

Environmental and Social Data Sheet

Overview

Project Name:	UA Economic resilience facility Ukreximbank II
Project Number:	2025-0211
Country:	Ukraine
Project Description:	Multi-beneficiary Intermediated Operation (MBIL) of EUR 100m to Ukreximbank, which is Ukraine's National Promotional Bank (NPB) targeting SME and Mid-caps to support Ukraine's recovery, reconstruction and modernisation.
EIA required:	Multi investment projects, EIA requirements vary
Project included in the Carbon Footprint Exercise:	No

Environmental and Social Assessment

The proposed operation consists of a Multi-Beneficiary Intermediated Loan to Ukreximbank ("the Borrower"), which is the Ukraine's National Promotional Bank (NPB) and a repeated client of the Bank.

The MBIL supports projects in Ukraine that align with the Climate Action and Environmental Sustainability (CA&ES) objective, focusing on energy efficiency in buildings and renewable solar energy generation, including electricity storage. These sectors are aligned with the EIB MBIL Green Eligibility List for operations Outside the EU.

The Borrower will be required to identify, assess, and manage ECS risks and impacts related to the planned investments, ensuring compliance with the EIB's Environmental and Social (E&S) requirements and minimising any significant residual negative effects.

Environmental Assessment

Ukraine is transposing the Environmental Impact Assessment (EIA) Directive, ensuring that its principles and procedures are well established within the country. Given the varying size and nature of projects, some may require an Environmental and Social Impact Assessment (ESIA) in accordance with national law and/or the EIB's Environmental and Social standards.

Ukreximbank has initiated the development of its Environmental, Social, and Governance (ESG) Office, a dedicated structure designed to implement a climate action roadmap and establish procedures for approving climate action projects. Currently, one staff member has been recruited, with plans to expand the team further. In the future, the ESG Office will oversee regulatory and procedural matters, as well as the integration of ESG principles into lending policies. Additionally, approximately 15 years ago Ukreximbank established a specialised department to manage programmes from international financial institutions (IFIs), focusing on monitoring and evaluating environmental and social risks. This department currently consists of 11 staff members.

Ukreximbank institutional set-up is reinforced by relevant procedures and guidelines for assessing draft project proposals submitted for financing, as well as evaluating potential environmental and social risks. These materials have been provided to the EIB as part of the due diligence process.

Overall, the projects to be financed under the green window are expected to generate positive climate change and environmental benefits by contributing to pollution prevention and mitigation of CO₂ emissions. Therefore, the operation is considered Paris-aligned and investments meeting the EIB Climate Change Mitigation criteria for MBILs outside of the EU are considered contributing to Climate Action.

In case a full EIA procedure is required, the Bank will request the Ukreximbank to store and keep updated any document that may be relevant for the project (including screening decisions,

environmental reports, environmental monitoring reports or equivalent documents) supporting the compliance with the principles of the EIA Directive and national environmental regulations, and to promptly deliver such documents to the Bank upon request.

EIB Paris Alignment for Counterparties (PATH) Framework

Ukreximbank is in scope, but it is screened out of the PATH Framework because it is neither a high emitting nor a highly vulnerable entity.

Social Assessment

The MBIL operation, amongst others, seeks maintaining employment in the SME/Mid-Cap sector so it is regarded contributing to a stable social environment as well.

Ukreximbank has a well-established institutional framework, including relevant procedures and guidelines for evaluating project proposals submitted for financing. This framework also encompasses the assessment of social risks, such as those arising from forced labour in the production of renewable energy equipment (photovoltaic panels), which have been provided to the EIB as part of the due diligence process.

Public Consultation and Stakeholder Engagement

Public Consultation will be executed as part of the EIA procedure if required by the nature of the project. It will make sure that the stakeholders' concerns are considered, promote transparency, and facilitate informed decision-making as part of social and environmental assessments.

Conclusions and Recommendations

With the support of the expected technical assistance under the EU4U, the EIB regards Ukreximbank's environmental and social policies, its environmental management system, and sub-projects to be aligned with Ukrainian legislation and the EIB's Environmental and Social standards.

The following contractual undertakings will apply in the finance contract.

- Prior to the first disbursement, the necessary Technical Assistance (TA) contracts that provide support to Ukreximbank must be in place and operational. This ensures that the required advisory and procedural framework is established before funds are allocated.
- The EIB shall furnish Ukreximbank with a comprehensive list of sensitive sectors, classified in accordance with the NACE code list. This categorisation aligns with Annex I and Annex II of the Environmental Impact Assessment (EIA) Directive. Where applicable, sub-projects falling within these sectors must be submitted to EIB for review and pre-approval before financial allocations can proceed.
- Ukreximbank shall refrain from committing EIB funds to projects requiring an EIA procedure or biodiversity assessment, as stipulated by national law, unless prior approval has been granted by the competent authority. Additionally, before committing funds, Ukreximbank must ensure that the EIA Report is accessible to the public, thereby promoting transparency and regulatory adherence.
- Where relevant, Ukreximbank shall verify that sub-projects have obtained, maintained, and complied with the necessary environmental and social permits or authorisations issued by competent authorities. This includes implementing any mitigation measures identified through the EIA procedure.
- The Bank reserves the right to request full access to relevant documentation for sub-projects, including environmental and social studies, as well as plans related to the EIA procedure, wherever applicable. Ukreximbank must ensure that such records remain available upon request.

Under these conditions, it is expected that environmental assessment, management and monitoring procedures to be carried out for individual sub-projects will appropriately address E&S risks and impacts, therefore the operation is considered acceptable for the EIB in environmental and social terms.