ As defined by Sendai Framework for Disaster Risk Reduction 2015-2030: https://www.preventionweb.net/files/43291_sendaiframeworkfordrren.pdf.

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 legislation⁹ 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)¹⁰;
 - 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.

⁹ 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.

¹⁰ 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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