



European Investment Bank

EIB Group

Statement
on
Corporate Social Responsibility

1. HIGH LEVEL POLICY

The European Investment Bank (EIB) Group has the core principles of Corporate Social Responsibility (CSR) at the heart of its strategy, objectives and policies. CSR is sound business practice. It emphasises the importance of achieving a balance between economic growth, social well-being and the protection of the environment, in support of the goal of sustainable development. It underwrites institutional sustainability through competitiveness, the productive use of resources and good governance (including anti-fraud and anti-corruption measures). It involves the financial and business sectors, governments, employees and civil society working together for "our common future". The EIB Group's policy on CSR takes into account the framework of the Lisbon Strategy. In addition to its evolving dialogue with external stakeholders, the EIB Group is concerned to ensure that its internal functions – including appraisal, internal audit and evaluation – operate effectively to enhance the value added of its operations.

1. The EIB Group aims to integrate environmental and social concerns into its business activities. This includes giving recognition to the rights, interests and responsibilities of shareholders and other stakeholders in order to achieve sustainable outcomes.
2. The EIB Group contributes to the efforts of the European Union to enhance CSR. It also commits to contributing to the enhancement of international good practices, working with the international financial community.
3. In conducting its business, the EIB Group stresses good governance, including a high level of transparency and accountability for itself and its counterparts while recognising the need to respect confidentiality where appropriate and ensuring trust.
4. The EIB Group seeks value added through the careful selection, appraisal, monitoring and evaluation of investment projects and programmes. It checks the consistency of its lending activities with EU objectives and conducts its appraisals with a view to ensuring that investments are sustainable. In countries where governance structures are not well developed, the EIB Group also pays particular attention to the institutional competences of organisations with which it works.
5. The EIB Group recognises the role that financial institutions can play to promote more ethical and sustainable investments through their respective activities.
6. The EIB Group seeks to develop a mutually beneficial relationship between itself and its host communities. It also aims to minimise the environmental footprint of its buildings and the activities that take place in them.

2. EIB GROUP MISSION

The EIB is a public institution serving the policy objectives of the European Union. One of its main "reasons d'être" is to foster the economic and social cohesion of the Member States through its lending operations. Outside the Union, the EIB contributes to meeting the global challenge of development and poverty alleviation by implementing the financial components of the EU's development aid and cooperation policies. [EIB Statute](#), [EIB's Mission](#)

The EIB is the majority shareholder of the European Investment Fund (EIF), a public-private partnership with legal personality and financial autonomy. Other shareholders are the European Community and several financial institutions from EU Member States. The EIF qualifies as a multilateral development bank and is also rated AAA by the major international rating agencies Standard & Poor's, Moody's and Fitch. Its CSR policy is also published on the EIF website and closely mirrors the principles of the EIB CSR Statement described herein. [EIF Statute](#), [EIF's Mission](#).

The EIB Group promotes Corporate Social Responsibility. It does so through its mission and activities, through the way it implements these and through its internal management. In order to reach out to society at large, the EIB Group takes voluntary actions, over and above compliance with legal requirements, and consistently adapts its policies, standards and procedures.

3. GOOD CORPORATE GOVERNANCE

The EIB considers CSR as part of good corporate governance. A corporate governance statement was published in 2004, comprising a set of policies regarding relationships between the EIB's management, boards, shareholders and other stakeholders, and containing important elements of a CSR policy, e.g.: [Transparency Policy](#); powers, attributions and duties of the governing bodies; development of a Management Control and a Compliance function, tools for implementing and monitoring strategy as well as a policy to fight fraud and corruption. [Statement on Governance at the EIB](#)

Therefore, the present Statement needs to be read in parallel with other corporate policies publicly available. As an example, the new information policy is being developed on the basis of past experience, contributions of the EIB's various stakeholders and consultation with the public. [Public Disclosure and Information Policy](#)

4. LENDING POLICIES FOR SOCIAL COHESION AND A BETTER ENVIRONMENT

EIB lending activity within the EU is geared to five operational priorities:

- Regional development and economic and social cohesion (€28.5 billion in 2004);
- Implementation of the "Innovation 2010 Initiative" (€24.1 billion since its launch);
- Development of Trans-European and access networks (€7.9 billion in 2004);
- Environmental protection and improving the quality of life (€10.9 billion in 2004);
- Small and medium-sized enterprises (€5.4 billion global loans in 2004).

Through the EIF, the EIB group is also present in:

- equity participations in venture capital funds that provide seed and early stage capital for innovative, technology-oriented SMEs and
- providing risk cover for SME financing to financial intermediaries essentially from Member States of the EU, Accession and Candidate Countries.

EIF both uses own funds and funds held in trust under mandate agreements with EIB, the European Commission, Member States of the EU and financial intermediaries.

Outside the EU, the EIB priority is Community development aid and cooperation policy in the Partner Countries, helping to fight poverty and improve the living standards of people in the developing world (€3.5 billion in 2004).

Value added is the first pillar of the Bank's strategy, the second being transparency and accountability. The EIB adds value in particular through its appraisal and follow-up of investment projects and programmes – which must be viable not only economically, technically and financially but also as regards the environment. Following published eligibility guidelines, the Projects and Lending Directorates check the consistency of EIB lending operations with EU objectives.

Whilst offering first-class terms and conditions, the EIB works in close coordination with the Member States and the other institutions of the European Union. It also cooperates closely with the business and banking sectors and the main international organisations in its field of operations. As an example, the EIB has signed a strategic partnership with the European

Commission and the World Bank regarding the Middle East and North Africa / Southern Mediterranean Region, recognising the growing awareness that major improvements are needed in welfare for all citizens of the region. [Eligibility Guidelines](#), [Memorandum of Understanding between the European Commission, the EIB and the World Bank](#)

Procurement

Through its procurement policy the EIB ensures that the works, goods and services procured under its financing are of appropriate quality and are acquired at economic prices in a timely manner. For projects located within the EU, the EIB requires compliance with the applicable Community procurement directives. In all other countries, the EIB requires that the principles of these directives be followed, with the necessary procedural adaptations. The EIB always ensures non-discrimination against either Member States or firms. [Procurement guidelines](#)

Sustainable development

EIB lending orientations in the EU match those of the EU sustainable development strategy, focusing on projects: in less-favoured areas; protecting and improving the natural and urban environment and the quality of life; and promoting the development of an innovation and knowledge-based economy geared to growth and employment. Furthermore, the EIB is strongly committed to helping reduce "greenhouse gas" emissions and contributing to better natural resource management and more sustainable use of transport and urban areas.

In its lending outside Europe, the EIB aims to support the EU "Global Partnership for Sustainable Development" through the strict application of its rigorous project selection criteria. [The EIB and its contribution to sustainable development](#)

Environmental priorities

In applying the highest environmental standards – as established by the EU – protection and improvement of the environment is of central concern to the EIB. The EIB's approach in this respect is proactive in terms of both the financing of environmental projects and management of all its lending. In its lending, the EIB supports investment that directly protects and improves the environment – efficient and renewable energy, protection of nature and natural resources, reduction of the environmental impact on human health, waste management and urban transport and urban renewal. In this context, ambitious environmental lending targets¹ have been established; an Annual report is published.

Furthermore, for investment loans the EIB carefully assesses the environmental impact of all projects that it finances, ensuring that the necessary mitigating measures are in place. It also supports the development of awareness and cooperation on environmental issues through its disclosure policy. [Environmental Statement](#), [EIB Environmental Procedures](#), [Environmental Report](#), [Renewable Energy](#), [Climate Change](#), [Information Policy Statement](#)

Aarhus Convention

The EIB will comply with the forthcoming EU Regulations, in line with the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention) signed by the countries of the United Nations Economic Commission for Europe (including the EU and its members). This Convention is about increased accountability, transparency and responsiveness regarding environmental matters, with a view to the improved enforcement of environmental law. [Aarhus Convention](#)

¹ Environmental lending in the EU = 30-35% of total EU lending; renewable energy lending to reach up to 50% of the Bank's total financing for new electricity generation capacity in the EU by 2008-10; lending for projects that result in a reduction of CO₂ to be EUR 500 m in the period 2004-06.

Social priorities in developing countries

The EIB's approach to social issues in developing countries aims to ensure that projects protect the interests of affected people. The Bank is required by its external mandates to take social issues into account in its project financing. Attention is also increasingly being paid to exploring opportunities to enhance social well-being, notably through income-earning opportunities and improved access to social and economic services for the poor. Linked to its environmental responsibilities, the Bank's Projects Directorate is responsible for the social assessment of EIB projects in developing countries. [Social assessment of projects in developing countries](#)

5. MONITORING AND AUDIT

Ex-post evaluations are carried out by Operations Evaluation, which provides transparency vis-à-vis the EIB's governing bodies as well as interested outside parties by conducting post-completion thematic, sector and regional/country evaluations of projects financed by the Bank. Through its work, it reinforces accountability and encourages the organisation to learn from experience.

A strong audit structure – Audit Committee, Internal Audit and External Audit, as well as the European Court of Auditors when EU or Member States funds are concerned – reviews the effectiveness and efficiency of operations, activities, policies and procedures and validates published Activity and Financial Reporting. [Audit Committee](#), [Audit Committee Annual Report](#), [Charter for Internal Audit](#), [Tripartite Agreement with the Commission and the Court of Auditors](#)

6. FOLLOW-UP

The EIB will report regularly on the development and improvement of its Corporate Social Responsibility policies and practices.