EIB 2020 Sustainability Disclosures in accordance with SASB Framework

(Sustainability Accounting Standards Board)
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(Sustainability Accounting Standards Board)
Our investments support sustainability everywhere, including in the oceans, where the rich diversity of coral reefs is threatened by human activity and climate change. Coral reefs are an essential ecosystem. About 25% of all ocean fish depend on them. They protect the coasts and provide a source of income for millions of people. For a long time, their degradation was ignored. Now they symbolise the shift in thinking needed to stop climate change. That’s why they deserve a place on the covers of our major reports this year.

For further information on the EIB’s activities, please consult our website, www.eib.org. You can also contact info@eib.org. Get our e-newsletter at www.eib.org/sign-up.
ABOUT THE REPORT

The European Investment Bank (EIB) has pioneered sustainability reporting for well over a decade, placing a strong emphasis on transparency, accountability and stakeholder engagement.

Since 2007, the EIB has issued its Sustainability Report and the related Sustainability Reporting Disclosures, which apply the standards set out by the Global Reporting Initiative (GRI). With this report, prepared in accordance with the Sustainability Accounting Standards Board (SASB) framework, the EIB offers the reader an additional viewpoint on EIB activities based on a different standard which focuses on those elements that can have a direct financial impact on our organisation.

In preparing this report, the EIB updated the materiality assessment carried out in 2018 in accordance with the SASB framework. The approach encompassed a decision-making tool, the SASB five-factor model, to evaluate potentially material topics, specifically applied to the EIB.

The EIB commissioned its external auditors, KPMG, to provide limited assurance on selected statements and figures in the SASB Report. These statements are marked with ✔ and highlighted in italics.

We trust readers will find the information in this report interesting and relevant. We welcome any comments or questions, which should be addressed to: csr@eib.org.

Icons

To help readers navigate the report, we use icons to indicate the boundaries of each metric.

 Evel External
 Iv Internal
## SASB ACTIVITY METRICS

### Investment banking and brokerage

**Metric:** FN-IB-000.B

<table>
<thead>
<tr>
<th>Sector</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, fisheries, forestry</td>
<td>1,060,098</td>
<td>511,277</td>
<td>710,937</td>
</tr>
<tr>
<td>Composite infrastructure</td>
<td>434,736</td>
<td>209,551</td>
<td>542,038</td>
</tr>
<tr>
<td>Credit lines</td>
<td>22,628,504</td>
<td>19,958,648</td>
<td>15,894,962</td>
</tr>
<tr>
<td>Education</td>
<td>1,824,502</td>
<td>2,977,577</td>
<td>1,751,127</td>
</tr>
<tr>
<td>Energy</td>
<td>6,872,546</td>
<td>7,459,531</td>
<td>7,444,268</td>
</tr>
<tr>
<td>Health</td>
<td>3,904,891</td>
<td>1,433,903</td>
<td>982,108</td>
</tr>
<tr>
<td>Industry</td>
<td>6,755,102</td>
<td>5,323,990</td>
<td>6,068,985</td>
</tr>
<tr>
<td>Services</td>
<td>3,209,220</td>
<td>4,142,553</td>
<td>3,738,252</td>
</tr>
<tr>
<td>Solid waste</td>
<td>58,794</td>
<td>696,872</td>
<td>491,987</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>1,671,500</td>
<td>2,448,937</td>
<td>2,736,740</td>
</tr>
<tr>
<td>Transport</td>
<td>10,270,510</td>
<td>11,896,944</td>
<td>10,172,068</td>
</tr>
<tr>
<td>Urban development</td>
<td>3,429,468</td>
<td>3,820,848</td>
<td>2,626,665</td>
</tr>
<tr>
<td>Water, sewerage</td>
<td>3,968,780</td>
<td>2,369,601</td>
<td>2,468,079</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>66,088,651</strong></td>
<td><strong>63,250,237</strong></td>
<td><strong>55,628,216</strong></td>
</tr>
</tbody>
</table>

For more Information, please see EIB operations signed.
SASB ACCOUNTING METRICS

Employee diversity and inclusion

<table>
<thead>
<tr>
<th>Metric: FN-IB-330a.1</th>
<th>EIB gender representation by employee category (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>Managers</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>29.5</td>
</tr>
<tr>
<td>Male</td>
<td>70.5</td>
</tr>
<tr>
<td>Executive Staff</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>44.0</td>
</tr>
<tr>
<td>Male</td>
<td>56.0</td>
</tr>
<tr>
<td>Support Staff</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>87.2</td>
</tr>
<tr>
<td>Male</td>
<td>12.8</td>
</tr>
<tr>
<td>Local Agents</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>52.8</td>
</tr>
<tr>
<td>Male</td>
<td>47.2</td>
</tr>
</tbody>
</table>

Incorporation of ESG factors in investment banking and brokerage activities

<table>
<thead>
<tr>
<th>Metric: FN-IB-410a.2</th>
<th>ESG integration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100% of EIB investments incorporate environmental, social and governance (ESG) factors. EIB financing in 2020 amounted to €66.09 billion. For a breakdown by sector, please see FN-IB-000.B.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Metric: FN-IB-410a.3</th>
<th>Sustainability due diligence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The EIB carries out three-step “sustainability due diligence” on all the investment projects it finances, examining their sustainability credentials such as environmental, social and governance aspects. Certain activities are completely excluded from EIB financing. All projects supported have to meet the EIB environmental and social principles and standards. Furthermore, the EIB makes a separate economic appraisal of the investment projects to assess their costs and benefits to society at large. This takes into account the human, technological or natural resources used by the project, often using shadow costs – including for carbon – and gauges the value of the project for all stakeholders, to determine whether society at large gains from the investment. An economic appraisal is often needed because markets are not always sufficiently competitive, prices are often distorted, and property rights are at times not well defined, leaving externalities such as carbon emissions without an (appropriate) price assigned to them. A project’s financial return may, therefore, not be an adequate indicator to demonstrate the impact on society. Only projects that fulfil both the financial screening and the separate sustainability due diligence can be financed by the EIB. In addition to our well-established sustainability due diligence process, all new financing operations from the end of 2020 – except intermediated finance – are screened to ensure they are aligned with the Paris Agreement and environmental criteria as described in the EIB Group’s Climate Bank Roadmap. For more information, please see the EIB Project Carbon Footprint Methodologies and the EIB Group Sustainability Report 2020.</td>
</tr>
<tr>
<td>Business ethics</td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td></td>
</tr>
<tr>
<td><strong>Metric:</strong> FN-IB-510a.1</td>
<td></td>
</tr>
<tr>
<td>1 Monetary losses as a result of legal proceedings</td>
<td></td>
</tr>
</tbody>
</table>

The EIB has no monetary losses recognised in its 2020 accounts as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice or other related financial industry laws or regulations, based on the materiality aspect for the annual financial statements.

<table>
<thead>
<tr>
<th>Metric: FN-IB-510a.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Whistleblowing Policy</td>
</tr>
</tbody>
</table>

The EIB Group Whistleblowing Policy is a key element to safeguard and enhance the Bank’s integrity and transparency. The policy underpins the systems the Bank has in place to combat practices that might damage its activities and reputation. It applies to all EIB staff members and any other person working for the EIB, including consultants and other service providers as set out in their contractual agreements with the EIB.

The EIB Group Whistleblowing Policy enables any relevant persons to report serious misconduct. It does so by setting out clear reporting lines, ensuring maximum protection for any whistleblower acting in good faith, any person who supports the whistleblower and any person associated with a whistleblower (i.e. a relative, partner or spouse working at the EIB), granting information rights to the whistleblower, and condemning any retaliatory action or reprisals. This covers alleged fraud, corruption, money laundering or financing of terrorism, as well as serious failure or infringement of ethics or integrity.

For more information, please see the [EIB Group Whistleblowing Policy (2019)](#).

<table>
<thead>
<tr>
<th>Systemic risk management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metric:</strong> FN-IB-550a.1</td>
</tr>
<tr>
<td>1 Buffer for systemic relevance</td>
</tr>
</tbody>
</table>

Although the EIB is not identified as a global systemically important bank (G-SIB) by the Financial Stability Board, as a matter of prudence the EIB has decided to provide for an additional buffer for systemic relevance of 1.0% CET (common equity tier 1). The EIB’s self-imposed buffer for systemic relevance is based on its own, independent decision.

<table>
<thead>
<tr>
<th>Metric: FN-IB-550a.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Systemic risk management</td>
</tr>
</tbody>
</table>

The EIB implements a holistic capital planning and management process which ensures that its operations are compatible with its risk appetite, both on a forward-looking and an historical basis. The Bank uses various metrics, including regulatory capital, for assessing the adequacy of its capital base and determining the available capital for its new business activities. In the context of its annual Operational Plan, the Bank prepares projections of key risk metrics to ensure that the proposed business plan is sustainable from a capital perspective. The capital planning and management process also incorporates regular stress tests and sensitivity analyses, to test the Bank’s resilience to both systemic and idiosyncratic stresses.

For more information, please see the [EIB Group Risk Management Disclosure Report (2019)](#).
Data security

Metric: FN-CB-230a.1

Cybersecurity attacks or breaches

The Bank did not record any material instances of cybersecurity attacks or breaches by unauthorised third parties in 2020.

Metric: FN-CB-230a.2

Data security risks

In response to growing and evolving global cybersecurity threats, the Bank is putting in place what it considers to be appropriate measures for its business and remains on heightened alert to such risks. The Bank is implementing a formal cybersecurity risk management framework that protects its critical IT infrastructure while adhering to EU and Bank policies on privacy and civil liberties. This policy framework is being embedded into governance structures so that senior management receive regular reports on developments and metrics. Ongoing technical and non-technical initiatives, mainstreaming of simulations, training and compliance ensure continuous development of policy measures and adherence to them. The management of cybersecurity risks is largely addressed by available in-house expertise and contracted external support or guidance, as required.

EIB staff started teleworking in March 2020 due to the COVID-19 crisis. Internal Information, Communication and Technology (ICT) controls were adequately and thoroughly applied throughout 2020 – this was confirmed by an annual self-assessment of the design effectiveness of general internal ICT controls.

Financial inclusion and capacity building

Metric: FN-CB-240a.1

Financing small and medium enterprises

In 2020, the EIB provided financing to intermediaries in support of SMEs and mid-caps for a total amount of €19.55 billion. In the same year, more than 54 600 SMEs and mid-caps were granted new loans through EIB financing.

SMEs are micro, small and medium-sized enterprises employing up to 249 employees, in alignment with EU recommendation 2003/361/EC. Mid-caps are enterprises with 250 to 3 000 employees.
Community relations

Metric: RT-CH-210a.1

E  Engagement with communities

The EIB attaches great importance to engaging with civil society and building cooperative relations with citizen organisations. The active dissemination of information and constructive dialogue with civil society organisations are essential to informing the public, building trust in the EIB and helping the Bank to meet public expectations. As a public institution, the EIB actively promotes the right to access information, engages with civil society and builds cooperative relations with its representatives. The EIB engages with its stakeholders in a variety of ways:

- Every year, it invites civil society stakeholders to participate in a seminar with its Board of Directors; please see here for more information on the EIB Board of Directors’ Seminar with Civil Society 2020.
- It organises public consultations on its key policies which give stakeholders the opportunity to help shape the EIB’s key institutional and thematic policies, while giving the Bank the opportunity to explain how and why decisions are made. In 2020, key stakeholders’ engagement concerned the EIB Group Climate Bank Roadmap 2021-2025, the Policy on preventing and deterring prohibited conduct in EIB Group activities, and the review of the EIB Group Transparency Policy.
- It regularly hosts events to explain what it is doing, explore emerging issues and benefit from the feedback and ideas of civil society.

For more information, please refer to the EIB’s engagement with civil society – 2020 highlights.

In the Bank’s financing, we apply the EIB environmental and social principles and standards. Standard 10 requires project promoters to maintain an open, transparent and accountable dialogue with all project-affected communities and relevant stakeholders in an effective and appropriate manner. The value of public participation in the decision-making process is stressed throughout the preparation, implementation and monitoring phases of a project. The right to access to remedy, including through grievance resolution, is actively required.

In addition, the EIB Institute promotes and supports social, cultural and academic initiatives with European Union Member States. It is a key pillar of the EIB’s community and citizenship engagement. For more information, please visit the EIB Institute website.
Climate action

Metric: IF-HB-420a.2

Climate Strategy

The European Investment Bank is the European Union’s climate bank. Our Climate Strategy defines our mission: to play a leading role in mobilising the finance needed to limit global warming to 1.5°C. The EIB is the world’s largest multilateral provider of climate finance.

The Bank uses its lending and advisory activities to help mobilise financial resources across the planet, channelling them to investments in climate change mitigation and adaptation.

The EIB adopted its Climate Strategy in 2015 which still remains the cornerstone of the Bank’s approach to climate considerations. The Climate Strategy is structured around three strategic action areas that serve as guidelines for the Bank’s future climate action: i) reinforcing the impact of EIB climate financing, ii) increasing resilience to climate change, and iii) further integrating climate change considerations across all of the Bank’s standards, methods and processes.

At the UN Climate Conference in Paris in 2015, the EIB committed to providing $100 billion worth of climate action finance in the period from 2016 to 2020. With $122 billion in climate action investment signed in this period, we have considerably exceeded this target. On the side-lines of COP24, several multilateral development banks (MDBs) aligned their approach to the objectives of the Paris Agreement to work together to catalyse low-emission and climate-resilient development through a joint declaration. At the UN Climate Action Summit in September 2019, the EIB together with eight other MDBs pledged to raise their global climate action investment to at least $65 billion, with $50 billion for low and middle-income countries.

In November 2020, the EIB Board of Directors approved the updated EIB Climate Strategy and the EIB Group Climate Bank Roadmap 2021–2025. The Roadmap is the operational framework setting out how the EIB Group will support the objectives of the European Green Deal, which the European Commission presented in December 2019.

The Green Deal is the European Commission’s framework for making the European Union’s economy sustainable by turning climate and environmental challenges into opportunities, and making the transition just and inclusive for all. The EIB Group Climate Bank Roadmap internalises these commitments by focusing on four key areas.

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1. ACCELERATING THE TRANSITION THROUGH GREEN FINANCE

By 2025, the EIB will increase its level of support for climate action and environmental sustainability to exceed 50% of its overall lending.

The EIB Group also committed to unlocking and supporting €1 trillion of climate action and environmentally sustainable investment in the decade from 2021 to 2030, with increased support for climate change adaptation and climate resilience.

To accelerate the transition, we are committing to substantially increasing adaptation efforts and investments in innovative green technologies, driving down the long-term cost of capital in capital-intensive green infrastructure, and focusing on replicability to ensure investment at scale, both in the European Union and across the world.
2. ENSURING A JUST TRANSITION FOR ALL

The EU Just Transition Mechanism is the European Union’s response to the concerns of countries that currently rely on carbon-intensive sectors or where local economies may become less viable due to climate change impacts. The EIB Group will play a central role within the mechanism, supporting to varying degrees each of its three main pillars: (1) the Just Transition Fund, (2) the InvestEU programme, and (3) a public sector loan facility. Our advisory services will complement and support all three pillars, advising on everything from strategic and market development to project implementation. The EIB will present a detailed Just Transition plan in 2021, once the Just Transition Mechanism is agreed upon by EU members.

3. SUPPORTING PARIS-ALIGNED OPERATIONS

In line with EU greenhouse gas reduction objectives, the EIB Group committed to aligning all its financing activities with the goals and principles of the Paris Agreement by the end of 2020. The Roadmap lays out our alignment framework to put the commitment into practice and clarifies the ongoing and future work needed. Financing activities have to be aligned with both the temperature and adaptation goals, and must be consistent with low-carbon pathways and climate-resilient development.

To align with low-carbon pathways, we adopted sector-specific criteria for key industries such as energy (where we will apply the new energy lending policy), aviation, road infrastructure, road vehicles, and agriculture and forestry.

To align with the Paris Agreement, we reviewed the latest modelling evidence and agreed to increase the EIB shadow cost of carbon over time. As shown in the graph below, the cost will rise to €250 by 2030, and to €800 by 2050. The shadow cost of carbon is a key technical parameter we use to perform the economic appraisal of investment projects. As indicated above, as part of the sustainability due diligence process, the EIB makes a separate economic appraisal of the investment projects to assess the costs and benefits to society as a whole. This takes into account the resources used by the project (human, technological or natural), in some cases using shadow prices, including for greenhouse gas emissions, and gauges the value generated by the project to determine whether there are overall gains for society.
The graph shows the EIB shadow cost of carbon, as included in the Roadmap. It is based on and the estimated full cost to society of limiting the rise in global average temperature to 1.5°C above pre-industrial levels and helps to assess whether EIB financing is on track with this goal. This will be reviewed on an annual basis and the cost will be adjusted accordingly.

The second dimension of alignment concerns climate resilience. To manage physical climate risk and ensure consistency with resilient development at project level, the EIB introduced a new Climate Risk Assessment (CRA) system for direct lending in 2019. This system helps the EIB and its clients to understand how climate change may affect their projects and to identify adaptation measures. As part of the assessment, an initial screening based on the subsector and country of operation is performed for all new operations. In the case of high or medium risk, a second and more detailed screening takes place to identify any project vulnerabilities. During the appraisal process, a more comprehensive climate risk and vulnerability assessment is carried out to identify measures that can be integrated in the project to reduce climate vulnerabilities. At the end, we estimate the residual physical climate risk for each operation.

At counterparty level, we introduced a climate-related risk screening tool for each of the EIB’s main credit segments (corporates, financial institutions, public sector entities, sub-sovereign public authorities, project finance and equity) and for the EIF’s equity portfolio in 2020. The methodology captures physical risk, transition risk and the mitigation/adaptation capability for each counterparty and provides a climate score from 1 (low risk) to 5 (high risk). The output from the screening tool will enable the EIB Group to map (for example by sector and geography) and benchmark all its counterparties according to their climate risk exposure.

Initially, the screening tool will be used for portfolio monitoring as well as internal reporting and disclosures. It will provide transparency on the Group’s exposure to climate risk and enable informed risk management decisions to be taken. When the tool is developed further, the scores could be used as a basis for strategic decisions (such as risk appetite, credit policies and credit approval) and as input for internal rating models and downstream processes (such as capital allocation).

An environmental risk screening tool will also be developed for each of the EIB’s main credit segments to assess environmental risks for its counterparties. The output from the screening tools will enable the EIB to map and benchmark all its counterparties according to their exposure to environmental risks, looking at the scale, likelihood and interconnectedness of such risks.

4. BUILDING STRATEGIC COHERENCE AND ACCOUNTABILITY

The EIB Group approach will be based on three goals: (1) determining how climate-related activities fit within the wider context of sustainable finance and overall environmental and social sustainability; (2) transparency, accountability and quality assurance; and (3) institutional support for the EIB Group’s activities.

For more information, see EIB Project Carbon Footprint Methodologies.
### Greenhouse gas emissions

**Metric:** EM-CO-110a.1

1. **Direct (Scope 1)** GHG emissions in Mt tonnes of CO₂ equivalent per year resulting from EIB Group internal operations.

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG emissions (in Mt CO₂e/year)</td>
<td>0.000042</td>
<td>0.000078</td>
<td>0.000075</td>
</tr>
</tbody>
</table>

For more information, emissions calculations, including scope 2 and 3, and details on compensation of scope 1, 2 and 3 emissions, please see the EIB Group Carbon Footprint report 2020.

#### Carbon footprint of EIB financing

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of projects</td>
<td>99</td>
<td>96</td>
<td>68</td>
</tr>
<tr>
<td>Total EIB amount signed (in € billion)</td>
<td>14.4</td>
<td>13.6</td>
<td>9.5</td>
</tr>
<tr>
<td>Absolute emissions (in Mt CO₂e/year)</td>
<td>5.2</td>
<td>3.9</td>
<td>2.2</td>
</tr>
<tr>
<td>Carbon sequestration from forestry (in Mt CO₂e/year)</td>
<td>0.3</td>
<td>0.9</td>
<td>2.8</td>
</tr>
<tr>
<td>Relative emissions (in Mt CO₂e/year)</td>
<td>-3.7</td>
<td>-2.9⁴</td>
<td>-3.5</td>
</tr>
</tbody>
</table>

The table reports projects with significant estimated greenhouse gas emissions, i.e. emissions above one or both of the following two thresholds:

- absolute emissions (actual emissions from the project) > 20 000 (> 100 000 until 2018) tonnes of CO₂e per year for a standard year of the project’s operations;
- relative emissions (estimated increases or reductions in emissions compared to the expected alternative) > 20 000 tonnes of CO₂e per year.

Note that as from 2019, a more stringent set of greenhouse gas emissions thresholds has been applied than in 2018, so a direct comparison is not possible.

An analysis of our carbon footprint suggests that these two thresholds cover approximately 95% of emissions from the EIB’s investment projects.

For more information, please see the EIB Group Sustainability Report 2020.

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2 Emissions from sources that are owned or controlled by the reporting entity (i.e. any owned or controlled activities that release emissions straight into the atmosphere).

3 Emissions and carbon sequestration are prorated to the EIB lending volume prior to aggregation. Total project emissions (absolute) and savings (relative) would be significantly larger.

4 The relative emissions figure for 2019 has been adjusted from the figure audited by our independent external auditors and reported in the previous Sustainability Report (-3.1 Mt CO₂e/year) due to a correction in the data.
Greenhouse gas emissions (continued)

Metric: EM-CO-110a.2

Management of Scope 1 emissions

In March 2019, the EIB successfully implemented an Environmental Management System in accordance with the European Union’s Eco-Management and Audit Scheme (EMAS). EMAS provides the EIB with a robust framework to measure, monitor, evaluate and report, offering management a holistic view on the environmental performance of all internal operations. The annual EMAS Environmental Statement 2020, including 2019 performance data, was published in November 2020 and is available online.

Since 2007, the EIB has been measuring, managing and continually reducing the carbon emissions resulting from its internal activities as part of its corporate responsibility efforts every year. We exceeded the greenhouse gas reduction target of 20-30% in relative emissions by 2020 and successfully reduced our net impact per employee by over 50%.

This included the use of renewable electricity, cogenerated heat and power, the replacement of the car fleet and taxi service with lower-emission vehicles, the replacement of old printers with fewer multifunctional devices, the replacement of halogen lamps with LED lamps, and the improvement of the efficiency of the Air Handling Unit (AHU) through analysis and subsequent adaptation of the equipment’s schedule. One of our main buildings has also been granted an “Excellent” ranking by BREEAM In Use (BRE Environmental Assessment Method).

For the carbon footprint of our internal corporate activities in Luxembourg, we use the methodology of the GHG Protocol to ensure year-on-year consistency in our direct and indirect emissions, which include business travel and employee commuting. We are continuing to reduce our CO₂ emissions and compensate for any remaining and unavoidable emissions by buying high-quality carbon credits from the Wildlife Work REDD+ project in the Kasigau corridor in Kenya that we have supported since 2014. This project is the first in the world to be validated and verified under the Verified Carbon Standard and the Climate, Community and Biodiversity Standard. The project protects 500,000 acres of dryland forest and is bringing the benefits of carbon finance to nearly 100,000 people in the surrounding communities, including more than 4,500 local landowners.

For more information, please see the EIB Group Carbon Footprint report 2020.

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6 AHU is a device used to regulate and circulate air as part of a heating, ventilating, and air-conditioning (HVAC) system.
Carbon footprint of EIB financing

The EIB climate-related standards of the Environmental and Social Standards require its financing to be aligned with EU climate policies, which should be taken into account at all stages of the project cycle.

As indicated above, in the economic appraisal of investment projects, the EIB assesses the costs and benefits to society as a whole. This takes into account the resources used by the project (human, technological or natural), in some cases using shadow prices, including for greenhouse gas emissions, and gauges the value generated by the project to determine whether there are overall gains for society.

The Bank uses established techniques to appraise a project’s economic value, such as cost-benefit, cost-effectiveness and multi-criteria analysis. Cost-benefit analysis is the preferred method wherever sufficient data are available. This is generally the case in sectors such as agro-industry, energy, manufacturing, telecommunications, tourism, transport and water/wastewater. In other areas, including education, health or urban and regional development, the benefit of a project may not be easily measured monetarily.

Project promoters must ensure that all projects comply with appropriate national and, where applicable, EU legal requirements, including multilateral agreements, that are related to climate change policy.

The EIB calculates and reports the carbon footprint of the projects it finances to provide transparency on the greenhouse gas emissions footprint of its financing activities.

For more information, please see the EIB Project Carbon Footprint Methodologies.
INDEPENDENT LIMITED ASSURANCE REPORT
TO EIB GROUP

We have been engaged by the Management of EIB Group (the European Investment Bank (“EIB”) and its subsidiary, the European Investment Fund (“EIF”) together referred to as the “Group”) to provide limited assurance on the alignment of the statements and indicators marked in italics and with a tick \( \checkmark \) that are disclosed in the EIB Group Sustainability Report, prepared in accordance with the Global Reporting Initiative (GRI) Standards, and in the EIB Sustainability Disclosures, prepared in accordance with the Sustainability Accounting Standards Board (SASB) framework (“the Reports”), with the EIB internal framework for the year ended 31 December 2020, as detailed on page 3 of the Reports.

Group Management’s responsibility for the Report

Group’s Management is responsible for the preparation and presentation of the EIB Group Sustainability Report and the information and assertions contained within it, in accordance with the Global Reporting Initiative (GRI) Standards applicable in 2020 at the Group, as detailed on page 3 of the Report; for determining the EIB Group’s objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Similarly, EIB Management is responsible for the preparation and presentation of the EIB Sustainability Disclosures and the information and assertions contained within it, in accordance with the Sustainability Accounting Standards Board (SASB) framework applicable in 2020 at the EIB, as detailed on page 3 of the Report.

Responsibility of the Réviseur d’Entreprises agréé

Our responsibility is to perform a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, as adopted for Luxembourg by the Institut des Réviseurs d’Entreprises. That Standard requires that we plan and perform the engagement to obtain limited assurance about whether the indicators and statements in the Reports marked in italics and with a tick \( \checkmark \) are free from material misstatement.

We have complied with the independence and other ethical requirements of the Code of Ethics as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier.

We implement quality control procedures that are applicable to the individual engagement in accordance with the requirements of International Standard on Quality Control 1 Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements (ISQC 1).

Summary of work performed

A limited assurance engagement on a sustainability report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the sustainability report, and applying analytical and other evidence gathering procedures, as
appropriate. These procedures included, to the extent that they apply to the indicators and statements in the Reports marked in italics and with a tick ✗:

— Inquiries of management to gain an understanding of the Group’s processes for determining the material issues for the Group’s stakeholder groups;

— Interviews with relevant staff at corporate and business unit level responsible for providing the information in the Reports;

— A media analysis and an internet search for references to the Group during the reporting period;

— Inquiries about the design and implementation of the systems and methods used to collect and process the information reported, including the aggregation of data into information as presented in the Reports;

— Comparing the indicators and statements in the Reports marked in italics and with a tick ✗ to corresponding information in the relevant underlying sources, when applicable;

— Verifying that the indicators and statements in the Reports marked in italics and with a tick ✗ were correctly derived from the Group’s 2020 audited financial statements, when applicable.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement or an audit conducted in accordance with International Standards on Auditing and Assurance Engagements, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit or a reasonable assurance engagement. Our limited assurance engagement is not designed to detect all internal control weaknesses or errors in the Reports in meeting the requirements of the internal reporting criteria applicable at the Group in 2020 as the evidence has been obtained on a sample basis. Accordingly, we do not express an audit or a reasonable assurance conclusion on the Reports as a whole or on the indicators and statements in the Reports marked in italics and with a tick ✗.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the limited assurance procedures performed, as described above, nothing has come to our attention that causes us to believe that the indicators and statements in the Reports marked in italics and with a tick ✗ are not prepared, in all material respects, in accordance with the internal reporting criteria applicable in 2020 at the Group, as detailed on page 3 of the EIB Group Sustainability Report and on page 3 of the EIB Sustainability Disclosures.

Luxembourg, May 21, 2021

KPMG Luxembourg,
Société coopérative
Cabinet de révision agréé

S. Chambourdon
EIB 2020 Sustainability Disclosures in accordance with SASB Framework
(Sustainability Accounting Standards Board)