



European Bank
for Reconstruction and Development

Environmental and social risk management briefing note – screening

Environmental and social risk management
toolkit for financial intermediaries

June 2026

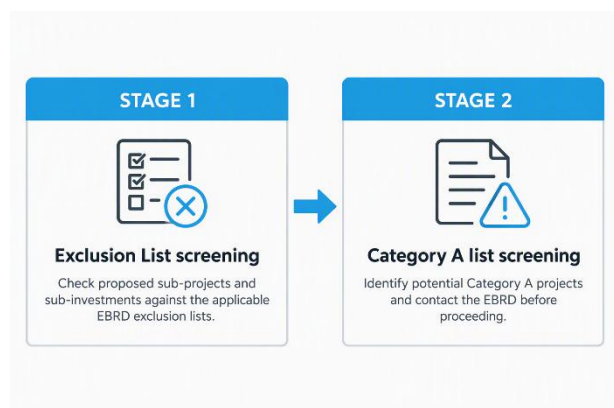
Introduction

Under Environmental and Social Requirement 9 (ESR 9) of the EBRD's 2024 Environmental and Social Policy (ESP)¹, financial intermediaries (FIs) must have a clearly defined environmental and social management system (ESMS). As part of the ESMS, FIs must screen proposed financing and investments to:

- Check debt-financed sub-projects and equity sub-investments against the EBRD's Environmental and Social (E&S) Exclusion List (Annex A of the ESP)² and, where applicable, the Green Economy Transition (GET) Exclusion List in Section 4.4 of the EBRD's *Implementing the Green Economy Transition – Technical Guide*.³
- Check sub-projects and sub-investments against the EBRD Category A project list (Annex B of the ESP).⁴

How to use this note. This note complements the EBRD's *Environmental and Social Requirement 9: Financial intermediaries – Guidance note*⁵. It explains the two-stage screening process that the EBRD expects FIs to build into their lending and investment decisions: Stage 1 covers Exclusion List screening and Stage 2 covers Category A list screening. Figure 1 summarises the process; the sections below explain what to check and when to contact the EBRD.

Figure 1: E&S screening process



Stage 1: Exclusion List screening

What to do: check every proposed sub-project or sub-investment against the EBRD's E&S Exclusion List (Annex A of the ESP).⁶ The EBRD does not finance the listed activities because their E&S, reputational or economic risks are unacceptable.

For GET-eligible transactions: also check the proposed financing against the GET Exclusion List in Section 4.4 of the EBRD's *Implementing the Green Economy Transition – Technical Guide*.⁷

Also exclude: projects related to tobacco, defence, certain alcoholic products, standalone gambling facilities or substances banned under international law.

1 See EBRD (2024a), pp. 95-98.

2 See EBRD (2024a), pp.26-27.

3 See EBRD (2024b), p. 17.

4 See EBRD (2024a), pp.28-29.

5 See EBRD (2025).

6 See EBRD (2024a), pp.26-27.

7 See EBRD (2024b), p. 17.

Stage 2: Category A list screening

Category A projects are likely to have significant new or additional E&S risks and impacts. They therefore require an environmental and social impact assessment (ESIA): a formal, detailed and systematic assessment of risks, impacts and mitigation measures.

What to screen: for debt financing with a defined use of EBRD proceeds, screen the relevant sub-projects. For EBRD equity financing, screen the FI's entire investment portfolio.

Where a Category A project is identified, the FI must:

- inform the EBRD and agree the necessary E&S due diligence steps to be taken
- conduct environmental and social due diligence (ESDD) of the sub-project and/or sub-investment using external, qualified E&S specialists
- undertake an ESIA in accordance with the requirements of the European Union Environmental Impact Assessment (EIA) Directive and those of EBRD 1-8 and 10, as set out in the 2024 EBRD ESP⁸

- provide all relevant and available E&S documentation associated with the project for the EBRD's review
- obtain EBRD approval prior to completing the transaction.

The EBRD conducts ESDD on every new FI with which it considers a business relationship. During the ESDD process, the Bank requires FIs to indicate whether they expect the use of EBRD proceeds to trigger an activity listed in the Category A project list for debt financing, or whether its portfolio is likely to include any investments that meet the definition of a Category A project.

Monitoring and reporting: FIs must report their investment or debt transactions to the EBRD, including a sector breakdown. For Category A sub-projects or sub-investments, provide evidence of compliance with the applicable EBRD requirements, including:

- ESIA and ESDD reports
- stakeholder engagement plans
- resettlement action plans
- non-technical summaries
- details of the external E&S specialists engaged.

8 See EBRD (2024a), pp. 30-94 and pp. 99-105.

References

EBRD (2024a), *Environmental and Social Policy*, London.
Available at:

<https://www.ebrd.com/news/publications/policies/environmental-and-social-policy-esp.html>.

EBRD (2024b), *Implementing the Green Economy Transition – Technical Guide*, London. Available at:

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[transition-approach/Implementing-the-Green-Economy-Transition-Technical-Guide-March-2024.pdf](https://www.ebrd.com/content/dam/ebd_dxp/assets/pdfs/green-economy-transition-approach/Implementing-the-Green-Economy-Transition-Technical-Guide-March-2024.pdf).

EBRD (2025), *Environmental and Social Requirement 9: Financial intermediaries – Guidance note*. London.

Available at: <https://www.ebrd.com/home/who-we-are/ebd-values/ebd-environmental-social-sustainability/reports-and-policies/ebd-performance-requirements.html#ESR%209>.

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