

CORPORATE

EIB Group 2017 **Sustainability Reporting** Disclosures

In accordance with the GRI Standards



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All disclosures in this report refer to the Standards (2016) of the Global Reporting Initiative (GRI).

GRI 101: Foundation

GRI 102: General Disclosures

Organisational profile

102-1 Name of the organisation

European Investment Bank Group

The EIB Group consists of the European Investment Bank (EIB) and the European Investment Fund (EIF). EIF's shareholders are the EIB, the European Union (represented by the European Commission) and a wide range of public and private banks and financial institutions.

102-2 Activities, brands, products, and services

EIB

As the largest multilateral borrower and lender by volume, the EIB provides finance and expertise for sound and sustainable investment projects. More than 90% of its activity is focused on Europe. The EIB also supports the EU's external and development policies.

The products of the EIB are lending, blending and advising. For more information, please refer to <http://www.eib.org/products/index.htm>

EIF

The central mission of the EIF is to support Europe's small and medium-sized businesses (SMEs) by helping them to access finance. To this end, the EIF aims at satisfying existing and future market needs by designing innovative financial products such as equity, debt and microfinance products. It works with financial institutions (banks, guarantee, leasing and microfinance institutions, private equity and venture capital funds, etc.) which act as financial intermediaries and in turn make finance available to SMEs. For more information, please refer to http://www.eif.org/what_we_do/index.htm

102-3 Location of headquarters

EIB

98-100, boulevard Konrad Adenauer
L-2950 Luxembourg
Luxembourg

EIF

37B, avenue J.F. Kennedy
L-2968 Luxembourg
Luxembourg

102-4 Location of operations

The EIB is active both inside and outside the European Union. Approximately 90% of its lending volumes are in the European Union.

As of 31 December 2017, the EIB had 23 offices inside the European Union, and 22 outside. For a map of office locations, refer to <http://www.eib.org/infocentre/contact/offices/index.htm>

The EIF is active in the European Union, in candidate countries, in countries of the European Free Trade Association, the Western Balkans and in InnovFin participating countries. For more information, refer to http://www.eif.org/what_we_do/where/index.htm

102-5 Ownership and legal form

The shareholders of the European Investment Bank are the 28 Member States of the European Union. Each Member State's share in the Bank's capital is based on its economic importance within the European Union (expressed in GDP) at the time of its accession (except Spain). France, Germany, Italy and the United Kingdom constitute the largest shareholders with an equal amount of capital, worth approximately EUR 39,195 billion each, as of 1 July 2013.

Established in 1958 under the Treaty of Rome, the EIB enjoys full legal personality within the European Union and has sole legal responsibility for its own debt. The Governance of the EIB is determined by the EIB Statute, which constitutes Protocol N°5 annexed to the Treaty of the European Union ("TEU") and the Treaty on the Functioning of the European Union ("TFEU").

In accordance with article 51 of the TEU, the EIB Statute forms an integral part of both the TFEU and the TEU ("the Treaties"). Having the same legal force as the Treaties, the EIB Statute has primacy over national law of European Union Members States.

102-6 Markets served

More than 90% of its activity is in Europe, but the EIB Group also invests around the world. Outside the Union, the EIB is active in enlargement countries, where the EU is working towards starting accession negotiations. The EIB has activities in neighbouring EU Eastern countries, as well as within the European Free Trade Association (EFTA), which currently has four members: Iceland, Liechtenstein, Norway and Switzerland. The EIB further serves markets in the southern Mediterranean spanning across North Africa and the Middle East. Worldwide market activity is in (Central) Asia and Latin America, the Caribbean and Pacific, and Sub-Saharan Africa, including South Africa.

The EIB is active across a wide range of economic sectors from agriculture, food and rural development, digital economy, education and training, energy, forestry, health and life science, regional development, trans-European networks, transport, to Urban Agenda-related initiatives, as well as water and waste management.

EIB funding is delivered to sovereigns, sub-sovereigns and corporates or indirectly, as is EIF support, through a range of intermediary banks, guarantee, microfinance institutions, equity funds, etc. that provide equity finance, loans, micro-loans and guarantees to micro, SME and mid-cap sized beneficiaries.

102-7 Scale of the organisation

In 2017, the EIB signed operations worth EUR 69.9 billion, and EIF commitments amounted to EUR 9.3 billion. This supported and mobilised EUR 250 billion of total investment.

The EIB supports projects that make a significant contribution to growth and employment in Europe. Its activities focus on four priority areas:

- EUR 13.9 billion for innovation and skills
- EUR 29.6 billion for small and medium-sized enterprises
- EUR 18 billion for infrastructure
- EUR 16.6 billion for the environment

102-8 Information on employees and other workers

Table 102-8.1: Total number of employees by employment contract and by gender

	Employment contract	Female		Male		Total
EIB	Fixed-term	590	47%	661	53%	1,251
	Permanent	1,032	53%	920	47%	1,952
	Total	1,622	51%	1,581	49%	3,203
EIF	Fixed-term	133	55%	108	45%	241
	Permanent	107	45%	131	55%	238
	Total	240	50%	239	50%	479
EIB Group	Fixed-term	723	48%	769	52%	1,492
	Permanent	1,139	52%	1,051	48%	2,190
	Total	1,862	51%	1,820	49%	3,682

Table 102-8.2: Total number of employees by employment contract and by region

	Employment contract	EU-15		EU-13		Total
EIB	Fixed-term	914	73%	337	27%	1,251
	Permanent	1,657	85%	295	15%	1,952
	Total	2,571	80%	632	20%	3,203
EIF	Fixed-term	170	71%	71	29%	241
	Permanent	209	88%	29	12%	238
	Total	379	79%	100	21%	479
EIB Group	Fixed-term	1,084	73%	408	27%	1,492
	Permanent	1,866	85%	324	15%	2,190
	Total	2,950	80%	732	20%	3,682

Table 102-8.3: Total number of employees by employment and by gender

	Employment contract	Female		Male		Total
EIB	Full-time	1,458	48%	1,554	52%	3,012
	Part-time	164	86%	27	14%	191
	Total	1,622	51%	1,581	49%	3,203
EIF	Full-time	234	49%	239	52%	473
	Part-time	6	100%	0	0%	6
	Total	240	50%	239	50%	479
EIB Group	Full-time	1,692	49%	1,793	51%	3,485
	Part-time	170	86%	27	14%	197
	Total	1,862	51%	1,820	49%	3,682

Table 102-8.4: Total workforce

	2013	2014	2015	2016	2017
EIB	2,124	2,277	2,544	2,872	3,203
EIF	237	276	369	418	479
Total	2,361	2,553	2,913	3,290	3,682

No assumptions were made in compiling the data. Employee numbers are expressed as a headcount.

102-9 Supply chain

Related to the activities of the Group, the main elements of the supply chain comprise services and to a lesser extent, works and goods. Given the comprehensive range of products and services which the Group offers and provides, the principal types of supplier include consultants, providers of office space, building maintenance, security, IT support, maintenance and development providers. The Group has engaged a total number of 1,604 suppliers in the calendar year 2017. The geographic locations of suppliers are notably within the EU Member States (95% of spent). Outside the Union, the Group mostly contracts local suppliers near its offices worldwide. The monetary value of payments made to suppliers in 2017 amounts to EUR 240 million. Due to the nature of the Bank as an international financial institution, the sector-specific characterisation of the supply chain is primarily attributed to the provision of services.

In respect of procurement, tenderers are required to comply with applicable labour laws as well as national and international standards of environmental protection, health and safety, including those contained in any relevant International Labour Organisation (ILO) conventions and international agreements on environmental protection.

102-10 Significant changes to the organisation and its supply chain

There were no significant changes to either the organisation or the supply chain of the EIB Group in 2017.

102-11 Precautionary Principle or approach

In accordance with EU policy on the environment, the EIB aims at a high level of protection based on the application of the precautionary principle. On the basis of the principle that preventive action should be taken, the EIB holds that environmental damage should be rectified at source, and that the polluter should pay.

The EIB considers the need for applying the precautionary principle when there is a risk that a project may cause significant and irreversible damage to the environment. In such cases, measures should be taken by the promoter to avoid the risk in the first place. If a feasible alternative was not available, such risk should be reduced to an acceptable level. This applies even where there may not be conclusive evidence of a causal link between the project and its potential negative consequences. The Bank's aim is to minimise any negative environmental impacts arising from the projects it finances. Where such impacts are demonstrably unavoidable, the Bank requires the promoter to apply mitigation measures, and for impacts that cannot be fully mitigated, compensation and/or offsets should be implemented in accordance with the relevant EU Directives.

102-12 External initiatives

The EIB Group does not list external initiatives in this reporting cycle.

102-13 Membership of associations

The EIB Group does not list membership of associations in this reporting cycle.

Strategy

102-14 Statement from senior decision-maker

Please refer to EIB Group 2017 Sustainability Report, Foreword.

<http://www.eib.org/infocentre/publications/all/sustainability-report-2017.htm>

102-15 Key impacts, risks, and opportunities

The EIB Group is the world's largest multilateral public lender and provider of risk financing. The Group recognises the importance of collaborating with other multilateral development banks and financial institutions in order to build prosperity and stability around the world. In pursuit of the creation of a sustainable and inclusive economy, the Group's ultimate objective is to improve the lives of citizens of the EU and the world.

As one of the largest climate financiers globally, the Group drives positive impact through climate action. This includes financing climate change adaptation and mitigation, and making societies more resilient to negative climate change impacts. The Bank was the first institution to issue labelled Green Bonds, called Climate Awareness Bonds (CABs), to stimulate green investment by institutional investors.

Further, the EIB Climate Strategy is structured around three strategic action areas that serve as guiding orientations for the Bank's future climate action, reinforcing the impact of EIB climate financing, increasing resilience to climate change, and further integrating climate change considerations across all of the Bank's standards, methods and processes. Within each of these strategic action areas, various operational initiatives are introduced, such as innovative financial instruments, outreach and cooperation with stakeholders, the development of standards and methodologies and the provision of advisory services.

All operations the Group finances must comply with strict economic, technical, environmental, social and governance standards. The Group carries out due diligence for every operation before and after contract signature, and further conducts regular public consultations together with stakeholders. A unique grievance mechanism serves as a dispute resolution tool for members of the public to mitigate potential risk and minimise negative impact across its operations. The Group operates in an accountable and transparent way, while putting sustainability at the heart of its activities. As a result of its commitment as a responsible institution, the Group is committed to contributing to sustainable development.

Ethics and integrity

102-16 Values, principles, standards, and norms of behaviour

The EIB is an EU Body that applies a first-class range of policies and standards to its operations and relations with stakeholders. These policies and standards are reviewed and updated periodically and demonstrate how the Bank seeks to fulfil its mission in an open, transparent and responsible way.

Compliance is integral to the Bank's ethical, professional and business approach. The independent EIB Compliance function promotes the highest standards of integrity and ensures that they are applied to all the Bank's activities, as outlined in the integrity policy and compliance charter.

The Compliance function strongly supports a corporate culture based on ethical values and professional conduct. The Codes of Conduct set out the ethical behaviour expected of EIB staff members, contractors, consultants and members of the governing bodies. This includes a high standard of personal and professional ethics, loyalty, honesty and impartiality, and commitment to the Bank's objectives.

Below is a non-exhaustive list of the most relevant documents in relation to codes of conduct.

EIB

- Code of Conduct for the members of the Audit Committee of the EIB
http://www.eib.org/attachments/thematic/conductAC_en.pdf
- Code of Good Administrative Behaviour for the staff of the EIB in its relations with the public
http://www.eib.org/attachments/general/code_en.pdf
- Code of Conduct for the members of the Board of Directors of the EIB
http://www.eib.org/attachments/thematic/conductCA_en.pdf
- EIB Staff Code of Conduct
http://www.eib.org/attachments/thematic/code_conduct_staff_en.pdf
- EIB Management Committee Code of Conduct
http://www.eib.org/attachments/thematic/code_conduct_MC_en.pdf

EIF

- Code of Conduct for Members and the Alternate Member of the Audit Board of the EIF
http://www.eif.org/news_centre/publications/code-of-conduct-eif-board-of-directors.pdf
- Code of Conduct for Members and Alternate Members of the Board of Directors of the EIF
http://www.eif.org/news_centre/publications/code-of-conduct-eif-board-of-directors.pdf
- EIF Staff Code of Conduct
http://www.eif.org/news_centre/publications/eif-staff-code-of-conduct.pdf
- Code of Conduct for the Chief Executive and the Deputy Chief Executive of the EIF
http://www.eif.org/attachments/about/management/EIF_Codes_of_Conduct_for_CEO_and_DCEO.pdf
- Code of Good Administrative Behaviour for the staff of the EIF
http://www.eif.org/attachments/publications/about/eif_code_on_good_administrative_behaviour_1996.pdf

102-17 Mechanisms for advice and concerns about ethics

The EIB Group and its staff have a duty to adhere to the highest levels of integrity, ethical and professional standards. This is a primary feature of appropriate business conduct which the Group applies to the relationships with colleagues and project counterparts, as well as to the full range of its activities. The Compliance function also supports a corporate culture based on ethical values and professional conduct.

In accordance with the principles laid down by the Basel Committee, Compliance is an independent Directorate under the guidance and responsibility of the EIB's Group Chief Compliance Officer ("GCCO"). The GCCO reports directly to the President of the Bank under the functional authority of the relevant Vice-President.

Compliance risk is managed at EIB Group level by the GCCO, who coordinates:

- The Office of the Chief Compliance Officer (OCCO), in charge of European Investment Bank Compliance,
- and Compliance and Operational Risk (COR), in charge of European Investment Fund Compliance and Operational Risk.

The Office of the Chief Compliance Officer (OCCO) is the key control function for ensuring the integrity of EIB staff, management and activities. The main aspects covered by the EIB compliance function include ethics, anti-money laundering/combating the financing of terrorism ("AML-CFT"), integrity due diligence of EIB counterparties and operations, regulatory compliance, training, and clearance of procurement processes for the Bank's own account.

OCCO's remit includes the responsibility for administering the EIB Staff Code of Conduct and managing any associated compliance issues. Requests relating to advice and concerns are treated confidentially, and mechanisms can be used anonymously.

Table 102-17.1: Total number of requests cleared

Clearances	2014	2015	2016	2017
Appointments to external organs	44	65	61	73
External activities	70	75	57	82
Gifts	27	46	30	16

OCCO preliminary assessment and informal advice was also sought by staff and members of the Management Committee in connection with conflicts of interest, private investments, gifts and external activities prior to the transmission of formal declarations.

Furthermore, the EIB Complaints Mechanism (EIB-CM) is designed to facilitate and handle complaints against the EIB by individuals, organisations or corporations affected by EIB activities.

Complainants do not need to prove that they are directly affected by an EIB decision, action or omission and are not required to identify the rules, regulations or policies in question.

Individuals, organisations or corporations affected by EIB activities can complain. Complainants do not need to be directly affected by the EIB decision, action or omission and are not required to identify the applicable rule, regulation or policy that may have been breached.

Any member of the public has access to a two-tier procedure:

Initially, the Complaints Mechanism Division (EIB-CM), which is operationally independent from the EIB's other departments, will seek a solution and may advise the EIB on corrective action. If the complainant is not satisfied with the EIB's response to the complaint, s/he may refer the case to the European Ombudsman, a fully independent EU body.

102-17.2: Total number of incoming complaints

Complaints	2014	2015	2016	2017
Received	60	56	89	114
Inadmissible	(12)	(7)	(5)	(11)
	48	49	84	103
Complaints brought before other institutions:				
European Ombudsman	(5)	-	(7)	(11)
European Data Protection Officer	-	-	-	-
Aarhus Convention Compliance Committee	-	-	-	-
Complaints registered by the EIB-CM	43	49	77	92

During 2017, 114 new cases were received (89 in 2016). Of these 114 complaints, 103 were declared admissible (84 in 2016). 11 cases were brought before the EO in 2017 (7 in 2016).

102-17.3: Total number of complaints handled

Complaints	2014	2015	2016	2017
Received	60	56	89	114
Outstanding at year-end	36	33	59	101
Complaints dealt with	103	92	122	173

After handling 173 cases in 2017 (122 in 2016) there were 101 cases outstanding at the end of 2017 (59 in 2016). The EIB-CM continued to deal with and close a high number of cases in 2017.

102-17.4: Type of admissible complaints by type

Complaints	2014	2015	2016	2017
Environmental/social/developmental impacts (E)	11	17	29	53
Own governance and administration (G)	5	8	7	7
Governance of financed projects (F)	10	6*	6	7
Procurement-related complaints (P)	12	10	24	17
Access to information (A)	2	0	1	0
Human resources (H)	3	7	8	8
Customer Relations (C)	0	1	2	0
Total	43	49	77	92

* Including one OI (own initiative).

Governance

102-18 Governance structure

EIB

The EIB has a three-tier structure, with a Board of Governors, a Board of Directors and an executive management board (the Management Committee). Under this structure, the Board of Directors is responsible for the strategic management of EIB, while the Management Committee is in charge of its day-to-day management, observing the guidelines, policies and instructions issued by the Board of Directors.

While the President of the EIB is also the Chairperson of the EIB Board of Directors, the EIB President does not have voting rights on the Board of Directors. The chairpersonship of both bodies serves the purpose of guaranteeing continuity in the decision-making between the non-resident Board of Directors and the resident Management Committee.

There is a separation of power between the President of the EIB and the Chairperson of the Board of Governors, which is the highest governing body of the EIB. The Board of Governors appoints the members of the Board of Directors and the Management Committee, including the EIB President.

The Board's Chairperson does not belong to either the Board of Directors or the Management Committee.

The Management Committee is responsible for the current business of the Bank, under the supervision of the Board of Directors. A list of lead responsibilities of the management Committee members is provided in Annex 4 of the EIB Group Corporate Governance Report 2016: http://www.eib.org/attachments/general/reports/eib_group_corporate_governance_report_2016_en.pdf

EIF

The EIF's Statutes and Rules of Procedure set the framework for the establishment, role and procedures of its decision-making bodies. The EIF has four statutory bodies:

- Three decision-making authorities (the Chief Executive, the Board of Directors and the General Meeting),
- and one control body (the Audit Board).

The Chief Executive is nominated by the shareholder holding the largest number of shares, i.e. the EIB, and is appointed by and reports to the Board of Directors.

The Board of Directors is composed of seven members and seven alternates, designated by the members of the Fund, according to their own internal procedures:

- Four members/alternates designated by the EIB as majority shareholder,
- two members/alternates designated by the EC,
- and one member/alternate designated by the Financial Institutions shareholders.

The Board members are appointed by and accountable to the General Meeting. The term of office for members and alternates is two years and may be renewed.

The General Meeting consists of one representative per shareholder, i.e. the President or a Vice-President of the EIB or another duly authorised individual, one member of the EC representing the EU, as well as a representative from each financial institution shareholder, designated in line with the internal procedures of each institution.

The Audit Board consists of three members, nominated respectively by the EIB, the EC and the Financial Institutions shareholders, and one alternate member, nominated on a rotating basis by the three shareholder groups. The members and the alternate member are appointed by and accountable to the General Meeting.

102-19 Delegating authority

EIB

The Environment, Climate and Social Office (ECSO), located within the Projects Directorate, is the division responsible for policy development in the area of environment, social and climate at the EIB. The ECSO drafted the EIB Statement on [Environmental and Social Principles and Standards](#) (2009), and the [Environmental and Social Handbook](#) (2013).

The EIB Environmental and Social Handbook (the Handbook) provides an operational translation of the policies and principles contained in the 2009 EIB Statement of Environmental and Social Principles and Standards. The Handbook consists of two parts. Part I of the Handbook provides external actors with a description of the standards to achieve, grouped across 10 thematic areas covering the full scope of environmental, climate and social impacts and issues. Part II describes the internal environmental and social due diligence processes and practices of the Bank, to ensure that all financing activities are consistent with its environmental and social standards.

The EIB Statement on Environmental and Social Principles and Standards, and the Environmental and Social Handbook have been approved by the Board of Directors and the Management Committee, respectively. This demonstrates the support provided by the management and shareholders. Internally, ECSO organises regular training and awareness-raising sessions to promote the knowledge of standards and increase capacity on environment, social and climate among the staff. The Projects Directorate (PJ) assesses the economic, environmental and social, financial and technical sustainability of projects and compliance with EU and EIB sector policies.

Introductory training sessions are organised regularly for new staff in the Projects Directorate with the aim of introducing professional staff to the Bank's environmental and social safeguards. Additional training and awareness sessions are organised throughout the year to improve the knowledge and capacity of the professional staff in this area. Under the General Secretariat, the Corporate Social Responsibility (CSR) is one of the two divisions of the Corporate Responsibility Department. It coordinates corporate social responsibility activities throughout the EIB Group, promotes the CSR Strategy across the EIB Group, raises awareness and promotes sustainability practices.

EIF

At the EIF, the Chief Executive is responsible for the day-to-day management and, within the policies and guidelines adopted by the Board, is responsible for deciding on the transactions, mandates, policy and strategic approaches which may be presented to the Board for approval. The Chief Executive also submits the three-year Corporate Operational Plan, entailing operational, strategic and budgetary implications, to the Board for approval.

The Board of Directors decides on the above proposals submitted by the Chief Executive, with authority extending, for example, to the determining of the objectives and limits of EIF's borrowing operations and the approval and submission of the annual report and annual accounts to the General Meeting. The EIF follows a sustainable and consistent strategy to achieve its mission by means of a strong risk management culture that permeates all areas of EIF's business functions and processes with the objective of maintaining value creating risk management and the AAA rating.

The EIF's first layer of control is exercised through internal processes and procedures developed and implemented by means of financial and operational controls designed to enable effective and efficient day-to-day operations, ensure reliable financial reporting and compliance with regulations. The second layer of control consists of an independent Risk Management (RM) function, including risk and portfolio management as well as compliance and operational risk.

The third layer includes both internal and external audit, the activities of which are coordinated by the Audit Board. Internal Audit (which is operated by the EIB's Internal Audit function under a service contract with the EIF) examines and evaluates the relevance, design and effectiveness of the internal control systems and procedures within the EIF. The EIF is supported by a strong in-house legal service whose remit, within its area of responsibility, is to pursue the strategic goals and protect and preserve the legal integrity of the Fund.

102-20 Executive-level responsibility for economic, environmental, and social topics

Members of the Management Committee, the permanent collegiate executive body of the Bank, consisting of a President and 8 Vice-Presidents, are allocated different areas of oversight including economic, environmental and social topics. A list of oversights is published as an annex to the annual Corporate Governance Report, the oversights of each Management Committee Member are listed under each member's profile on the EIB Website http://www.eib.org/about/governance-and-structure/statutory-bodies/management_committee/index.htm

102-21 Consulting stakeholders on economic, environmental, and social topics

As a public institution, the EIB actively promotes the right of access to information, as well as public consultation and participation. Promoters are required 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 of access to remedy, including through grievance resolution, is actively mandated.

102-22 Composition of the highest governance body and its committees

As the EIB is simultaneously an EU body and a bank, it is governed by both public and corporate governance principles. Under its Statute, the EIB Governance relies on three decision-making bodies: The Board of Governors comprised of ministers designated by the Member States; the Board of Directors, composed of non-resident members appointed by the Board of Governors (following nomination by the Member States and the Commission) and of a maximum of six non-voting experts; and the Management Committee, the resident executive management board of the EIB.

Together with the Bank's independent Audit Committee, these make up the statutory bodies of the EIB whose respective members are appointed by the Board of Governors and shall attend the Annual Meeting of the Board of Governors. As of 30 January 2018, the Board of Governors comprised 4 female and 24 male ministers, the Board of Directors 34 male and 17 female full and alternate members and experts, and the Management Committee 9 male members.

102-23 Chair of the highest governance body

In accordance with the EIB's Rules of Procedure, the office of Chairman of the Board of Governors is held by each member of the Board in a yearly rotation according to the order of protocol of the Member States established by the Council of the European Union. The Chairman is a minister designated by a Member State and is therefore a non-executive officer.

102-24 Nominating the highest governance body

The EIB's Statute determines the composition, of the highest governing body of the EIB, which is the Board of Governors. Governors are ministers, mostly Ministers for Economy and Finance, representatives of democratically elected governments. Regular changes arise in the composition of the Board of Governors, most often following changes in the Government of Member States.

102-25 Conflicts of interest

The Ethics and Compliance Committee provides a ruling on any potential conflict of interest for a member of the Board of Directors or for the Management Committee and former members of the Board of Directors or for the Management Committee, during the cooling-off period. The Ethics and Compliance Committee also provides opinions on any ethical matter concerning members of the Board of Directors or of the Management Committee regulated in their respective Codes of Conduct or in related relevant provisions, during the period of their mandate. Decisions of the Ethics and Compliance Committee are periodically communicated to the Board of Directors and to the Board of Governors in an annual report.

This committee has been in place since 2011 to reinforce the role of the Board of Directors in overseeing the implementation of corporate values, especially in the field of conflicts of interest that might emerge within the Management Committee or the Board of Directors and ethical matters. Unlike other Board Committees, the operating rules of the Ethics and Compliance Committee are adopted by the Board of Governors. These rules also provide the possibility for a member of the Audit Committee to request the opinion of the Committee on a voluntary basis.

102-26 Role of highest governance body in setting purpose, values, and strategy

The Board of Governors lays down general directives for the credit policy of EIB (in accordance with the Union's objectives), approves the annual report, the annual balance sheet and the profit and loss account, decides on the Bank's participation in financing operations outside the European Union, and approves capital increases. The Board of Governors appoints the members of the Board of Directors and of the Management Committee, as well as the members of the Audit Committee and the Appointment Advisory Committee.

The Board of Directors is charged with ensuring that the Bank is properly run and managed in accordance with the provisions of the Treaties, the EIB Statute and the general directives laid down by the Board of Governors. The Board of Directors is responsible for taking decisions in respect of granting finance, particularly in the form of loans and guarantees, raising loans, fixing of interest rates on loans granted, as well as commission and other charges. The Board of Directors also approves a global borrowing authorisation on an annual basis.

102-27 Collective knowledge of highest governance body

The highest Governance body of the EIB is composed of 28 Ministers from the EU Members states, mainly Ministers of Finance and Economy. These Ministers of Finance and Economy, together with relevant EU Commissioners make up the Economic and Financial Affairs Council, commonly known as the ECOFIN Council. The ECOFIN Council is responsible for EU policies in three main areas: economic policy, taxation issues and the regulation of financial services. ECOFIN meetings generally take place once a month.

102-28 Evaluating the highest governance body's performance

There is no evaluation of the Board of Governors' performance, including with respect to economic, environmental and social performance. Governors are ministers, mostly Ministers for Economy and Finances, representatives of democratically elected governments.

102-29 Identifying and managing economic, environmental, and social impacts

The EIB is the EU's bank, and as such provides finance and expertise for economically, technically, financially and environmentally sound investment projects in Europe and beyond, which contribute to furthering EU policy objectives and priorities. The Board of Governors issues the general directives for the credit policy of the Bank, in accordance with the policy objectives of the European Union. This includes economic, environmental and social objectives. As far as environmental and social due diligence are concerned, the Projects Directorate (PJ) carries out environmental, social and climate due diligence, as well as on the promoter's capacity to implement a project in alignment to the Bank's standards. In terms of stakeholder engagement and public consultation, the Bank reviews projects to ensure a meaningful engagement process that allows for the efficient implementation of a financed operation and, in particular, the early and effective identification, assessment, and management of any environmental and social risks, impacts, and opportunities.

102-30 Effectiveness of risk management processes

The Group Risk Management Charter sets out, according to best banking practice, the high-level principles underlying the management of Group (or Consolidated) Risk and defines the associated required oversight.

The EIB's Board of Directors approved the Group Risk Management Charter on 16 July 2015 following a recommendation by the Risk Policy Committee on 1 June 2015 and by the EIF's Board of Directors on 5 August 2015. The Charter is developed and maintained by the EIB Risk Management function and it is reviewed on an annual basis. The Group Risk Management Charter is distributed to the EIB Audit Committee and to the EIF Audit Board.

At the EIB, the Management Committee ensures the development and implementation of an Internal Capital Adequacy Assessment Process (ICAAP), risk appetite framework and stress testing framework in accordance with the directives, framework and decisions on the activity and management of the Bank laid down by the Board of Governors and the Board of Directors. The Board of Directors' Risk Policy Committee provides recommendations to the Board of Directors in relation to Bank risk policies so as to facilitate the decision-making process of the Board.

At the EIF, the EIF Board of Directors and the Management (the “Management”, composed of a Chief Executive and a Deputy Chief Executive, both appointed by the Board of Directors) retain the ultimate responsibility for EIF’s activities and risks. The development and implementation of the Framework form part of the remit of the independent Risk Management functions reporting to the Management and the Audit Board. The oversight of risk at Group level is performed by the EIB. The EIB Risk Management Directorate coordinates the prudential consolidation of the EIF into the EIB as concerns amongst others the Risk Appetite, ICAAP and Stress Testing Frameworks. The Audit Committee of the EIB is updated on a regular basis on consolidated risks.

102-31 Review of economic, environmental, and social topics

Environmental protection and improvement and benefits to people's welfare form key operational priorities for the European Investment Bank. The EIB's Environmental and Social Policies and Standards are based on the EU approach to environmental sustainability. The general approach of the Bank is described in a number of public documents:

- European Principles for the Environment
http://www.eib.org/attachments/strategies/european_principles_for_the_environment_en.pdf
- Environmental Statement
http://www.eib.org/attachments/strategies/eib_statement_esps_en.pdf
- Environmental and Social Practices Handbook
http://www.eib.org/attachments/strategies/environmental_and_social_practices_handbook_en.pdf
- The EIB and its Contribution to Sustainable Development
http://www.eib.org/attachments/strategies/environdoc_en.pdf
- The EIB Project Cycle
<http://www.eib.org/projects/cycle/>

The promotion of sustainable development – in particular the preservation of environmental and social capital that exists today for future generations – underpins the EIB’s lending strategy and objectives. The EIB Statement on Environmental and Social Principles and Standards sets the policy context for the protection of the environment and human well-being. An EIB Environmental and Social Handbook provides an operational translation of those standards.

The EIB aims to maximise the environmental benefits and to minimise the environmental costs of the projects that it finances through appropriate screening, mitigation and compensation measures. Environmental considerations are taken into account at all stages of the project cycle. In the case of co-financing with other institutions, the Bank may agree to apply the environmental standards of the co-financing institution, where these are comparable to EU standards, in the light of local conditions. However, the EIB will always carry out its own independent assessment.

The main responsibility for scrutinising the environmental aspects of projects lies with the Bank's Projects Directorate, consisting of environmental specialists, social specialists, climate specialists, and engineers and economists, who undertake the assessment of projects at the EIB.

Environmental management is further reinforced by a number of dedicated support units to provide direction and advice on the Bank's environmental policy, ensure a consistently high quality of

assessment, improve awareness and create stronger capacity for external dialogue with relevant third parties:

- Environmental Assessment Group (ENVAG)
- Environment, Climate and Social Office (ECSO)

The EIB has taken social development aspects into account for many years as part of its overall environmental assessment of projects. The Social Standards of the Bank are derived from EU and best international practices and focus on labour standards, occupational and community health and safety (including major communicable diseases), population movement (including involuntary resettlement issues), minority rights (including indigenous people, women and vulnerable groups), public consultation and participation, and cultural heritage.

102-32 Highest governance body's role in sustainability reporting

The Sustainability Report receives tacit approval from the Management Committee, and the Board of Directors is provided with the report for information. At the Annual Meeting, the EIB President informs the highest governance body, the Board of Governors, about the Bank's activities. The Board of Governors takes note of the Annual Reports of the Audit Committee and the Response of the Management Committee to the Annual Reports of the Audit Committee.

102-33 Communicating critical concerns

The Board of Governors holds an annual meeting for the purpose of examining the annual report and determining the general directives for the EIB. Extraordinary General Meetings can be convened by the Chairman of the Board of Governors, at the request of one of the members of the Board of Governors or by the EIB President, either at its own initiative or at the request of the Board of Directors.

102-34 Nature and total number of critical concerns

In 2017, the EIB Complaints Mechanism (EIB-CM) received 11 new complaints against the EIB lodged with the European Ombudsman (EO). Of these 11 complaints, 6 escalated from previous complaints to EIB-CM. With regard to the subject matter, 4 complaints concerned Personnel-related cases while the remaining 7 concerned own governance of the EIB. In 2017, the EO closed 6 cases that had been brought against the EIB: 2 with no maladministration found, 1 with an instance of maladministration and 3 settled by the EIB. In 2017, there were no cases brought against the Bank before the European Data Protection Supervisor (EDPS) or the Aarhus Convention Compliance Committee.

In terms of accountability, the framework within which the EIB operates has been profoundly affected by successive European treaties. The 1992 Maastricht Treaty on the European Union created European Union citizenship, complementary to national citizenship, and strengthened the accountability of the EU's institutions through the establishment of the European Ombudsman. The EO was appointed for the first time by the European Parliament in 1995. Any EU citizen or entity may appeal to the EO with a request for it to investigate EU institutions or bodies on the grounds of maladministration: administrative irregularities, unfairness, discrimination, abuse of power, failure to reply, refusal of information or unnecessary delay. The EO may open enquiries on its so-called "own-initiative" if they are considered justified in order to clarify any suspected maladministration in the activities of EU institutions, bodies, offices or agencies.

Following the solemn proclamation of the Charter of Fundamental Rights of the European Union on 7 December 2000, in 2009 the Lisbon Treaty made the Charter legally binding with the same legal value as the European Union treaties. The Charter lays down the fundamental right to good administration as the right to have one's "affairs handled impartially, fairly and within a reasonable time by the institutions, bodies, offices and agencies of the Union". This right includes the obligation of the administration to give reasons for its decisions.

102-35 Remuneration policies

The Board of Governors is a non-remunerated governing body, but it sets the compensation of the Board of Directors, the Management Committee and the Audit Committee. The policy with respect to the remuneration of the members of the Board of Directors was last approved in 2002 and remains unchanged. The members and alternate members of the Board of Directors are entitled to a Board meeting attendance fee of EUR 600, and a flat rate daily allowance of EUR 200. Travel expenses incurred in connection with the Board meetings are covered separately. Due to their specific professional circumstances, some Board members choose not to receive remuneration for their membership or ask for payments to be credited to their employer. The members of the Board of Directors do not receive a bonus. Audit Board members are entitled to a EUR 1,050 attendance fee per meeting and a daily allowance of EUR 200, in addition to travel costs compensation, in alignment with the terms applicable to the EIB's Audit Committee.

102-36 Process for determining remuneration

The Board Committee on Staff Remuneration and Budget provides non-binding opinions to the Board of Directors in relation to proposals by the Management Committee concerning budget and staff remuneration matters, including remuneration policies and practices, developments in remuneration levels, as well as variable remuneration. The Board of Directors decides on the budget proposal linked to remuneration of existing staff by the approval of the Operational Plan.

102-37 Stakeholders' involvement in remuneration

Besides the Board of Directors (each shareholder nominating one Director, the European Commission nominating one Director) who approve the budget each year as well as specific proposals linked to remuneration policies and practices, the main stakeholders are the College of Staff Representatives. They provide formal opinions on proposals submitted to the Management Committee falling within the scope of the consultation procedure (including remuneration), participate to the discussion of these proposals at the Management Committee and attend, as observers, discussions of the Board of Directors whenever the latter is examining a proposal concerning the general interests of all or part of the staff.

102-38 Annual total compensation ratio

The EIB Group does not report annual total compensation ratios by country due to the structure of the organisation. 90% of staff are located in Luxembourg, with the remaining 10% spread over more than 40 country offices, thus making the reporting on country level statistically insignificant.

102-39 Percentage increase in annual total compensation ratio

The EIB Group does not report annual total compensation ratios by country due to the structure of the organisation. 90% of staff are located in Luxembourg, with the remaining 10% spread over more than 40 country offices, thus making the reporting on country level statistically insignificant.

Stakeholder engagement

102-40 List of stakeholder groups

The following list provides an overview of direct stakeholder groups engaged by the EIB. (The list is not exhaustive and is presented in alphabetical order.)

- Civil society organisations
- Clients (project promoters/borrowers; financial intermediaries)
- Industry associations
- Investors
- Media
- Other institutions
- Public (including local communities)
- Shareholders
- Staff
- Non-financial rating agencies

102-41 Collective bargaining agreements

The social policy defined in the Treaty on the European Union encourages all organisations to engage in social dialogue, notably by implementing specific measures in the areas of employment, staff representation, social welfare systems, and collective bargaining, which represents a form of joint decision-making concerning the EIB Group's operation.

102-42 Identifying and selecting stakeholders

As a public body and a bank, the EIB engages with a wide variety of stakeholders, ranging from the general public, to potential and actual clients, investors, the media, civil society organisations, project affected persons, other institutions, etc. There are no specific stakeholder groups with which the Bank has decided not to engage.

102-43 Approach to stakeholder engagement

EIB's stakeholder engagement follows best practice, aimed at increasing mutual understanding, addressing stakeholders' concerns and adjusting its activities accordingly, decreasing a possible gap between expectations, policy and practice and achieving greater coherence and accountability in the Bank's policies and practices. The EIB's general approach to stakeholder engagement is defined in the EIB Group Transparency Policy, Chapter 7: <http://www.eib.org/infocentre/publications/all/eib-group-transparency-policy.htm>). This also covers issues such as stakeholder engagement in projects, as well as Public Consultations.

102-44 Key topics and concerns raised

The EIB reports on some of its stakeholder engagement activities via its Annual Report on the implementation of the EIB Group's Transparency Policy:

<http://www.eib.org/infocentre/publications/all/report-on-the-implementation-on-the-eibs-transparency-policy-in-2016.htm>

A dedicated webpage on the EIB website also reports in detail on the EIB Public consultations on selected policies: <http://www.eib.org/about/partners/cso/consultations/index.htm>

The EIB also conducted a full materiality exercise in preparation for the EIB Group 2014 Sustainability Report and this continues to remain valid for 2017. The purpose of the assessment was to ensure that the correct aspects are being given due prominence in the strategy and in public reporting.

The Bank reviewed internal and external documentation to identify 54 key aspects in five categories, namely: governance, economy, employment, society and environment. These 54 aspects were then consolidated into a material aspects table.

Reporting practice

102-45 Entities included in the consolidated financial statements

A list of all entities included in the Bank's consolidated financial statements or equivalent documents is included in these links:

- EIB Financial Report 2017
<http://www.eib.org/infocentre/publications/all/financial-report-2017.htm>
- EIF Annual Report 2017
http://www.eif.org/news_centre/publications/EIF_annual_report_2017.htm

102-46 Defining report content and topic boundaries

The EIB Group Sustainability Reporting Disclosures provide insights into the material environmental, social and governance aspects and its performance. It covers both the material direct and indirect impacts and data unless otherwise indicated. This permits a full picture of sustainability in the EIB Group.

The EIB undertook a materiality survey in 2013/14. In this assessment, the EIB considered both internal and external perspectives through the engagement of employees, civil society, project promoters/borrowers and dealers. The EIB reviewed internal and external documentation to identify 54 key aspects in five categories: governance, economy, employment, society, environment. The materiality assessment remains valid for this report.

These 54 aspects were then consolidated into a “material aspects table” that included the above five key categories in five columns. Aspects were further categorised in terms of how much influence the EIB exerts over the management of each of them. The three spheres of influence were identified as:

- Aspects related to the EIB’s direct or internal environmental footprint through its buildings and equipment as well as social impacts related to its staff and procurement on its own account
- Aspects related to the EIB’s lending priorities or mandate, borrowing activities and priorities supporting EU policies
- Aspects related to the EIB’s indirect impacts, which include the social, environmental, economic and governance impacts that arise from the projects that the EIB Group finances.

For the materiality matrix, refer to the EIB 2014 Sustainability Report, p.10.

http://www.eib.org/attachments/general/reports/sustainability_report_2014_en.pdf

102-47 List of material topics

The EIB conducted a materiality assessment in preparation for the EIB Group 2014 Sustainability Report and this continues to remain valid for 2017. The prioritisation of the exercise takes into account stakeholder inclusiveness and the materiality principle. The top three material aspects are: Achieving priority objectives, Managing indirect impacts, Transparency and accountability.

For the materiality matrix, refer to the 2014 Sustainability Report, p. 10.

http://www.eib.org/attachments/general/reports/sustainability_report_2014_en.pdf

102-48 Restatements of information

The EIB Group offers comprehensive documentation in a single source, providing information in line with the latest Standards of the Global Reporting Initiative (GRI). No information was restated.

102-49 Changes in reporting

None.

102-50 Reporting period

The EIB Group presents the Sustainability Reporting Disclosures for the calendar year 2017.

102-51 Date of most recent report

The preceding EIB Group 2016 Sustainability Report as well as the Sustainability Reporting Disclosures in accordance with GRI were published on 15 June 2017.

102-52 Reporting cycle

The reporting cycle of the EIB Group Sustainability Report and the Sustainability Reporting Disclosures is annual, running from 1 January to 31 December.

102-53 Contact point for questions regarding the report

Please contact csr@eib.org for any questions or comments in respect of sustainability reporting.

102-54 Claims of reporting in accordance with the GRI Standards

This report has been prepared in accordance with the GRI Standards: Comprehensive option.

102-55 GRI content index

The GRI Disclosures on hand constitute the GRI content index.

102-56 External assurance

The EIB Group commissioned its external auditors, KPMG, to provide a limited assurance report on selected statements and figures in the Sustainability Report. These are marked with and highlighted in *italics* in the report. The Sustainability Reporting Disclosures are not subject to standalone external assurance.

GRI 200: Economic

GRI 201: Economic performance

GRI 103: Management Approach (including 103-1, 103-2, 103-3)

The EIB is the European Union's bank. As the largest multilateral borrower and lender by volume, the EIB provides finance and expertise for sound and sustainable investment projects. Within the Group, the European Investment Fund (EIF) enhances access to finance for SMEs by working with a broad range of financial intermediaries (banks, funds, microfinance institutions etc.).

The EIB Group targets four priority areas in support of growth and job creation: innovation and skills, SMEs, climate action and strategic infrastructure. The Bank ensures maximum impact through lending to sound projects, combining EU funds with its loans and advising on technical and financial aspects. The EIB Group is supporting Europe's economic recovery by implementing the European Fund for Strategic Investments.

As the EIB is at the same time an EU body and a bank, it is governed by both public and corporate governance principles. The EIB has three decision-making bodies: Board of Governors, Board of Directors and the Management Committee. The Board of Governors determines the general direction of the EIB, the Board of Directors is responsible for strategic management and the Management Committee is in charge of day-to-day management of the EIB.

The EIB is not subject to prudential banking supervision, but the Bank follows relevant best banking practice in all domains of its business activities. In the context of the EIB, best banking practice refers to relevant EU rules and financial sector practices, identified by the EIB, and applicable to the EIB activities that the Bank considers appropriate for application as long as they do not conflict with its core legal framework (the EU Treaties and the EIB Statute).

201-1 Direct economic value generated and distributed

In 2017, the EIB signed operations worth EUR 69.9 billion, and EIF commitments amounted to EUR 9.3 billion. Profit for the financial year 2017 was EUR 2,806 million compared to EUR 2,857 million in 2016. General administrative expenses were EUR 906 million of which EUR 667 million attributed to staff costs. In 2016, they were EUR 791 million and EUR 547 million respectively.

201-2 Financial implications and other risks and opportunities due to climate change

The EU takes a global lead in addressing climate change. The EIB recognised this challenge early on and developed a leading position among international finance institutions in the field of climate action. The EIB has made climate action one of the top priorities, and the Bank uses its lending and advisory activities to help mobilise financial resources across the planet and channel them where impacts are expected to be highest.

The Bank ensures that at least 25% of its activities are dedicated to climate change mitigation or adaptation. The EIB focuses on climate initiatives with the greatest potential to curb or avoid emissions to the atmosphere and/or to adapt to the consequences of climate change. The EIB's

approach to climate action has evolved over time and has progressively been embedded within the Bank's activities and actions inside and outside the EU. Today, the Bank integrates climate change considerations across all EIB standards, methods and processes. It analyses climate issues across all activities to ensure that gains are made whenever possible and feasible. For standards, processes and methodologies to remain at the forefront of best practice, the EIB extends the coverage of sector policies to take potential climate change mitigation activities into account and develops the assessment of climate risk and vulnerability for its projects, to improve their resilience to expected climate change impacts. It plays a leading role in establishing and harmonising standards among bilateral and multilateral finance institutions, and more broadly in the financial community.

In this sense, the Bank recognises that all types of climate change related investment risks need to be fully taken into consideration and incorporated into its portfolio risk management. There is a growing body of knowledge pointing to potential systemic risks to the financial system linked to the direct and indirect effects of climate change. The extent and speed of the transition to a low carbon economy may generate not only physical threats to the integrity of assets, but indirect threats and opportunities resulting from significant shifts in technological trends and business models.

The EIB is a long-term lending institution that applies strict sustainability standards during due diligence and in its indirect equity holdings form a relatively modest share of the balance sheet. Nevertheless, the EIB has debt positions on a number of counterparts with activities in various sectors that could theoretically be affected by the kind of transitions described above. The extent to which systemic risks linked to climate change might affect the Bank's financial position in the future has not yet been clearly mapped out. The Bank is currently working to assess the state-of-the-art approaches, product offerings and examples applied by financial institutions regarding inclusion of climate change related risks and opportunities into their portfolio management. The EIB will undertake a preliminary scoping exercise on its existing assets, to assess the level of relevance of systemic climate risk to its financial standing. If necessary according to the conclusions of the scoping exercise, it will develop a more comprehensive climate change risk assessment framework, based on that scoping exercise, to make screening of its complete portfolio possible.

201-3 Defined benefit plan obligations and other retirement plans

The EIB Group's main pension scheme is funded by contributions from staff and from the EIB and the EIF covering all employees. All contributions made are invested in the assets of the EIB and the EIF.

On 31 December 2017, the pension plan amounted to EUR 2,293,753,000 (2016: EUR 2,102,829,000). The figures do not include the liability to members of staff relating to the Optional Supplementary Provident Scheme (a defined contribution pension scheme). The corresponding amount being EUR 486 million (2016: EUR 439 million). The provision for future retirement and health insurance benefits was valued by an independent actuary using the projected unit credit method as at 30 September 2017. The actuarial valuation was updated at 31 December 2017 with an extrapolation ('roll forward' method) for the last three months of 2017 using the prevailing market rates of 31 December 2017 and other assumptions.

201-4 Financial assistance received from government

The EIB is owned by the Member States of the EU. In accordance with Article 4 of the EIB's Statute, the capital of the Bank is subscribed by the Member States. The Bank shall borrow on the capital markets the funds necessary for the performance of its tasks (EIB Statute - Art 20). In certain cases it may be entrusted with further funds from Member States and/or the EU budget to implement activities supporting EU policy goals.

GRI 202: Market presence

[The standard is not material.]

202-1 Ratios of standard entry level wage by gender compared to local minimum wage

The EIB and the EIF offer fair terms of employment and a competitive remuneration package. It is composed of the base salary, variable remuneration, allowances and benefits, including the pension scheme. The Bank conducts regular remuneration surveys to monitor the external competitiveness of its pay conditions. Based on the current salary bands (in gross terms), the minimum salary is EUR 33,760.39 irrespective of gender or background.

202-2 Proportion of senior management hired from the local community

The EIB Group achieves its goals through some 3,600 highly qualified and diverse staff from all 28 European Member States, who work in a responsive, multicultural environment that fosters cooperation, innovation and personal growth through exposure to a variety of different projects.

The EIB Group has its headquarters in Luxembourg and several smaller regional offices. Most of these are representative and/or operational units. Their personnel are usually appointed from the Head Office for a fixed period. The EIB Group may also hire local agents to reinforce its regional offices. The recruitment activities are centralised in Luxembourg.

GRI 203: Indirect economic impacts

GRI 103: Management Approach (including 103-1, 103-2, 103-3)

In line with good governance, the EIB Group strives towards constant improvement in all aspects of performance, and the Operations Evaluation (EV) forms an important part of this. EV carries out independent ex post evaluations of EIB and EIF activities with two aims:

- Accountability: to assess whether the Group's activities have been in line with the policy mandates and the strategies that have derived from them, and if these activities have delivered as expected
- Lessons learned: identifying possible areas of improvement that can be applied to Group activities to increase performance in the future

For further information please see <http://www.eib.org/projects/evaluation/index.htm>

Results Measurement framework (ReM)

The EIB is active in over 130 countries outside the EU, lending to projects to support EU external cooperation and development policies. In order to further strengthen its assessment, measurement and reporting on the results and impacts of its operations, the EIB has introduced the ReM.

The ReM framework has been in operation since 2012. It improves the ex-ante assessment of expected project results and enhances the Bank's ability to report on actual results achieved. The ReM framework serves to show how EIB operations such as loans, equity participations and technical assistance generate outputs, enabling outcomes and leading, over time, to impacts which are in line with the Bank's mandate objectives. The focus of the framework is on the EIB's contribution to national and EU policy objectives, as well as the Bank's own mandate objectives; on project quality and soundness, based on results and the ability of the project promoter or intermediary to achieve this in a given operating environment; and the contribution of the EIB – the "additionality" that goes beyond the market alternative.

For further information please see <http://www.eib.org/projects/cycle/monitoring/rem.htm>

203-1 Infrastructure investments and services supported

Infrastructure projects play an important role in economic growth, sustainability and the creation of jobs, as well as ensuring competitiveness in Europe. The EIB has made it a top priority to continue investing in cleaner transport, energy efficiency and sustainable urban development. In 2017 alone, the EIB provided EUR 18 billion to support infrastructure projects inside and outside the EU (2016: EUR 19.7 billion).

In addition to infrastructure lending, the EIB seeks to add value through technical advisory services, particularly in less developed regions or on projects involving complex structures, such as public-private partnerships.

203-2 Significant indirect economic impacts

Examples of significant indirect economic impacts include:

Enabling microfinance

The EIB Group has a longstanding record in microfinance through the activities of the EIB, the European Investment Fund (EIF). The Group has supported microfinance institutions (MFIs), fund managers and other industry stakeholders in addressing specific market failures and promoting sustainable and responsible financial services for smaller businesses and those who are self-employed with low income.

The EIB Group is committed to taking part in microfinance operations that demonstrate enhanced social and environmental policies, impact and added value. Operations are financed from the EIB's own resources or under the European Union's mandates using a combination of financial and non-financial instruments.

To date, the EIB Group has been active through microfinance in these regions:

- Sub-Saharan African, Caribbean and Pacific countries (ACP region)
- Mediterranean partner countries
- Europe (through the EaSI Guarantee Financial Instrument managed by the EIF)

Stimulating foreign direct investment

The EIB plays an important catalytic role in promoting sound investment projects to support EU policy goals in Europe and beyond. The Bank generally finances one-third of each project, but it may be as much as 50%. This long-term, supportive financing often encourages private and public-sector players to commit to investment which might not otherwise be made.

In 2017, the EIB provided EUR 69.9 billion in long-term finance to support private and public productive investment (2016: EUR 74.5 billion), and the EIF contributed a leveraged amount of EUR 9.3 billion (2016: EUR 9.5 billion). All the projects financed by the EIB must not only be bankable, but must also comply with strict economic, technical, environmental and social standards in order to yield tangible results in improving people's lives. Alongside lending, the Bank's blending activities can help leverage available funding by, for example, helping to transform EU resources under the European Structural and Investment Funds (ESIF) into financial products such as loans, guarantees, equity and other risk-bearing mechanisms. Advisory activities and technical assistance can help projects to get off the ground and maximise the value-for-money of investments.

Social, environmental and governance due diligence, combating fraud and corruption within projects, ensuring respect for human rights, and protecting the rights of vulnerable individuals and groups are all significant to EIB Group stakeholders in a context of indirect economic impacts.

GRI 204: Procurement practices

[The standard is not material.]

204-1 Proportion of spending on local suppliers

The Group can indirectly contribute to the local economies in which it operates by supporting local suppliers. Sourcing in communities where offices are located can strengthen the economic infrastructure and positively affect community relations. This is particularly the case in converging economies.

The EIB Group has more than 40 offices across the world. In 2017, the EIB spent 95% of the procurement budget on EU suppliers close to significant locations of operation (2016: 94%). Its major office location is Luxembourg – its headquarters. Luxembourg-based suppliers accounted for 56% of its procurement expenditure (2016: 55%).

GRI 205: Anti-corruption

GRI 103: Management Approach (including 103-1, 103-2, 103-3)

The EIB Group ensures that its funds are used for the purpose they are intended for – to build a future for everyone which is competitive, innovative, sustainable, and in compliance with the EIB’s zero tolerance of fraud and corruption.

The Inspectorate General’s Fraud Investigations Division (IG/IN) leads the EIB Group’s efforts in relation to investigating and preventing fraud and corruption in its loan portfolio to protect the EIB Group’s finances and reputation. Its four core activities include investigations into allegations of fraud, corruption, coercion and collusion in Bank-financed projects, proactive integrity reviews to identify actual fraud or potential vulnerabilities, policy work such as advising on wording for Bank documentation and giving advice to colleagues throughout the Bank on addressing fraud and corruption-related issues, and information gathering.

There is significant cross-fertilisation between these four pillars. Proactive work uncovers concerns which lead to investigations, investigation findings and recommendations lead to policy changes, and all three require information support. Investigations into allegations of suspected fraud, corruption, coercion and collusion in relation to EIB Group operations constitute the focus of its work. Allegations are received from a wide range of sources, both internal and external. Investigation Procedures are based on guidelines harmonised with other international financial institutions. The efforts of the EIB to battle corruption do not take place in isolation. They are part of a broader context of anti-fraud and corruption efforts across the globe, and particularly within the EU.

The Group cooperates with international financing institutions, national law enforcement bodies and the European Anti-Fraud Office (OLAF), exchanging information and running joint missions and investigations where appropriate. In the fight against fraud and corruption, the Group applies in-house risk assessment methodology to help identify operations in which problems might arise. These operations are then the focus of a proactive integrity review.

205-1 Operations assessed for risks related to corruption

The EIB Group has a zero-tolerance policy on fraud or corruption whether occurring in connection with projects, loans or equity financed by the EIB Group or perpetrated by its own staff.

The Inspectorate General’s Fraud Investigations Division (IG/IN) leads the EIB Group’s efforts in relation to investigating and preventing fraud and corruption in its loan portfolio. The EIB Group uses its in-house risk assessment methodology to help identify operations, which could present problems. These operations are then the focus of a proactive integrity review.

Proactive integrity reviews (PIRs) are designed to complement the Bank’s current operational monitoring. Projects which are subject to PIRs tend to be highly complex or implemented in a difficult environment. Both factors increase the risk of exposure to fraud and corruption. The process then looks for and identifies “red flags”, possible indicators of fraud and/or corruption. This approach increases the preventive capability of the EIB Group and increases deterrence against abuse of EIB finance.

205-2 Communication and training about anti-corruption policies and procedures

100% of employees have received communication on anti-corruption policies and procedures by employee category and region.

205-3 Confirmed incidents of corruption and actions taken

Typical allegations received are those of collusion among bidders in an EIB-financed procurement process, corruption in the award of a contract by a bidder, government officials and/or intermediaries: fraud perpetrated by sub-contractors in the implementation of a contract; and misconduct by fund managers and/or staff members of the EIB Group.

The definitions of Prohibited Conduct have been agreed with other International Financial Institutions (IFIs) and incorporated into the EIB Group's Anti-Fraud Policy – corrupt, fraudulent, coercive, collusive practices; EIB's policy also includes obstruction, money laundering and financing terrorism.

In 2017, the EIB Group worked on a total of 302 cases, of which 149 were new allegations. Incoming allegations were in the main balanced by the number of cases closed (126) during 2017. 136 cases remained open at year-end. Turnaround time for cases is impacted by a number of variables, including the investigator-to-case ratio, the complexity of the cases, whether mission travel is required, and the availability of subjects or witnesses. These same issues impact other similarly mandated offices.

GRI 300: Environmental

GRI 302: Energy

GRI 103: Management Approach (including 103-1, 103-2, 103-3)

A key priority for the EIB Group is environmental commitment which encompasses all of its activities. The Group has assumed a pioneering role in financing action on climate and proactively engages in environmental protection. At its own office facilities, the Group takes steps to decrease its impact on the environment.

Since 2007, the EIB Group has been managing its carbon emissions resulting from internal activities as part of its corporate responsibility efforts every year. The EIB Group uses the operational control approach to calculate its carbon footprint for purposes of reporting greenhouse gas emissions. Reporting includes the Group's headquarters in Luxembourg, where it operates several office facilities and a day nursery. However, external offices are not included. This is due to their relatively small sizes and they therefore exert a minimal impact on the total carbon footprint, and in part – albeit minutely – to difficulties in retrieving consistent data on a global scale. Categorising the emissions as direct or indirect, the operational boundary involves those emissions that are associated with its operations.

The EIB Group adopts the same environmental requirements in the management of its own facilities as it does to its financing activities. The Group set a target to reduce emissions by 20-30% by 2020. This includes emissions from energy use in the buildings (natural gas for heating and power generation, and purchased electricity and steam for power), from mobility activities (owned vehicles, business travel and employee commuting), from waste disposal and from the production of paper used in its offices. The EIB Group has policies in place for travel classes to minimise both, emissions and cost, and it sets requirements for the consideration of alternatives, including teleconferencing and videoconferencing whenever compatible with business interests.

Staff are encouraged to use more sustainable means of transport on their daily commute. The Group raises awareness through targeted initiatives and offers free bus travel cards within Luxembourg City. It has significant control over transport emissions and has implemented a policy to replace poorly performing company cars (in terms of carbon efficiency) and increasing the use of more fuel-efficient vehicles. As it pursues a process of continuous improvement, the Group regularly reviews its footprint boundary, especially with the focus on Scope 3 emissions that third parties cause as they perform an activity for the Group. Firstly in 2014, the EIB Group reported emissions associated with external data centres the Group uses to conduct its operations. Looking forward, the EIB Group continues to explore opportunities to expand its reporting scope. Examples include emissions derived from business travel during hotel stays and conferences, indirect emissions from recruitment drives or the emissions caused by offices in locations worldwide. In 2014, the Group chose an environmentally beneficial REDD+ project to compensate the residual emissions resulting from its own operations wherever reductions could not be enforced.

[The standard is not material.]

302-1 Energy consumption within the organisation

Table 302-1.1 Energy consumption by type

Type	Consumption
Electricity consumption	18,855 MWh
Steam consumption	14,736 MWh
Heating consumption	14,891 MWh
Cooling consumption	3,640 MWh

For more information, please refer to the EIB Group Carbon Footprint Report 2017, Appendix IV: GRI Standard Indicators.

<http://www.eib.org/infocentre/publications/all/carbon-footprint-report-2017.htm>

302-2 Energy consumption outside of the organisation

Table 302-2.1 Energy consumption by type, outside the Group

Consumption type	Consumption
Air travel	49,751 thousand km
Car travel	13,549 thousand km
Other travel	1,668 thousand km
Data centres	979 MWh
Consumption type	Consumption
Paper	150 tonnes
Water	58,493 cubic metres
Natural gas	155 MWh
Waste	756 tonnes

For more information, please refer to the EIB Group Carbon Footprint Report 2017, Section 2. Carbon Footprint.

<http://www.eib.org/infocentre/publications/all/carbon-footprint-report-2017.htm>

302-3 Energy intensity

The energy intensity ratio for the EIB Group is (kWh) 9,165. The metric specific to the Group chosen to calculate the ratio is the energy per employee, where the number of employees is 3,682. Types of energy included in the intensity ratio are electricity, natural gas and steam. The ratio uses energy consumption inside the Group.

For more information, please refer to the EIB Group Carbon Footprint Report 2017, Appendix IV: GRI Standard Indications.

<http://www.eib.org/infocentre/publications/all/carbon-footprint-report-2017.htm>

302-4 Reduction of energy consumption

Energy savings due to conservation and efficiency improvements have resulted in a decrease by 44.8% of the fuel and energy purchased by the EIB Group per employee since 2007, as shown in the following table.

Table 302-4.1 Reduction of energy consumption

Energy source	2017	2007	Variance	% change
Natural gas (MWh)	155	4,041	-3,886	-96.2%
Electricity (MWh)	18,855	15,620	+3,235	+ 20.7%
Steam (MWh)	14,736	5,785	+ 8,951	+ 154.7%
Total (MWh)	33,746	25,445	+ 8,301	+ 32.6%
Number of employees	3,682	1,501	2,181	145.3%
Energy per employee (kWh)	9,165	16,952	-7,599	-44.8%

Within existing buildings, the EIB continues to conduct various technical optimisations to minimise energy wastage. These optimisations include:

- Regulation and distribution of heating and cooling systems (adapting consumption to demand in real time),
- Lighting management,
- Ventilation systems management, and
- Maintenance of the Quality Label from SuperDrecksKëscht® fir Betriber for the EKI and WKI buildings (since 2007).

For more information, please refer to the EIB Group Carbon Footprint Report 2017, Appendix IV: GRI Standard Indicators.

<http://www.eib.org/infocentre/publications/all/carbon-footprint-report-2017.htm>

302-5 Reductions in energy requirements of products and services

Owing to the nature of its activities involving the responsible provision of financial services, the EIB Group does not sell physical goods or related services. Therefore, reductions in energy requirements of sold products and services are not applicable.

GRI 303: Water

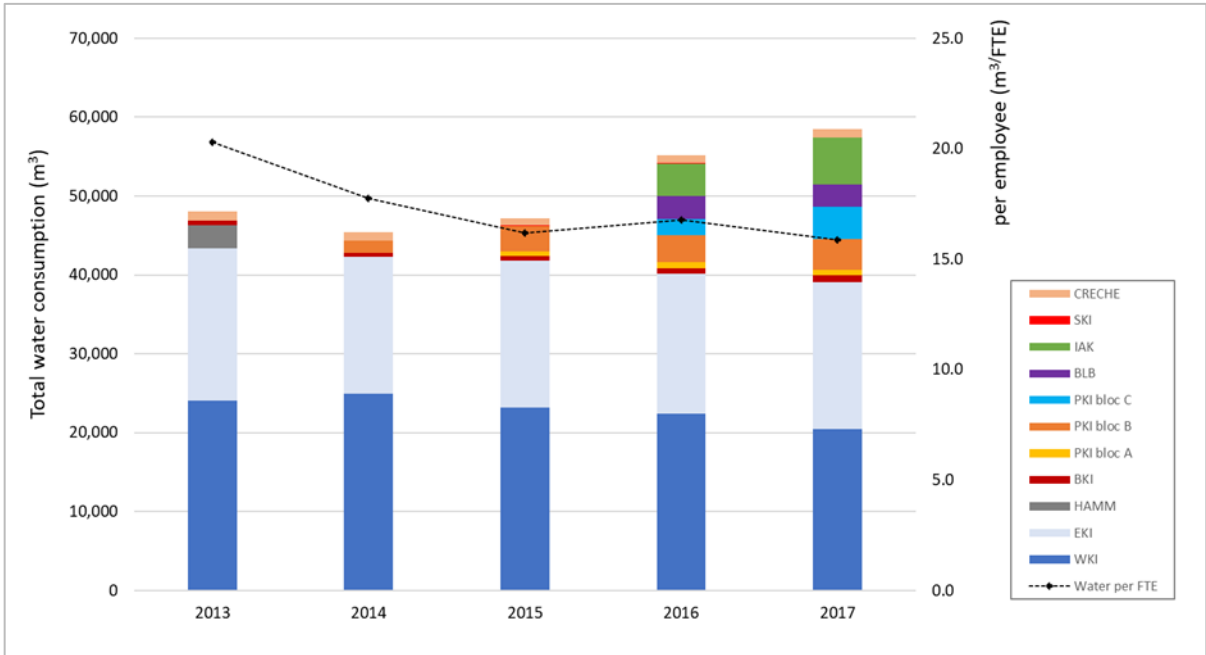
[The standard is not material.]

303-1 Water withdrawal by source

The EIB Group withdraws water from municipal supplies. The European Investment Bank Group has been managing and reporting on water consumption since 2013. Water consumption is recorded on a monthly basis at each building across our Luxembourg head office campus and overall performance is reported on a quarterly and annual basis. Since 2013, EIB Group headcount has increased by 35.7% driving a 5.9% increase in total water consumption from 55,209 m³ to 58,493 m³ due to the expansion of the campus needed to accommodate additional staff. A

continued year-on-year reduction in the water intensity per employee — from 20.3 m³ per FTE in 2013 down to just 15.9 m³ in 2017 — led to a saving of more than 20% per employee.

Graph 303-1.1 EIB Water consumption since 2013 (m³)



For more information, please refer to the EIB Group Carbon Footprint Report 2017, Section 3.1 Emissions by scope.

<http://www.eib.org/infocentre/publications/all/carbon-footprint-report-2017.htm>

303-2 Water sources significantly affected by withdrawal of water

The EIB Group withdraws water from municipal supplies.

303-3 Water recycled and reused

Activities of the EIB Group do not require physical production process cycles. The rate of water reuse and recycling as a measure of efficiency does not therefore translate into optimised production procedures. Reducing water consumption through reuse and recycling may only occur at office locations.

The EIB Group recently started collecting rain water for use in some buildings but does not yet report information on volumes.

GRI 304: Biodiversity

[The standard is not material.]

304-1 Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas

Biodiversity keeps life on earth in balance and regulates the climate. The planet's biodiversity and natural resources are under threat from global warming, pollution and accelerated development as a result of human activity.

The EIB acknowledges the intrinsic value of biodiversity and that its operations may have a potential impact on biodiversity ecosystems. It has therefore taken a balanced approach to managing its operations in order to avoid and minimise any adverse impacts on biodiversity by applying the precautionary principle, and to enhance positive impacts on biodiversity and ecosystems.

EIB Group office facilities in Luxembourg, the significant location of operation, are not situated within a protected area or an area of relatively higher biodiversity value.

304-2 Significant impacts of activities, products, and services on biodiversity

Owing to the nature of its business, providing financial services responsibly, the value chain of the EIB Group does not include manufacturing plants and equipment, and therefore does not produce physical goods and related services. Rather, potential impacts to biodiversity may occur in projects that the EIB Group supports.

The EIB has implemented the EIB Standards on Biodiversity and Ecosystems that aims at strengthening the implementation of the EIB's biodiversity objectives, through the maintenance of the integrity of area of important biodiversity as well as the natural functions and processes of ecosystems and their resilience through the application of the mitigation hierarchy so as to ensure no net loss of biodiversity. The EIB determines the biodiversity footprint of a project and assesses the existence of no-go areas by using available data and an early screening and scoping process. The pursuit of an objective of "no net loss" implies that any impact on biodiversity and ecosystems needs to be either avoided or minimised through mitigation. This is not limited to impacts on areas designated under legal provisions (protected areas) or informal schemes (areas of important biodiversity) but to all environments, regardless of their state of conservation.

In principle, all projects should seek to increase the biodiversity value and where it will be diminished, to compensate this loss through the restoration of a similar environment. Compensation for residual harm is a last resort and comes after consideration of how impacts can be avoided in the first place and then, if that is not possible, mitigated.

304-3 Habitats protected or restored

This indicator is not material for direct impacts caused by the EIB's premises and direct impacts. It has long been a requirement of the Bank to ensure that its impacts on critical biodiversity habitats and on areas of high conservation value are low and that internationally recognised sites for conservation are respected. The Bank supports the EU in defining a common approach to the

implementation of the “no net loss” principle, and is targeting investments in pro-biodiversity opportunities and applying more rigorous biodiversity standards.

The Natural Capital Financing Facility (NCFF) is a financial instrument that combines EIB financing and European Commission funding under the LIFE Programme, the EU’s funding instrument for the environment and climate action. The NCFF will support projects that are focused on biodiversity and ecosystem services (BES).

The Bank also works in partnerships with third parties to protect habitat areas. For example, the Wildlife Work REDD+ project in the Kasigau corridor in Kenya is validated and verified under the Verified Carbon Standard and the Climate, Community and Biodiversity Standard. The project protects over 2,000 km² of threatened forest.

304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations

The World Conservation Union (IUCN) and the European Investment Bank (EIB) have been cooperating since 2006 to strengthen awareness about nature when financing investment projects. The common framework comprises four aspects, consultation and advice on biodiversity concerns in investment projects, capacity building, monitoring and information exchange.

The European Commission collaborated with the EIB in launching a financial mechanism, the Natural Capital Financing Facility (NCFF), to promote the conservation, restoration, management and enhancement of natural capital. The EIB is developing a market-based approach to environmental protection by funding projects that need to be bankable and measurable. This approach enables the EIB to advance green infrastructure which relies on natural ecosystems, vegetation and soils to create healthier environments. At the same time, projects mitigate risk through flood protection, explore opportunities in clean water and air and provide a habitat for flora and fauna. The underlying principle of this concept is that healthy ecosystems can generate multiple benefits for the environment and the community alike.

GRI 305: Emissions

[The standard is not material.]

Emission factors are calculated ratios relating GHG emissions to a measure of activity at an emissions source. They are used to convert activity data to carbon emissions. Consistent with prior years, the emission factors represent carbon dioxide equivalent (CO₂e). They convert the impact of each of the six greenhouse gases covered by the Kyoto Protocol, namely carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF₆), into a common unit of tonnes of CO₂e based on their Global Warming Potential (GWP).

305-1 Direct (Scope 1) GHG emissions

Gross direct (Scope 1) emissions amounted to 91 tCO₂e (metric tons of CO₂ equivalent) in 2017 (98 tCO₂e in 2016). The baseline year for the calculation is 2007. The EIB Group measured its carbon footprint for the very first time that year. Emissions in the baseline year amounted to 933 tCO₂e.

For more information, please refer to the EIB Group Carbon Footprint Report 2017.

<http://www.eib.org/infocentre/publications/all/carbon-footprint-report-2017.htm>

305-2 Energy indirect (Scope 2) GHG emissions

Gross location-based indirect (Scope 2) emissions amounted to 6,087 tCO₂e (metric tons of CO₂ equivalent) in 2017 (6,042 tCO₂e in 2016). The baseline year for the calculation is 2007. For the very first time that year, the EIB Group measured its carbon footprint. Emissions in the baseline year amounted to 6,366 tCO₂e.

For more information, please refer to the EIB Group Carbon Footprint Report 2017.

<http://www.eib.org/infocentre/publications/all/carbon-footprint-report-2017.htm>

305-3 Other indirect (Scope 3) GHG emissions

Gross other indirect (Scope 3) GHG emissions amounted to 21,262 tCO₂e (metric tons of CO₂ equivalent) in 2017 (19,430 tCO₂e in 2016).

The baseline year for the calculation is 2007. The EIB Group measured its carbon footprint for the very first time that year. Emissions in the baseline year amounted to 16,626 tCO₂e.

For more information, please refer to the EIB Group Carbon Footprint Report 2017.

<http://www.eib.org/infocentre/publications/all/carbon-footprint-report-2017.htm>

305-4 GHG emissions intensity

The EIB Group compiles its net GHG emissions intensity ratio with the number of employees (FTE or full-time equivalent) as denominator. In 2017, the ratio was 7.45 tCO₂e per employee, a decrease of 4.4% from 2016 (7.78 tCO₂e/employee). Types of GHG emissions included in the intensity ratio are direct, energy indirect and other indirect emissions (Scopes 1, 2 and 3)

For more information, please refer to the EIB Group Carbon Footprint Report 2017.

<http://www.eib.org/infocentre/publications/all/carbon-footprint-report-2017.htm>

305-5 Reduction of GHG emissions

As a direct result of reduction initiatives, the EIB Group decreased its net greenhouse gas emissions by 0.32 tCO₂e/employee in 2017. The EIB is on track to achieve its carbon reduction target based on per employee carbon intensity levels, which is in line with the EU's target of a 20-30% reduction by 2020.

The most significant source of emissions (94.3% of total net emissions) relates to mobility activities. Air travel represents the biggest share of this (80.4%). Policies related to travel class are in place to minimise emissions, but due to the nature of the EIB Group as a global financier, business travel is inherently linked to the Group's business activities and therefore cannot be avoided. The Group requires that alternative means such as teleconferencing and videoconferencing are considered.

Greater business volumes caused upward pressures on absolute emissions. An increase in staff numbers leading to higher business travel, occupancy emissions and higher emission factors, the EIB Group managed to reduce relative emissions by 49.9% in per capita emissions since 2007.

For more information, please refer to the EIB Group Carbon Footprint Report 2017.

<http://www.eib.org/infocentre/publications/all/carbon-footprint-report-2017.htm>

GRI 306: Effluents and waste

[The standard is not material.]

306-1 Water discharge by quality and destination

Owing to the nature of its business, providing financial services responsibly, the value chain of the EIB Group does not include manufacturing plants and equipment, and therefore does not produce physical goods and related services. Consequently, water discharge is limited to its office facilities in Luxembourg. The discharge occurred in the municipal infrastructure through intermediaries such as local water utilities.

For more information, please refer to the EIB Group Carbon Footprint Report 2017.

<http://www.eib.org/infocentre/publications/all/carbon-footprint-report-2017.htm>

306-2 Waste by type and disposal method

Owing to the nature of its activities involving the responsible provision of financial services, the value chain of the EIB Group does not include manufacturing plants and equipment, and therefore does not produce physical goods and related services. As a consequence, water discharge is limited to its office facilities in Luxembourg. The discharge occurred in the municipal infrastructure.

The EIB disposes of waste through the Luxembourg municipal authorities. Waste is sorted in-house to the extent possible so that it can ultimately be recycled. All unsorted waste is incinerated with energy recovery. Details of the quantities of waste by the official categorisation are shown in the EIB Group Carbon Footprint Report 2017, Appendix IV - Waste by type and disposal method, Appendix IV: GRI Standard Indicators:

<http://www.eib.org/infocentre/publications/all/carbon-footprint-report-2017.htm>

GRI 307: Environmental compliance

307-1 Non-compliance with environmental laws and regulations

The EIB Group has not identified any non-compliance with laws and regulations.

GRI 308: Supplier environmental assessment

[The standard is not material.]

308-1 New suppliers that were screened using environmental criteria

The EIB Group screens new physical goods suppliers selected in the context of calls for tenders using environmental criteria. In 2017, there were no significant new physical goods suppliers. The EIB is included in an inter-institutional Framework Contract, that took effect in Q2 2017, to provide efficient, direct and practical helpdesk service to assist staff dealing with procurement procedures. The service aims at providing support to integrate green criteria into all stages of procurement procedures. The Bank's procedures are based on those described in Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement.

Environmental considerations are systematically inserted in tenders published for IT hardware. As far as office and cleaning materials are concerned, the EIB Group requires products, which are not harmful to the environment. Group tenderers should have an environmental management system in place such as ISO14001.

308-2 Negative environmental impacts in the supply chain and actions taken

In the reporting year, the EIB Group did not assess any suppliers for environmental impacts. However, it should be borne in mind that the EIB does not sell physical goods or related services owing to the nature of its activities involving the responsible provision of financial services. The majority of the Bank's suppliers are service providers (as opposed to goods and works) and it did not identify any suppliers in its supply chain considered to present a significant risk of negative environmental impact.

GRI 400: Social

GRI 401: Employment

GRI 103: Management Approach (including 103-1, 103-2, 103-3)

Some 3,600 highly qualified and diverse staff from all 28 European Member States contribute to providing finance and expertise for sustainable investment that promote EU policy objectives.

The Group supports undertakings that make a significant contribution to growth and employment in Europe and across the world. The ultimate goal of the EIB Group – through its employees – is to contribute to building the future of Europe and the wider world; and assist in furthering economic, social and human development. The Group offers a work environment where people can achieve their professional goals while maintaining a work-life balance, with professional development opportunities through training, internal mobility and career growth. A competitive remuneration package is commensurate with staff responsibilities and challenges.

401-1 New employee hires and employee turnover

At the end of the reporting period for calendar year 2017, new employee hires were as shown in the table below. The lion's share of employee hires relates to the headquarters in Luxembourg, the significant location of operation.

Table 401-1.1 New employee hires by age group and gender

	Age group	Female		Male		Total
EIB	Under 30 years	50	23%	33	14%	83
	30-50 years	158	73%	188	81%	346
	Over 50 years	8	4%	12	5%	20
	Total	216	100%	233	100%	449
EIF	Under 30 years	10	19%	8	17%	18
	30-50 years	42	81%	38	83%	80
	Over 50 years	0	0%	0	0%	0
	Total	52	100%	46	100%	98
EIB Group	Under 30 years	60	22%	41	15%	101
	30-50 years	200	75%	226	81%	426
	Over 50 years	8	3%	12	4%	20
	Total	268	100%	279	100%	547

At the end of the reporting period, employee turnover was as shown in the table below. The lion's share of employee turnover relates to the headquarters in Luxembourg, the significant location of operation.

Table 401-1.2 Employee turnover by age group and gender

	Age group	Female		Male		Total
EIB	Under 30 years	11	17%	7	19%	18
	30-50 years	34	54%	22	39%	56
	Over 50 years	18	29%	23	43%	41
	Total	63	100%	52	100%	115
EIF	Under 30 years	3	27%	7	44%	10
	30-50 years	8	73%	9	56%	17
	Over 50 years	0	0%	0	0%	0
	Total	11	100%	16	100%	27
EIB Group	Under 30 years	14	21%	14	17%	28
	30-50 years	42	48%	31	46%	73
	Over 50 years	18	31%	23	37%	41
	Total	74	100%	68	100%	142

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

All personnel are eligible for a wide range of benefits, subject to the fulfilment of specific criteria. In this context, the EIB Group does not differentiate between full-time and part-time employees. The EIB and EIF packages include family, pension and health care benefits, as well as, for example, life and accident insurances, disability and invalidity coverage, and parental leave. Other benefits, such as an expatriate package or housing loan interest subsidy are also offered. Other in-kind benefits are, amongst others, the provision of sports or children's day-care facilities, subsidised meals and similar general employee welfare programmes.

401-3 Parental leave

All personnel are eligible to take parental leave, subject to conditions. The EIB Group does not differentiate between full-time and part-time employees. 100% of staff members who took parental leave during the reporting period (2017) returned to work at the end of their leave period.

Table 401-3.1 Employees who took parental leave

	Female	Male	Total
EIB	250	115	365
EIF	43	15	58
EIB Group	293	130	423

Table 401-3.2 Employees who returned to work after parental leave

	Female	Male	Total
EIB	250	115	365
EIF	43	15	58
EIB Group	293	130	423

Table 401-3.3 Employees who left twelve months after their return to work after parental leave end

	Female	Male	Total
EIB	2	2	4
EIF	0	4	4
EIB Group	2	6	8

GRI 403: Occupational health and safety

GRI 103: Management Approach (including 103-1, 103-2, 103-3)

The EIB Group provides occupational health and preventative medical services to all staff. These services include periodical medical check-up; psychological counselling; ergonomics: all staff benefit from personalised ergonomics advice to set up their workstation and have adjustable desks; blood pressure checks; nutritional assessments and guidance on losing weight; follow up and advice during pregnancy; and support for staff to stop smoking.

Going beyond regular occupational health services, the Bank has moreover put in place a holistic approach to managing staff health – the EIB Organisational Health programme. This programme takes into account the predominantly psychosocial nature of health and safety risks for financial industry workers, and covers not only preventive medicine and physical health and safety measures, but gives particular attention to identifying and addressing psychosocial stress factors related to the work environment and work relations, conflict management, role clarity, control, resources allocation and support. Within this programme, the Bank has dedicated officers in charge of awareness raising campaigns, risk prevention campaigns and risk detection processes, development and delivery of dedicated skills training courses, and workplace counselling. Furthermore, the EIB and EIF have in place a network of confidential counsellors, EIB staff who have received training to counsel and give support in cases of possible instances of harassment and/or bullying.

403-1 Workers representation in formal joint management–worker health and safety committees

100% of EIB staff is covered by the health and safety rules. The EIB has a joint Health and Safety Committee, comprised of members designated by the Administration, the College of Staff Representatives and the Retirees' Association, which:

- issues opinions and proposals on all activities and working conditions, related to health and safety,
- is kept informed of measures taken to prevent occupational risks,
- receives reports on accidents, incidents and occupational diseases and any information revealing a hazard in the field of health and safety on the Bank's premises, and
- makes recommendations to offset any risks.

403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities

Due to the nature of the activities of the EIB Group, injuries, occupational diseases and work-related fatalities are very low. As the rate of absenteeism is under review, data will be provided for the next reporting cycle.

403-3 Workers with high incidence or high risk of diseases related to their occupation

The need to closely monitor the physical and mental health of staff required to perform their duties on posts which might entail a risk to themselves and/or others has been embedded in the EIB and EIF Staff Rules.

To implement the above-mentioned provision, the EIB is currently working on an accurate mapping of “positions with risk” to better intervene preventively as well as monitor statistics related to the topic.

Certain positions with risk have already been identified (drivers; employees asked to perform night shifts) and are closely followed by the EIB Occupational Health Centre (OHC). In addition, the OHC closely follows staff, who travel frequently on business, advising on pre-travel matters and providing specific guidance in relation to the travel location. A meeting with the medical adviser will usually take place 4-6 weeks before the trip, particularly if vaccinations may be required.

EIB's Occupational Health Travel Clinic provides EIB and EIF staff information on:

- Immunisations
- Yellow fever vaccine requirements
- Malaria risk and prevention
- Wilderness medicine (altitude, climbing, diving)
- Travelling with infants and children
- Travelling and pregnancy
- Air and cruise ship travel
- Travel and chronic diseases

403-4 Health and safety topics covered in formal agreements with trade unions

Not applicable.

GRI 404: Training and education

GRI 103: Management Approach (including 103-1, 103-2, 103-3)

Training and education is essential to the development of personnel. The EIB Group learning and development policy applies to all employees. The EIB Group records learning and development aspects in the “Growing Talent” platform to facilitate the execution of its strategy. Trainings are, first and foremost, linked to EIB Group business needs in terms of competency and skills development to enable staff members to fulfil the requirements of their roles, and to prepare staff for taking on future roles.

The Group reviews training and education on a regular basis with a view to complementing it with career development. To assist in strategic alignment, the EIB is developing a talent management strategy to be rolled out in 2019.

404-1 Average hours of training per year per employee

Table 404-1.1 Average hours of training per employee

	Employee category	Female	Male
EIB	Manager	16.83	11.45
	Executive staff	44.25	50.82
	Support staff	43.87	50.87
	Local agents	4.56	13.86
EIF	Manager	8.08	5.85
	Executive staff	11.94	10.97
	Support staff	20.8	13.95

Employee numbers are expressed as head count. Training hours include language courses and conferences.

404-2 Programmes for upgrading employee skills and transition assistance programmes

At the EIB Group, each employee has a development plan, which includes learning and development objectives and related activities. On a managerial level, the Group offers a managerial toolkit, made of class-room trainings and online learning options, as well as coaching and personal development under the umbrella of the Management and Leadership Development Programme. This is an in-house training designed to align performance with strategy by ensuring that competencies and skills will meet future organisational goals. Part of the programme encompasses the Emerging Leaders Programme, Managers Leadership Programme, an Experienced Managers Leadership Programme and two Senior Management Leadership Programmes. To facilitate the management of career endings resulting from retirement, the EIB offers a partial (early) retirement scheme, allowing staff to gradually reduce their working hours prior to retirement.

404-3 Percentage of employees receiving regular performance and career development reviews

Managers have a discussion at the beginning of each year to clarify expectations in terms of objectives to achieve and competencies to display. These are defined in the employee's Performance document. In parallel, managers and employees assess development needs and opportunities, set development objectives and agree on learning and development activities to achieve the development goals. They can record these in the employee's Development Plan. Progress on objectives, as well as the application and development of competencies is discussed regularly with two formal mandatory reviews at mid-year and at year-end. Following the year-end performance evaluation and based on a peer comparison, employees are recognised as Top-Performer, Performing or Under-Performing and rewarded accordingly. The EIB Group has established a Talent Management function with a view to conducting talent reviews and career development discussions, initially in the form of pilots, throughout 2018, with subsequent full roll-out in 2019.

Table 404-3.1 Percentage of employees receiving regular performance and career development reviews

	Employee category	Female	Male
EIB Group	Manager	100%	100%
	Executive staff	100%	100%
	Support staff	100%	100%
	Local agents	100%	100%
	Total	100%	100%

GRI 405: Diversity and equal opportunity

GRI 103: Management Approach (including 103-1, 103-2, 103-3)

The EIB Group aspires to live up to the EU's principle United in Diversity. The Code of Conduct (Article 1.3) sets out the EIB's policy on non-tolerance of discrimination based on age, gender, sexual orientation, religion or belief, disability, race, ethnic group or social origin, colour, genetic features, language, nationality, membership of a national minority, political or any other opinion, property, or birth. Provisions related to disability are specified in Chapter 11 of the Staff Rules. The President fully supports diversity and inclusion, and regularly participates in events. One member of the Management Committee has been assigned lead oversight of diversity and inclusion.

In November 2017, the Management Committee approved the 2018-2021 Strategy for Diversity & Inclusion. The strategy focuses on 4 main areas: continuing to ensure non-discrimination and equal treatment ("Protect"); building a more inclusive work environment (Impact); investing in internal and external talent ("Invest"); and accountability, monitoring and reporting (Achieve). Directorate-level action plans and targets are the cornerstone of the implementation strategy to ensure that all areas of the Bank are contributing to the achievement of its D&I objectives.

Strengthening the Bank's commitment to diversity and inclusion, the core competency organisational commitment is applicable to all staff. To reinforce the diversity of its workforce and with the aim of attracting diverse candidates, significant resources continue to be deployed to increase the EIB's presence on social media and in recruitment fora targeting particular groups (women, people with disabilities, different nationalities, LGBT community, etc.). To foster a more inclusive work environment, the on-boarding for newcomers includes cultural awareness training. Unconscious bias training for managers and recruiters will be rolled out towards the end of 2018/early 2019.

The EIB Group further adopted a Gender Strategy aimed at increasing its impact on gender equality by promoting its embeddedness in the business model, covering lending, blending and advising activities, both within and outside the EU. Entitled 'Protect, Impact, Invest: the EIB Group Strategy on Gender Equality and Women's Economic Empowerment', supports the protection of women's and girls' rights, empowers the EIB Group to increase its positive impact on gender equality, and helps funnel support to projects that increase the participation of women in the labour market and the overall economy.

For more information on The EIB Group Strategy on Gender Equality and Women's Economic Empowerment, please refer to <http://www.eib.org/infocentre/publications/all/eib-group-strategy-on-gender-equality.htm>.

405-1 Diversity of governance bodies and employees

Data are provided for the reporting period, end of calendar year 2017.

405-1.2 EIB Employees in diversity categories

EIB	Age group	Female	Male	Total
Manager	Under 30 years	0%	0%	0%
	30-50 years	13.52%	20.44%	33.96%
	Over 50 years	13.84%	52.20%	66.04%
	Total	27.36%	72.64%	100%
Executive staff	Under 30 years	0.97%	1.26%	2.23%
	30-50 years	34.74%	46.68%	81.42%
	Over 50 years	5.14%	11.21%	16.35%
	Total	40.85%	59.15%	100%
Support staff	Under 30 years	8.50%	4.70%	13.20%
	30-50 years	62.94%	7.61%	70.56%
	Over 50 years	14.21%	2.03%	16.24%
	Total	85.66%	14.34%	100%
Local agents	Under 30 years	5.56%	2.78%	8.33%
	30-50 years	38.89%	38.89%	77.78%
	Over 50 years	5.56%	8.33%	13.89%
	Total	50.00%	50.00%	100%

405-1.3 EIF Employees in diversity categories

EIF	Age group	Female	Male	Total
Manager	Under 30 years	0%	0%	0%
	30-50 years	2.22%	55.56%	57.78%
	Over 50 years	11.11%	31.11%	42.22%
	Total	13.33%	86.67%	100%
Executive staff	Under 30 years	3.25%	3.25%	6.50%
	30-50 years	43.63%	47.43%	91.06%
	Over 50 years	1.63%	0.81%	2.44%
	Total	48.51%	51.49%	100%
Support staff	Under 30 years	16.92%	6.15%	23.08%
	30-50 years	63.08%	9.23%	72.31%
	Over 50 years	4.62%	0.00%	4.62%
	Total	84.62%	15.38%	100%

405-2 Ratio of basic salary and remuneration of women to men

The EIB offers a remuneration package, composed of the basic salary, variable remuneration, benefits and pension scheme. EIB annual basic salaries are determined according to the level of responsibility of the job, irrespective of gender. Salary increase and promotion to higher responsibilities are based on performance and professional development. Evaluation of merit is expressed in a performance profile following an annual performance evaluation exercise conducted by management for all staff members.

Table 405-2.1 Ratio of basic salary of women to men

Data are provided for the reporting period, end of calendar year 2017.

	Employee category	Ratio of basic salary of women to men
EIB	Manager	0.91
	Executive staff	0.9
	Support staff	1.07
EIF	Manager	1.15
	Executive staff	0.88
	Support staff	1.26

Differences in basic salaries result from the successive appraisal steps, reflecting the number of years of service irrespective of gender.

GRI 406: Non-discrimination

GRI 103: Management Approach (including 103-1, 103-2, 103-3)

The EIB and EIF Staff Code of Conducts (CoC) promote a sound and balanced working environment, through integrity, loyalty, honesty, impartiality and professionalism, where principles of non-discrimination, equal opportunities, respect, mutual support and compliance with applicable laws and regulations are firmly embedded in the culture of the organisation.

All EIB and EIF staff members must refrain from any form of discrimination on the grounds of various personal characteristics such as age, gender, sexual orientation, religion or belief, disability, race, ethnic group or social origin, colour, genetic features, language, nationality, membership of a national minority, political or any other opinion, property, or birth, as well as, in general, the manner in which members of staff choose to conduct their private lives, provided that this remains compatible with the principle enunciated in the Staff Regulations.

The non-discrimination principles cover all relevant aspects of employment, including recruitment, job assignment, promotion, remuneration, training and benefits. The EIB and the EIF prohibits any form of harassment and discrimination.

406-1 Incidents of discrimination and corrective actions taken

In 2017, the Compliance function carried out an enquiry on a complaint for unequal treatment and gender discrimination. The enquiry brought to the conclusion that no Code of Conduct breach was established by unequal treatment and gender discrimination.

GRI 407: Freedom of association and collective bargaining

GRI 103: Management Approach (including 103-1, 103-2, 103-3) (Grouped: GRI 407, GRI 408, GRI 409, GRI 411)

The EIB is committed to a process of continuous improvement for its social and environmental performance standards in a manner that protects and promotes human well-being. In its Social and Environmental Handbook, the EIB lays out its labour standards covering, among others, topics such as child labour and forced or compulsory labour. An overarching requirement is that any promoter of

a project must comply as a minimum with the relevant national labour laws and implement and operate the project in respect of the principles of the Core Labour standards outlined in the ILO Declaration on Fundamental Principles and Rights at Work.

The EIB will not finance projects that employ, use or benefit from harmful child labour, use or knowingly benefit from forced labour, and do not comply with national legislation on worker representation and organisation. The EIB recognises the difficult challenges associated with eliminating all forms of discrimination but expects promoters nonetheless to pursue equal opportunity policies and to respect human rights in their business practices. When financing projects, the promoter will not employ forced or compulsory labour. The EIB sets out to avoid or minimise, or otherwise mitigate and remedy, potential harmful effects of EIB operations to vulnerable individuals and groups whilst seeking that these populations duly benefit from such operations. Vulnerable individuals or groups may include women, children, the elderly, the poor, ethnic, religious, cultural or linguistic minorities, or indigenous groups. A detailed social assessment duly tailored to the cultural and socio-economic specificities and sensitivities of indigenous communities will be undertaken to protect vulnerable groups where necessary. With regard to workers engaged through third parties, such as first-tier suppliers and primary contractors, the promoter will determine that such third parties are legitimate, reputable and that their workers are protected consistently with these standards.

407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

The EIB Group does not sell or manufacture physical goods or related services owing to the nature of its activities. Its organisational supplier base is concentrated on services. Goods are limited to items such as IT hardware, office furniture and office supplies. With regard to suppliers, activities with adverse impacts related to the freedom of association or collective bargaining at suppliers have not been brought to the attention of the EIB in 2017.

As the European Union's financing institution, the Bank, in its dealings with external providers, is committed to respecting the fundamental EU principles regarding public procurement, notably the principles of equal treatment, non-discrimination and transparency. The Bank considers that, as a general rule, these principles can be best implemented by competition among qualified tenderers and by a selection based both on cost and quality considerations.

Accordingly, in full respect of the tasks and activities assigned to it by the Treaty establishing the European Community, the Bank acts in principle in accordance with Community law on public procurement, in particular Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 (repealing Directive 2004/18/EC) which revises and modernises the previous Directive.

Control of the observance of the environmental, social and labour law provisions are performed at the relevant stages of the procurement procedure and in particular when applying the exclusion criteria and when applying the provisions concerning abnormally low tenders. All tenderers who respond to EIB tenders are obliged to sign the EIB 'Declaration on honour on exclusion and selection criteria' by which, they declare they are not in the situation of 'child labour or other forms of trafficking in human beings as defined in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council'. Tenders that appear abnormally low in relation to the works, supplies or services might be based on technically, economically or legally unsound assumptions or practices.

Where the tenderer cannot provide a sufficient explanation, the EIB is entitled to reject the tender. Rejection is mandatory in cases where the EIB has established that the abnormally low price or costs proposed results from non-compliance with mandatory Union law or national law compatible with it in the fields of social, labour or environmental law or international labour law provisions.

GRI 408: Child labour

408-1 Operations and suppliers at significant risk for incidents of child labour

The EIB Group does not sell physical goods or related services owing to the nature of its activities involving the responsible provision of financial services. The Group did not therefore identify suppliers in its supply chain considered to present a significant risk for incidents of child labour in 2017.

The EIB Group in its dealings with external providers, is committed to respecting the fundamental EU principles regarding public procurement, notably the principles of equal treatment, non-discrimination and transparency. The Group considers that, as a general rule, these principles can be best implemented by competition among qualified tenderers and by a selection based both on cost and quality considerations.

Accordingly, in full respect of the tasks and activities assigned to it by the Treaty establishing the European Community, the Group acts in principle in accordance with Community law on public procurement, in particular Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 (repealing Directive 2004/18/EC) which revises and modernises the previous Directive. Control of the observance of the environmental, social and labour law provisions are performed at the relevant stages of the procurement procedure and in particular when applying the exclusion criteria and when applying the provisions concerning abnormally low tenders.

All tenderers who respond to EIB tenders are obliged to sign the EIB 'Declaration on honour on exclusion and selection criteria' by which, they declare they are not in the situation of 'child labour or other forms of trafficking in human beings as defined in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council'. Tenders that appear abnormally low in relation to the works, supplies or services might be based on technically, economically or legally unsound assumptions or practices. Where the tenderer cannot provide a sufficient explanation, the EIB is entitled to reject the tender. Rejection is mandatory in cases where the EIB has established that the abnormally low price or costs proposed results from non-compliance with mandatory Union law or national law compatible with it in the fields of social, labour or environmental law or international labour law provisions.

GRI 409: Forced or compulsory labour

409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour

The EIB Group does not sell physical goods or related services owing to the nature of its activities involving the responsible provision of financial services. The Group did not therefore identify suppliers in its supply chain considered to present a significant risk for incidents of forced or compulsory labour in 2017.

The EIB Group in its dealings with external providers, is committed to respecting the fundamental EU principles regarding public procurement, notably the principles of equal treatment, non-discrimination and transparency. Forced Labour is implicitly included in trafficking as per Article 2 of Directive 2011/36/EU of the European Parliament and of the Council and as such is one of the exclusion criteria included in the 'Declaration on honour on exclusion and selection criteria' which all tenderers who respond to EIB tenders are obliged to sign.

GRI 411: Rights of indigenous peoples

411-1 Incidents of violations involving rights of indigenous peoples

In 2017, the EIB Group identified no incidents of violations involving the rights of indigenous peoples.

GRI 412: Human rights assessment

GRI 103: Management Approach (including 103-1, 103-2, 103-3)

The EIB seeks to promote sustainable and inclusive growth while protecting the natural and social environment in a holistic manner. This ensures that requirements relating to the protection of human well-being are integrated in the definition, preparation and implementation of all operations financed by the EIB. The Bank recognises the need for a proactive approach in order to ensure that social considerations are taken into account during the early stages of strategic decision-making by promoters so that a real influence can be exerted on the choice of alternative developments.

The environmental and social policies, principles and standards, as well as the procedures and practices of the EIB, derive from and reflect the evolving EU approach and that of other international institutions towards the promotion of environmental sustainability, social development and human wellbeing, in the broader context of the goal of sustainable development. The respect and protection of human rights are deemed as central to the social sphere, EIB's social standards and the subsequent application of its social due diligence.

The assessment of social impacts and risk, including their significance and materiality, as well as the development of adequate management plans and programmes are key tools for achieving sound social performance. At minimum, all EIB-financed operations are required to comply with national legislation and international conventions and agreements ratified by the host country. Beyond compliance with these relevant legal frameworks and instruments, the EIB verifies that the identification and remedying of environmental and social impacts and risks of operations by our clients is consistent with the Bank's standards and requirements, including promoting international best practice. In addition, operations within the EU, candidate and potential candidate countries must comply with EU horizontal and/or applicable sectoral legislation

412-1 Operations that have been subject to human rights reviews or impact assessments

Over 2017, the EIB's social due diligence was performed against the 2014 EIB Environmental and Social Standards, which purposefully integrate human rights considerations. No stand-alone Human Rights Impact Assessments (HRIAs) were deemed necessary to be carried out during 2017. Instead, in line with the EIB's human rights-responsive social due diligence framework, social due diligence was guided by:

- the acknowledgement of the materiality of risk to affected persons, acknowledged as right-holders;
- the consideration of a human rights mitigation hierarchy that addresses severity, likelihood and frequency of human rights violations in an operation, thereby informing the prioritisation of mitigation measures;
- a broader view of the supply chain and considering legacy issues; and,
- the analysis of the specific country and project context, political economy and institutional and legal parameters.

412-2 Employee training on human rights policies or procedures

As respect for human rights is one of the EIB's core business principles and is mandated under the EIB's Environmental and Social Standards, all training on the latter automatically entails human rights elements. In this regard, the Bank actively monitors the number of hours of training in E&S Standards across the following events:

- Following the conclusion of the revision of the Bank's Handbook, whereby human rights were effectively integrated into the EIB's social standards and associated due diligence, a series of five training sessions totalling 1,172 hours and introducing the revised were delivered in Q4 2013 to a total of over 185 Bank staff. These sessions were premised on highlighting the EIB Environmental and Social Handbook's contents, both in terms of the Social Standards and the associated procedures. Thus, a significant portion of each session was dedicated to the human rights obligations of the Bank and how these were to be henceforth operationalised in the Bank's due diligence processes by way of the Handbook.
- Additionally, two rounds of training sessions on labour rights and associated due diligence provisions and tools were organised during 2017, which furthermore included dedicated thematic clinics for staff with expert consultants. These were provided to staff across three different operationally active directorates in the Bank, capturing a total of 35 staff members.
- Lastly, two dedicated workshops on managing involuntary resettlement were organised in 2017, serving a total of 33 staff members. These workshops were key in highlighting and sensitising staff in the rights affected under this domain, namely:
 - avoiding and/or preventing forced evictions and ensuring that any eviction which may be exceptionally required is carried out lawfully and respects the rights to life, dignity, liberty and security of those affected who must have access to an effective remedy against arbitrary evictions;

- respecting individuals', groups' and communities' right to adequate housing and to an adequate standard of living, as well as other rights that may be impacted by resettlement;
- respecting the right to property of all affected people and communities and mitigating any adverse impacts arising from their loss of assets, or access to assets and/or restrictions of land use, whether temporary or permanent, direct or indirect, partial or in their totality; and
- upholding the right to adequate housing, promoting security of tenure at resettlement sites.

The Environment, Climate and Social Office (ECSO) staff involved with this work stream continued engaging with external stakeholders on this topic in several consultation workshops, networking and conference events in 2014 in order to expand knowledge on the subject.

To ensure that projects' appraisal and monitoring are performed in line with EIB's social standards, in 2017 ECSO announced that a review of the application of social due diligence by the services and the effective capture and mitigation of human rights impacts and risks since 01/01/2014 will be forthcoming in 2018.

412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

The EIB's revised social standards and practices (adopted by Management in October 2013) and with an explicit reference to the EU and international human rights law have become effective on January 1, 2014 for all new EIB operations across regions and sectors. The revised standards seek alignment with the policy objectives enshrined in several key reference documents issued and/or endorsed by the EU, whereby respect for human rights is regarded as central to the EIB's understanding of the social sphere and its social due diligence obligations. While EIB generally requires from its promoters to integrate any impacts on human rights in the Environmental and Social Impact Assessment (ESIA), the revised standards also stipulate that, if deemed necessary by the EIB, based on the nature of the project and country context, the promoter might be required to carry out a stand-alone human rights impact assessment (HRIA) and/or other supplementary assessments. No standalone HRIA has been required to date.

The Bank's social standards are applicable across the entire territorial scope of EIB lending. However, social due diligence remains enacted primarily in projects outside the EU (including EU Accession States); within the EU, the EIB adopts in this respect the principle of the presumption of legality and engages in social due diligence only in those cases where there is legitimate cause for concern over violations. All EIB finance contracts automatically make reference to the requirements to comply with the Bank's Environmental and Social Standards.

GRI 413: Local communities

GRI 103: Management Approach (including 103-1, 103-2, 103-3)

The EIB requires that all projects which are likely to have a significant effect on the environment, as well as on human health and well-being and that may interfere with human rights, be subjected to an Environmental and Social Impact Assessment (ESIA) procedure. In the EU, Candidate and potential Candidate countries, this process shall be conducted in accordance to the EU EIA Directive, and outside of these regions the ESIA process must be consistent with the principles contained in the EU EIA Directive and best international practice and taking into account national laws and regulations and any obligations and standards of multilateral agreements to which the host country is a party to.

The ESIA process, which is responsibility of the promoter and the competent authorities, encompasses public consultation and stakeholder engagement including with local communities. The EIB Standard on Stakeholder Engagement outlines a systematic approach to stakeholder engagement that the promoter is expected to build and maintain by way of a constructive relationship with relevant stakeholders. Stakeholder engagement is an inclusive and iterative process that involves, in varying degrees, stakeholder analysis and engagement planning, timely disclosure and dissemination of/access to information, public consultations and stakeholder participation, and a mechanism ensuring access to grievance and remedy. The ESIA process for investment loans and framework loans should be completed prior to Board approval, and the process as well as its findings and recommendations need to satisfy the requirements of the EIB.

413-1 Operations with local community engagement, impact assessments, and development programmes

The EIB requires all projects in the EU, candidate and potential candidate countries that are likely to have a significant effect on the environment to be subject to an EIA, according to the definitions and requirements of the EIA Directive. With regard to projects in third countries the ESIA process and content must be consistent with the principles of the EU EIA Directive.

The ESIA process, which is responsibility of the promoter and the competent authorities, encompasses public consultation and stakeholder engagement including with local communities. The EIB Standard on Stakeholder Engagement outlines a systematic approach to stakeholder engagement that the promoter is expected to build and maintain by way of a constructive relationship with relevant stakeholders. Stakeholder engagement is an inclusive and iterative process that involves, in varying degrees, stakeholder analysis and engagement planning, timely disclosure and dissemination of/access to information, public consultations and stakeholder participation, and a mechanism ensuring access to grievance and remedy.

The process of stakeholder engagement must take into account the views, roles and rights of local communities affected by the project, including the assessment of impacts on the local communities, and the promotion of sustainable development.

413-2 Operations with significant actual and potential negative impacts on local communities

The disclosure is not applicable.

GRI 414: Supplier social assessment

GRI 103: Management Approach (including 103-1, 103-2, 103-3)

The EIB Group is committed to respecting the fundamental EU principles regarding public procurement. Accordingly, in full respect of the tasks assigned to it by the Treaty on the functioning of the European Union, the Bank acts in accordance with Community law on public procurement, in particular the directives dealing with public procurement as amended from time to time. Currently, the main legal basis for EIB Group corporate procurement is Directive 2014/24/EU of the European Parliament and of the Council of 26/2/2014.

Article 57 of the above-mentioned directive covers grounds for excluding economic operators from participation in a procurement procedure where the Contracting Authority has established or is otherwise aware that the economic operator has been the subject of a conviction by final judgement. The grounds for mandatory exclusion are: participation in a criminal organisation; corruption; money-laundering; child labour or other human trafficking; terrorist offences; non-fulfilment of tax payments; non-fulfilment of social security contributions. The grounds for discretionary exclusion include violation of environmental, social or labour law. Therefore, the EIB Group has at its disposal the necessary measures to ensure the integrity of economic operators to whom it awards contracts following procurement procedures.

414-1 New suppliers that were screened using social criteria

The EIB Group does not sell physical goods or related services owing to the nature of its activities involving the responsible provision of financial services. The Group's supply chain therefore entails the procurement of goods necessary to conduct service-oriented operations. The supply of paper for print provides an example for purposes of illustration. As no new significant physical goods suppliers were recorded in the reporting period, no new suppliers were therefore screened using social criteria.

414-2 Negative social impacts in the supply chain and actions taken

Maladministration may occur if the EIB Group fails to act in accordance with the applicable legislation and/or established policies, standards and procedures, fails to respect the principles of good administration or violates human rights. Some examples of failure to respect the principles of good administration, as defined by the European Ombudsman, are provided by administrative irregularities, unfairness, discrimination, abuse of power, failure to reply, refusal of information, unnecessary delay. Maladministration may also relate to the environmental or social impacts of the EIB Group's activities and to project cycle related policies and other applicable policies of the Group.

Under all calls for tenders for services, works and supplies procured in the context of corporate procurement, bidders are required to declare that there are no grounds for excluding them from participating in the tendering procedure. The reasons for mandatory exclusion are serious offences: money laundering, corruption, participation in a criminal organisation, fraud, child labour or other human trafficking, terrorist offences, non-fulfilment of tax payments, non-fulfilment of social security contributions. In this context, in 2017, the EIB Group identified no suppliers who submitted tenders as having significant actual and potential negative social impacts. No improvements were therefore initiated as a result of any assessment and no supplier relationships were terminated.

GRI 418: Customer privacy

GRI 103: Management Approach (including 103-1, 103-2, 103-3)

The protection of privacy and personal data is integral to the Charter of Fundamental Rights of the European Union. In processing personal data, the EIB Group applies the terms and conditions laid down in Regulation (EC) N° 45/2001 applicable to all EU institutions and bodies. In addition, the EIB Group has specific policies and procedures in place, such as the implementing rules referring to the Data Protection Officer.

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

The EIB Group received no complaints relating to breaches of customer privacy. No leaks, thefts or losses of customer data were identified in 2017.

GRI 419: Socioeconomic compliance

GRI 103: Management Approach (including 103-1, 103-2, 103-3)

A key objective of the EIB Group in EU Member States is to enhance social cohesion and support investments that promote social inclusion in the interests of enhancing equity and equitable access to goods and services. Outside the Union, the EIB Group operations contribute to the EU development goal of poverty alleviation and sustainable development. The EIB Group also verifies that operations are aligned with international conventions on human rights and that they do not result in human rights abuses.

419-1 Non-compliance with laws and regulations in the social and economic area

The EIB Group has not identified any non-compliance with laws and regulations.

Additional information

For the EIB Group 2017 Sustainability Report, please refer to:

<http://www.eib.org/infocentre/publications/all/sustainability-report-2017.htm>

For more information on Green Bonds (Climate Awareness Bonds, CAB), please see the EIB Group 2017 Sustainability Report, Section "Responsible Finance", or refer to the webpage

http://www.eib.org/investor_relations/cab/index.htm

For more information on Climate Action, please see the EIB Group 2017 Sustainability Report, Section "Responsible Finance", or refer to the webpage

<http://www.eib.org/projects/priorities/climate-action/index.htm>



CORPORATE

EIB Group 2017 **Sustainability Reporting** Disclosures

In accordance with the GRI Standards



The EIB Group consists of the European Investment Bank and the European Investment Fund.

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