

Farm Welfare Project Report

Information contained herein is produced by Farm Welfare Finance, a free research source maintained by New Market ESG, a U.S. corporation. Research is provided on an “as is” basis without representation, endorsement or warranty of any kind, express or implied. We can give no warranties regarding the accuracy, currency or applicability of any of the contents herein and we do not suggest that it be used as a sole source of information. Users are permitted to view and download materials but are not permitted to use, reproduce, distribute, adapt, amend or exploit these materials for any revenue-generating purposes.



The European Bank for Reconstruction and Development (“EBRD”)

Contents:

- **Farm animal welfare standards in the European Bank for Reconstruction and Development’s livestock projects**
- **The European Bank for Reconstruction and Development’s farm animal welfare policy**
- **The European Bank for Reconstruction and Development’s environmental safeguard categories**

Last Updated: October 14, 2025

Farm animal welfare in the European Bank for Reconstruction and Development's livestock projects

Project: Project Confecto (Kervan Gida)¹

Recipient: Kervan Gida

Amount: EUR 40,000,000

Location: Turkey

Date approved: September 2025

Project summary: Support to Kervan Gida, “the leading exporter of jelly sweets from Türkiye and ranks among the top five soft confectionery producers globally.”² Kervan’s brands include products containing animal products.³

Environmental Safeguards Category: B

Farm animal welfare standards: No evidence found.

Project: Project Key⁴

Recipient: Ozgorkey Otomotiv Turizm Gida

Amount: EUR 50,000,000

Location: Turkey

Date approved: September 2025

Project summary: “The main objective of the project is to support the Borrower's investment into potato and snacks products capacity expansion.”⁵ The company produces products with animal-based ingredients.⁶

Environmental Safeguards Category: B

Farm animal welfare standards: No evidence found.

Project: Studenac d.o.o.⁷

Recipient: Studenac

Amount: EUR 70,000,000

Location: Croatia

Date approved: June 2025

1

<https://www.ebrd.com/home/work-with-us/projects/psd/56503.html#customtab-f1b0218140-item-a6f45d633e-tab>

2 Ibid.

3 <https://kervangida.com/en/our-brands>

4

<https://www.ebrd.com/home/work-with-us/projects/psd/56035.html#customtab-8f2bf69497-item-9b67c1a875-tab>

5 Ibid.

6 <https://www.feast.com.tr/urunler/patisserie-urunler>

7

<https://www.ebrd.com/home/work-with-us/projects/psd/56204.html#customtab-6cb5e4d06b-item-22b1d9a98a-tab>

Project summary: The project supports “food retailer Studenac d.o.o. (Studenac) for investments in operational improvements and refurbishments of the retail network, acquisitions of selected food retail chains, and refinancing of the company's existing loans.”⁸

Environmental Safeguards Category: B

Farm animal welfare standards: No evidence found.

Project: DFF - Breakfast⁹

Recipient: Breakfast

Amount: US\$ 10,000,000

Location: Egypt

Date approved: May 2025

Project summary: The project supports the expansion of Breakfast, a grocery retailer, including adding additional private label products.¹⁰

Environmental Safeguards Category: B

Farm animal welfare standards: No evidence found.

Project: Western Balkans - Fostering food quality and competitiveness through digitalisation¹¹

Recipient: No evidence found.

Amount: No evidence found.

Location: Western Balkans

Date approved: May 2025

Project summary: “The EBRD intends to pilot a digital product to further integrate small producers into value chains, enhancing their ability to meet food safety and quality standards through user-friendly, real-time digital solutions. This includes adapting digital solutions to facilitate the adoption of good agricultural practices, food safety and quality standards, including Geographical Indication labels (“GI”), making compliance more accessible and manageable.”¹²

Environmental Safeguards Category: No evidence found.

Farm animal welfare standards: No evidence found. Reference to good agricultural practices but not specific to animal welfare.

Project: DFF - Viva Fresh Regional¹³

Recipient: Viva Fresh

Amount: EUR 25,000,000

Location: Albania

Date approved: May 2025

⁸ Ibid.

⁹

<https://www.ebrd.com/home/work-with-us/projects/psd/56407.html#customtab-2d87663731-item-d4a89b5548-tab>

¹⁰ Ibid.

¹¹ <https://www.ebrd.com/home/work-with-us/projects/tcpsd/19738.html>

¹² Ibid.

¹³

<https://www.ebrd.com/home/work-with-us/projects/psd/56223.html#customtab-6bb668b097-item-256e074999-tab>

Project summary: “The Project will support Viva Fresh's regional expansion into neighbouring Albania, through its cross-border acquisition of the 2nd main food and beverages retail chain, Spar Albania franchise, and subsequent investment program for roll-out of new stores and refurbishment of some existing stores in Albania.”¹⁴

Environmental Safeguards Category: B

Farm animal welfare standards: The Environmental and Social Summary states: “E&S Due Diligence reviewed management capacity, occupational H&S, food safety, resource efficiency, contractor management, supply chain management, community H&S and labour practices.”¹⁵ There is no evidence that farm animal welfare was reviewed.

Project: Croatia Bosqar Sustainability-Linked Bond participation¹⁶

Recipient: Bosqar

Amount: EUR 38,200,000

Location: Croatia

Date approved: April 2025

Project summary: Pork and poultry production are two of Bosqar's business activities through its subsidiary, Panvita Group.¹⁷

Environmental Safeguards Category: B

Farm animal welfare standards: “Panvita Group is committed to applying the EU Code of Conduct on Responsible Food Business and Marketing Practices and is in accordance with local and EU laws with regards to animal welfare and is also committed to adopting sustainable agricultural practices.”¹⁸

Project: MHP pet food¹⁹

Recipient: MHP

Amount: EUR 40,000,000

Location: Regional (Croatia and Ukraine)

Date approved: April 2025

Project summary: “The Project encompasses the construction of a pet food plant in Croatia, along with targeted investments to enhance MHP's energy security and operational efficiency in Ukraine.” MHP also produces poultry and the project is likely supporting MHP's poultry operations based on the project's farm animal welfare review.²⁰

Environmental Safeguards Category: B

Farm animal welfare standards: “For the animal welfare audit, the Bank contracted the services of an independent animal welfare expert to travel to MHP facilities and undertake

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶

<https://www.ebrd.com/home/work-with-us/projects/psd/56034.html#customtab-9cbaa7f57b-item-082280921a-tab>

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹

<https://www.ebrd.com/home/work-with-us/projects/psd/55679.html#customtab-182ba8be04-item-18d2914276-tab>

²⁰ Ibid.

on-site audits of a range of MHP poultry rearing facilities. The work included site visits to the Vinnytska, Myronivska and Peremoga Nova poultry farms visiting facilities across a range of stages (breeding, brooding, rearing and slaughter). The consultant confirmed that the Group's poultry-rearing processes comply with EU directives and international best practices. Through his review the expert was not able to identify what would be classed as non-compliances, but he has made recommendations for even further improvement which have been translated into three animal welfare action plans to be addressed by the Group. The Group will be required to continue implementation of the existing ESAP, implement the recommendations from the animal welfare audit, and to provide reporting on all E&S aspects of its operations in accordance with the previously agreed format.”²¹

Project: DFF - Cermat Expansion²²

Recipient: Cermat

Amount: EUR 9,100,000

Location: North Macedonia

Date approved: March 2025

Project summary: “[The] Project will support the expansion and growth of Cermat, the leading ice-cream producer in North Macedonia.”²³

Environmental Safeguards Category: B

Farm animal welfare standards: No evidence found.

Project: RLF Varus²⁴

Recipient: Omega LLC

Amount: US\$ 25,000,000

Location: Ukraine

Date approved: March 2025

Project summary: “The Project will be directed toward financing the expansion of the VARUS Group's [food] retail network, contributing to the resilience of the Ukrainian private sector, and addressing risks of maintenance of vital local food supply.”²⁵

Environmental Safeguards Category: B

Farm animal welfare standards: No evidence found.

Project: DFF - Apha Global Franchising²⁶

Recipient: Apha Global and Tastra

Amount: EUR 8,100,000

²¹ Ibid.

²²

<https://www.ebrd.com/home/work-with-us/projects/psd/54579.html#customtab-152479aa03-item-b65257188f-tab>

²³ Ibid.

²⁴ <https://www.ebrd.com/home/work-with-us/projects/psd/55648.html#Project-overview>

²⁵ Ibid.

²⁶

<https://www.ebrd.com/home/work-with-us/projects/psd/55708.html#customtab-4483cafd82-item-671af9d57b-tab>

Location: Bosnia and Herzegovina

Date approved: February 2025

Project summary: “The project aims to successfully complete the roll out of restaurants in line with the development plan agreed with the Bank and YUM Brands (the Franchisor). Apart from creating a significant number of new workplaces by financing the expansion of KFC and Taco Bell in the region, the Project aims to pioneer circular economy principles in the restaurant business and a fully digital approach to sales.”²⁷

Environmental Safeguards Category: B

Farm animal welfare standards: The Environmental and Social Summary states: “An Animal Welfare Policy [is] in place meeting Performance Requirement 6 and includes mandatory independent audits of all suppliers of animal products. The Company has committed to not sourcing products from caged poultry and engages with suppliers to meet Global Food Safety Initiative (GFSI) certification. The Company's Supplier Code of Conduct meets the Bank's Performance Requirements and new suppliers undergo an EHS assessment before being included in an approved supplier programme. No E&S issues have been identified with the Company's core suppliers however, the Company will be expanding its beef procurement which has sectoral deforestation risks. Therefore, the Company will also be required to develop a strategy for the reduction of potential deforestation risk in its beef and soy supply chains.”²⁸ There is no evidence of farm animal welfare standards related to other products, such as beef, chicken raised for meat, dairy or pork.

Project: Incom bond issuance²⁹

Recipient: Incom

Amount: US\$ 5,000,000

Location: Slovenia

Date approved: December 2024

Project summary: “The main objective of the Project is to support the Company's investment program and further strengthen its balance sheet. Incom d.o.o. ("Incom", the "Company") is a limited liability company incorporated in Slovenia and one of the leading ice-cream producers.”³⁰

Environmental Safeguards Category: B

Farm animal welfare standards: The Environmental and Social Summary states: “E&S risks and impacts associated with the Project and its operations are appropriately managed with improvements planned, notably with the procurement of cocoa, palm oil and dairy products and the management of supply chain deforestation risks. The Project is required to comply with EBRD's E&S requirements which are agreed via a side letter. An ESAP, focussing on supply chains, is agreed with the Company. The Company sources the powder milk from 6 EU based producers (77% from Netherlands, over 21% from Poland and the rest from Italy).”³¹ There is no evidence of farm animal welfare standards.

²⁷ Ibid.

²⁸ Ibid.

²⁹

<https://www.ebrd.com/home/work-with-us/projects/psd/55922.html#customtab-35899ddf1b-item-6c9e2e4096-tab>

³⁰ Ibid.

³¹ Ibid.

Project: DFF - Silbo³²

Recipient: Silbo Doo

Amount: Up to € 9,000,000

Location: Serbia

Date approved: November 2024

Project summary: “The project will allow Silbo to increase its distribution capacities and strengthen the market position as the leading cold-chain distributor in Serbia.”³³ Silbo’s products include dairy, fish and meat products.³⁴

Environmental Safeguards Category: B

Farm animal welfare standards: No evidence found.

Project: Ulker Sustainability-linked Bond³⁵

Recipient: Ulker

Amount: US\$ 90,000,000

Location: Turkey

Date approved: September 2024

Project summary: “Ulker is one of Türkiye's leading and best known snackings brands, with a diverse product portfolio including biscuits, crackers, wafers, cakes, chocolate, among others.”³⁶

Environmental Safeguards Category: B

Farm animal welfare standards: The Environmental and Social Summary states: “With regard to potential risks around Ülker's supply chain, notably around the high risk commodities cocoa and palm oil, the Company well recognises these risk issues and has put in place systems to address the risks.”³⁷ There is no evidence of farm animal welfare standards.

Project: Project Aydın³⁸

Recipient: Yeni Magazacilik

Amount: US\$ 200,000,000

Location: Turkey

Date approved: September 2024

Project summary: “Yeni Magazacilik A.S. ("A101", the "Company"), a joint stock company incorporated in Türkiye. Founded in 2008, A101 is one of the largest retail chains in the country with over 13,400 stores and 60 warehouses across all cities in the country. The operation will

³²

<https://www.ebrd.com/home/work-with-us/projects/psd/55340.html#customtab-e8787b0e25-item-7fb236b610-tab>

³³ Ibid.

³⁴ <http://www.silbo.rs/en/products.html>

³⁵

<https://www.ebrd.com/home/work-with-us/projects/psd/55253.html#customtab-5bc43284a6-item-0de1889dbf-tab>

³⁶ Ibid.

³⁷ Ibid.

³⁸

<https://www.ebrd.com/home/work-with-us/projects/psd/55393.html#customtab-77dc178736-item-8c1602dfe7-tab>

enable A101 to implement a medium term capex programme including (i) new store and warehouse openings across the country, (ii) refurbishment of existing stores, and (iii) installation of solar panels for internal consumption up to 30MW (the "Project").³⁹

Environmental Safeguards Category: B

Farm animal welfare standards: The Environmental and Social Summary states: "A corporate sustainability strategy is currently under development by the Company and the ESAP will require the Environmental and Social Management System to be updated to implement this strategy. A Supply Chain Management System is in place and includes an E&S procurement procedure and assessment of all core suppliers."⁴⁰ There is no evidence of farm animal welfare standards.

Project: Studenac senior loan⁴¹

Recipient: Studenac

Amount: € 40,000,000

Location: Croatia

Date approved: July 2024

Project summary: "Provision of a €40 million senior long-term loan to Studenac d.o.o. (the "Company"), the largest food retailer in Croatia by number of stores, for acquisition of selected food retail chains and future investments."⁴²

Environmental Safeguards Category: B

Farm animal welfare standards: The Environmental and Social Summary states: "The Company is reporting Environmental and Social performance to the Bank and has demonstrable capacity to operate both the Company and acquired companies in line with EBRD's ESP and associated Performance Requirements. External due diligence has previously been completed on the Company reviewing capacity, policies and procedures of the Company to manage key environmental and social issues, labour and occupational health and safety management within stores, site specific issues in relation to individual supermarkets."⁴³ There is no evidence of farm animal welfare standards.

Project: APU Dairy⁴⁴

Recipient: APU Dairy

Amount: US\$ 20,000,000

Location: Mongolia

Date approved: July 2024

³⁹ Ibid.

⁴⁰ Ibid.

⁴¹

<https://www.ebrd.com/home/work-with-us/projects/psd/55014.html#customtab-fb78e78b03-item-9a0a31650a-tab>

⁴² Ibid.

⁴³ Ibid.

⁴⁴

<https://www.ebrd.com/home/work-with-us/projects/psd/55290.html#customtab-937431bb34-item-21e68150ab-tab>

Project summary: “The loan supports growth and competitiveness of the company by funding its capacity expansion investments as well as promotes the adoption of climate smart farming practices by Mongolian dairy farmers.”⁴⁵

Environmental Safeguards Category: B

Farm animal welfare standards: The Environmental and Social Summary states: “The Company has an outreach programme for communication with its extensive network of herders, and staff dedicated to liaising with herders to ensure that the logistics and quality standards within the supply chain are met. It is through this outreach programme that the Company can also channel advisory services to help improve the efficiency of milk production and hence reduce the environmental and climate impacts associated with the supply chain.”⁴⁶ There is no evidence of farm animal welfare standards.

Project: DFF - La Cocos Equity⁴⁷

Recipient: La Cocos

Amount: EUR 15,000,000

Location: Romania

Date approved: May 2024

Project summary: “EBRD's investment will support a fast-growing, founder-owned business to expand its store network and create a relevant player on the Romanian grocery retail market.”⁴⁸

Environmental Safeguards Category: B

Farm animal welfare standards: The Environmental and Social Summary states: “The Company will strengthen its ESHS management systems and develop a comprehensive H&S Policy, as well as strengthen supply chain due diligence procedures for the supply chain and labour conditions. The Company will implement an agreed environmental and social action plan (ESAP) and provide an annual E&S report.”⁴⁹ There is no evidence of farm animal welfare standards.

Project: DFF - New Europe Vending/IVP Fund I loan Romania⁵⁰

Recipient: New Europe Vending

Amount: EUR 11,000,000

Location: Romania

Date approved: March 2024

Project summary: “By supporting IVP's recent acquisition of O'Fresh, the project will enable promoting IVP's plans related to: (i) increased market outreach by O'Fresh, including in its recently new sub-segments (bottle-free water coolers / purifiers, office coffee solution,

⁴⁵ Ibid.

⁴⁶ Ibid.

⁴⁷

<https://www.ebrd.com/home/work-with-us/projects/psd/55181.html#customtab-2b19b92254-item-11ee865059-tab>

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰

<https://www.ebrd.com/home/work-with-us/projects/psd/54830.html#customtab-c8d2241f02-item-fa171fb220-tab>

self-service bistros); (ii) improved productivity and efficiencies of scale in O'Fresh; and (iii) enhanced governance through the proper functioning of the new Board of O'Fresh.”⁵¹ O'Fresh sells products that likely contain dairy and meat products (e.g. sandwiches).⁵²

Environmental Safeguards Category: B

Farm animal welfare standards: No evidence found.

The European Bank for Reconstruction and Development's farm animal welfare policy

“Projects that involve the primary production of living natural resources, including crop or livestock production, natural or plantation forestry, aquaculture or fisheries, as well as the production and use of biomass for energy and biofuels will comply with all applicable requirements of this ESR, in addition to the following:

- The client will manage living natural resources through the application of national regulatory requirements, GIP and relevant European Union (EU) substantive environmental standards, as applicable, at project level.
- Where appropriate, the client will adopt globally, regionally or nationally recognised certification standards that: (i) are founded on a multi-stakeholder consultative process and (ii) where accreditation is subject to independent verification or certification through appropriate accredited bodies for such standards. In the absence of relevant standards and/or certification systems, the client will commit to applying appropriate industry-specific sustainable management practices in accordance with GIP.
- Where feasible, the client will locate land-based agribusiness projects on unforested land or land that has already been converted from its natural state to avoid and minimise impacts on priority biodiversity features and/or critical habitat.
- Production and/or use of species with potential for invasiveness will not be undertaken without adequate controls to prevent their release/spread outside of the production area.
- For fishery or aquaculture projects, the client will assess, avoid and minimise the risk of escape of non-native species into the aquatic environment. The client will also assess, avoid and minimise the potential for the transfer of disease and contamination of microorganisms and chemicals with antimicrobial properties into the environment.

⁵¹ Ibid.

⁵² <https://ofresh.ro/en/home/#snacks>

- Where the client is involved in the farming, transport and slaughter of animals for meat or by-products (such as milk, eggs or wool), it will adopt and implement national regulatory requirements, relevant EU animal welfare standards and GIP, whichever are most stringent, in animal husbandry techniques.
- To avoid and minimise antimicrobial resistance (AMR), the client will only use antimicrobials on food producing animals, in accordance with EU substantive environmental standards.
- In EU Member States, genetically modified organisms (GMOs) may not be used or released into the environment without approval from the competent authorities. In other EBRD countries of operation, GMOs may not be used or released into the environment without a risk assessment, conducted in accordance with EU substantive environmental standards.”⁵³

The European Bank for Reconstruction and Development’s environmental safeguard categories

“A project is categorised “A” when it could result in potentially significant environmental and/or social impacts, including direct and cumulative environmental and social impacts, which are new and additional and cannot be readily identified, assessed or mitigated. Projects categorised as A require a formalised and participatory ESIA process. An indicative list of Category A projects is presented in Annex B⁵⁴ to this policy.

A project is categorised “B” when its potential environmental and/or social impacts are typically site-specific and/or readily identified and addressed through mitigation measures. The scope of environmental and social assessment will be determined by the EBRD on a case-by-case basis. Category B projects cover a broad range of EBRD projects, and approaches to Category B projects will vary on the basis of environmental and social impacts.

A project is categorised “C” when it is likely to have limited environmental and/or social impacts that can be readily identified and mitigated.”⁵⁵

“A project will be categorised as a “financial intermediary” (FI) if the financing structure involves the provision of funds through financial intermediaries (FI projects)... If sub-projects financed by

⁵³

https://www.ebrd.com/content/dam/ebd_dxp/assets/pdfs/environment---sustainability/environmental-and-social-policy-esp/esp-2024/EBRD-Environmental-and-Social-Policy-2024-high-res.pdf

⁵⁴ Annex B includes the following: “Large-scale primary agriculture or forestation involving intensification, land-use change or the conversion of priority biodiversity features and/or critical habitats” and “Installations for the intensive rearing of poultry or pigs with more than: (a) 85,000 places for broilers, 60,000 places for hens; (b) 3,000 places for production pigs (over 30 kg); or (c) 900 places for sows.”

⁵⁵

https://www.ebrd.com/content/dam/ebd_dxp/assets/pdfs/environment---sustainability/environmental-and-social-policy-esp/esp-2024/EBRD-Environmental-and-Social-Policy-2024-high-res.pdf

FIs through EBRD funding meet the criteria of Category A projects as listed in Annex B to this Policy, these will be required to meet ESRs 1 to 8⁵⁶ and 10.⁵⁷

⁵⁶ ESR 6 includes the EBRD's farm animal welfare policy

⁵⁷

https://www.ebrd.com/content/dam/ebd_dxp/assets/pdfs/environment---sustainability/environmental-and-social-policy-esp/esp-2024/EBRD-Environmental-and-Social-Policy-2024-high-res.pdf