



Luxembourg, 28.10.2025

Environmental and Social Data Sheet

Overview

Project Name:	EB SERBIA INNOVATION AND GREEN LOAN
Project Number:	2025-0476
Country:	Serbia
Project Description:	An intermediated lending facility with Erste Bank AD Novi Sad, blended with an investment grant from the Western Balkans Investment Framework to support SMEs and Mid-Caps and to foster innovation and green investments in Serbia.
EIA required:	No
Project included in Carbon Footprint Exercise:	No

Environmental and Social Assessment

The operation is an intermediated lending facility with Erste Bank AD Novi Sad (EBS or the FI). It combines an EIB intermediated loan for the benefit of SMEs and Mid-Caps with the investment and technical assistance grants funded by the European Commission under the Western Balkans Investment Framework.

All Final Beneficiaries (SMEs and Mid-Caps) and their projects will be located in Serbia. With EUR 20m of EIB lending and EUR 2m of investment grants, the operation will provide financing of at least EUR 42m to SMEs (minimum 80%) and Mid-Caps (up to 20%). Sizes of underlying sub-projects are limited to EUR 25m. Furthermore, the operation has policy windows of (i) minimum 70% for the Innovation & Digitalisation and (ii) up to 30% for the Climate Action & Environmental Sustainability in line with EIB eligibilities and requirements.

Environmental Assessment

Serbia, as an EU candidate country, has transposed the Environmental Impact Assessment (EIA) Directive 2011/92/20, amended by Directive 2014/52/50, therefore the Directive's principles and procedures are part of the national legislation. The sub-projects financed by EBS with EIB's support may vary in size and nature, therefore some of them may be subject to an EIA process in line with national law. In such cases, the Bank will require the FI to provide any document that may be relevant for the project supporting the compliance with the principles of the EIA Directive and national environmental regulations, including the necessary permits and authorisations. If an EIA report is required, the FI will need to ensure that the project is implemented in accordance with the applicable national legislation and regulations as well as in line with the relevant EIB Environmental and Social (E&S) standards, including proper public consultation.

EBS implemented a comprehensive Environmental and Social Management System (ESMS) in 2024 to ensure that environmental and social sustainability practices are embedded across all business lines. The ESMS framework includes clear policies, procedures, and guidelines, enabling the identification, assessment, and management of environmental and social risks. It is fully aligned with the Bank's Environmental, Social and Governance (ESG) Strategy, adopted in 2023, and integrates sustainability considerations into decision-making processes. The ESMS is closely linked to the Bank's Credit Policy, which requires ESG factors—such as environmental footprint, social responsibility, and governance practices—to be considered in creditworthiness assessments, with annual updates recommended.



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Additionally, the ESMS is supported by the Erste Group's Responsible Financing Policy and an overarching ESG Governance Framework (currently in development), which together reinforce the integration of sustainability, risk management, and stakeholder engagement throughout the Bank's operations. EBS has also benefited from technical assistance and training on international standards, further strengthening internal competencies and the practical application of the ESMS.

Overall, the projects to be financed under the CA&ES window are expected to generate positive climate change and environmental benefits by contributing to environmental and climate objectives.

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty Erste Bank AD Novi Sad with Erste Group Bank AG as Head of Group is in scope and screened into the PATH framework, because it is considered significant. The counterparty already meets the requirements of the EIB PATH framework with its existing alignment plan.

Social Assessment

EBS' ESMS includes relevant procedures and guidelines to appraise project proposal submitted for financing, covering social issues of the sub-projects such as working conditions and health and safety for workers and overall population.

Public Consultation and Stakeholder Engagement

Public Consultation will be included in an EIA procedure in case it will be required for specific projects.

EBS has established both internal and external channels for raising concerns, including those related to environmental and social matters. Employees can use anonymous internal systems, while external stakeholders can submit concerns through various channels, including dedicated emails for E&S issues. All complaints are managed by a designated ESMS officer to ensure proper handling and transparency.

Conclusions and Recommendations

The ECS risks and impacts and mitigation measures for the projects to be financed with EIB resources will be assessed by the financial intermediary and, when relevant, will be reviewed by the Bank. EBS' ESMS is deemed adequate and it will be required to implement the following undertakings.

Undertakings:

- Maintain an adequate ESMS that integrates ECS considerations into the credit decision making processes in order to implement the operation in alignment with EIB's E&S requirements that include, inter alia: (i) compliance with applicable national E&S legislation; (ii) EIB E&S eligibility criteria and List of excluded activities; and, (iii) the applicable EIB E&S Standards.
- EBS shall not commit any EIB funds for projects that require an EIA report or biodiversity assessment according to national law without receiving the development consent from the competent authority and the EIA Report made available to the public, such commitment being subject also to EIB's review and approval.
- Ensure access to the Bank upon request all relevant documents of sub-projects, including environmental and social studies and plans related to the EIA procedure, when applicable.



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- Where relevant, verify that the sub-projects obtain, maintain and comply with the requirements of environmental and social permits or authorisations provided by competent authorities, including the mitigating measures resulting from the EIA process.

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