



Corporate Responsibility Report

2011



Our report boundaries:
This report aims to provide insights into the environmental, social and governance performance of the EIB Group. It covers the Group's direct impacts. For operations and staff, the report includes all EIB activities.

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A description of the European Investment Bank's and European Investment Fund's activities and products can be found at: www.eib.org; www.eif.org. More information on our corporate responsibility management and performance can be found at www.eib.org/cr or in our GRI table at www.eib.org/cr/gri.

Global Reporting Initiative (GRI)

Since 2008 the EIB has been an Organisational Stakeholder of the GRI.



Our external auditors, KPMG, provided a limited assurance report

The EIB engaged their external auditors, KPMG, to provide a limited assurance report on the statements and indicators in the corporate responsibility report marked in italics and with a tick , prepared in accordance with the internal reporting criteria applicable in 2011 at the EIB, as detailed in the Disclosure on the Management Approach (page 36).

We want to hear your views on our sustainability reporting and performance. Email us at info@eib.org

Foreword from the President



As the European Union's long-term financing institution, the EIB put corporate responsibility at the heart of its activities long before the term was coined. Over more than 50 years of financing investment projects in Europe, the Bank's ultimate vision remains unchanged: to improve the lives of people in Europe and beyond by promoting sustainable and inclusive growth.

In order to achieve this, all projects financed by the EIB must not only comply with economic and technical standards but, importantly, also with strict environmental and social standards. The latter are laid down in the Bank's **Statement of Environmental and Social Principles and Standards**. This document, which is available from the EIB's website, guides the Bank's experts in selecting sustainable investment projects that merit EIB support.

Responsible lending in 2011

In 2011, the emphasis for the EIB was squarely on support for EU economic growth and employment, and on promoting climate action globally. The Bank signed loan agreements worth EUR 54bn for projects in the EU. Europe needs to build on its strengths to position itself in an increasingly competitive and



connected world. The EIB helped in building research facilities and schools to promote the knowledge economy, wind farms and solar plants for cleaner energy, trams and high-speed trains for more sustainable transport, and it was a crucial player for important energy-efficiency initiatives.

Investment in the regions that are economically less advanced – the so-called convergence regions – remains a priority for the Bank. The EIB lent more than EUR 20bn in these regions, more than a third of total EIB lending in the EU.

Climate change remains at the centre of the EIB's attention both within and outside the EU. The EIB's climate action lending is focused on investment that helps to reduce greenhouse gas emissions and to adapt to the consequences of climate change. In 2011, loans in this area amounted to some EUR 18bn, a third of total lending in the EU. Climate change mitigation and adaptation projects also represent an important objective under the Bank's external mandates.

Improving people's lives is also at the core of the EIB's activities outside the EU. In 2011, EIB lending outside the EU reached EUR 7bn and the Bank developed a new assessment framework to measure the impact of its activities outside the EU. The new Results Measurement (REM) framework measures results at project level, as well as the wider economic impact. By focusing on concrete results, measured by direct outputs achieved, but also on broader indicators, the EIB will from now on be seeking to improve the assessment, monitoring and reporting on its contribution to mandate objectives and economic development – a big step forward for responsible financing.

Engaging with stakeholders

There are many sides to corporate responsibility, but certainly a continuous dialogue and consultation with the Bank's stakeholders is key. In this context, the EIB's launch of its first sector lending policy consultation is worth noting. The public consultation, in which many stakeholders participated, resulted in important changes to the transport lending policy approved by the EIB's Board of Directors at the end of 2011. The Bank has decided that its energy sector lending policy will be the subject of the next public consultation, in late 2012.

The EIB organises and participates in many meetings with civil society representatives throughout the year, but it is also important for it to interact with its stakeholders on the strategic priorities for the Bank at the highest level within the organisation. This happened at the first meeting of the EIB's Board of Directors with representatives from 52 civil society organisations at the Bank's Luxembourg headquarters in 2011. The meeting was a fruitful and constructive exercise that will be repeated in 2012.

Engaging with stakeholders and working together will help us to improve the lives of people, promote sustainable and inclusive growth, and make Europe a place where its citizens are happy to live and work.

Werner Hoyer

The EIB Group



Corporate responsibility is everyone's responsibility at the EIB. The Bank's corporate responsibility policy is defined by its management and coordinated in the relevant departments, which implement it in their day-to-day work. Corporate responsibility is embedded in all of the Bank's core processes.

The Bank's top-quality credit standing is underpinned by firm shareholder support, a strong capital base, solid asset quality, conservative risk management and a sound funding strategy.

The mission of the EIB Group is to contribute to the realisation of the policy objectives of the European Union, by financing sound investment with high value added.

Who we are

The EIB Group consists of the European Investment Bank (EIB) and the European Investment Fund (EIF). It is one of the world's largest multilateral financing institutions. The shareholders of the EIB are the European Union (EU) Member States. It is based in Luxembourg and has representative offices in 26 countries within and outside the European Union.

As the long-term financing institution of the European Union it uses its special expertise and resources to make a difference to the future of Europe and its partners by supporting sound investments un-



derpinning EU policy objectives. Set up in 1958 under the Treaty of Rome establishing the European Community, the EIB operates as a bank and raises the majority of its resources on the capital markets on favourable terms, which it passes on to its borrowers.

The European Investment Fund is structured as a public-private partnership and is owned 61.9% by the EIB, 30% by the European Union and 8.1% by a number of European financing institutions.

What we do

The mission of the EIB is to implement EU policies by making long-term finance available for sound public and private sector investment. It does so by providing financial products, services and technical assistance in support of investments in the real economy. The Bank's appraisal of every project by sector economists, engineers, financial analysts and social and environmental experts ensures that all the investments it supports meet strict environmental, social and governance (ESG) criteria.

Besides supporting projects in the Member States, its main lending priorities include financing investments in future Member States of the EU and EU partner countries. The EIF provides risk finance cover to intermediaries (financial institutions and private equity schemes) for the benefit of small and medium-sized enterprises (SMEs), essentially operating within the Member States of the European Union and EU candidate countries.

Corporate responsibility at the EIB

The EIB strives to implement international best practice on corporate responsibility. It is strongly committed to integrating environmental and social concerns throughout its business activities – to ensure proper governance, transparency and accountability, for itself and its counterparts; to check the consistency of its lending activities with EU policy objectives and conduct its appraisals with a view to ensuring that investments are sustainable; to promote more ethical and sustainable investments; to develop a mutually beneficial relationship between itself and its host communities; and to minimise its own environmental footprint.

How we are governed

The EIB has four governing bodies, as defined in the Bank's Statute:

- **three decision-making bodies:** the Board of Governors, the Board of Directors and the Management Committee; and
- **one control body:** the Audit Committee.

Governance is about the decision-making structure, processes and associated controls. It involves a set of relationships between a company's management, board, shareholders and other stakeholders and is a key element in improving economic efficiency and growth, as well as enhancing investor confidence. In addition, governance provides the structure through which company objectives are set and the means of attaining those objectives and monitoring performance are determined.

Governing body	Main role	Decisions
Board of Governors	<ul style="list-style-type: none"> – Guiding principles – High-level policies – Approval of annual accounts – Appointment and remuneration of members of the other governing bodies 	The Board of Governors lays down credit policy guidelines, approves the annual report and financial statements, gives authorisation, on a country-by-country basis, for the Bank to operate outside the EU and decides on capital increases.
Board of Directors	<ul style="list-style-type: none"> – Approval of financing operations – Approval of policies – Control of the Management Committee 	The Board of Directors approves every decision to grant finance (e.g. EIB loan or guarantee) and the borrowing programme. It reviews borrowing and treasury operations and exerts control over the activities of the Management Committee.
Management Committee	<ul style="list-style-type: none"> – Day-to-day management of the Bank under the authority of the EIB President 	Management Committee members are solely responsible to the Bank and independent in the performance of their duties. Staff are under the direct authority of the President.
Audit Committee	<ul style="list-style-type: none"> – Audit annual accounts – Verify that the Bank's activities conform to best banking practice 	The Audit Committee is an independent body, directly answerable to the Board of Governors. It is responsible for verifying that the operations of the Bank have been conducted and its books kept in a proper manner. The Audit Committee is also responsible for the auditing of the Bank's accounts. It verifies that the activities of the Bank conform to best banking practice as applicable to it.

New President takes office in 2012

Werner Hoyer is the seventh president of the EIB since it was founded in 1958. He succeeds Philippe Maystadt, who was EIB President during two six-year mandates from the year 2000 until he retired at the end of 2011. Werner Hoyer was Minister of State at

the Foreign Office of the Federal Republic of Germany, responsible for European policy, and a Member of the German Parliament (Bundestag). He was also Germany's Commissioner for Franco-German cooperation.



EIB Group key performance indicators¹

Theme		Indicators	2011	target 2012
Corporate Responsibility (CR) Strategy		Independent EIB performance assessment score	61	↗
Responsible finance for jobs and growth	EU Member States	EIB disbursements as % of EU-27 investment	2.32%	→
		Environmental and sustainable communities (signatures contributing to) € billion	26.9	13.5
		Convergence (signatures contributing to) € billion	20.2	18.0
		Knowledge economy (€ billion)	10.4	8.4
		SMEs and midcaps (€ billion)	10.5	11.0
		Trans-European Networks	10.77	6.0
	EU and non-EU	Environmental and Social Assessment of EIB Investment Loans	100%	→
Climate action (signatures contributing to)		€ billion	18	→

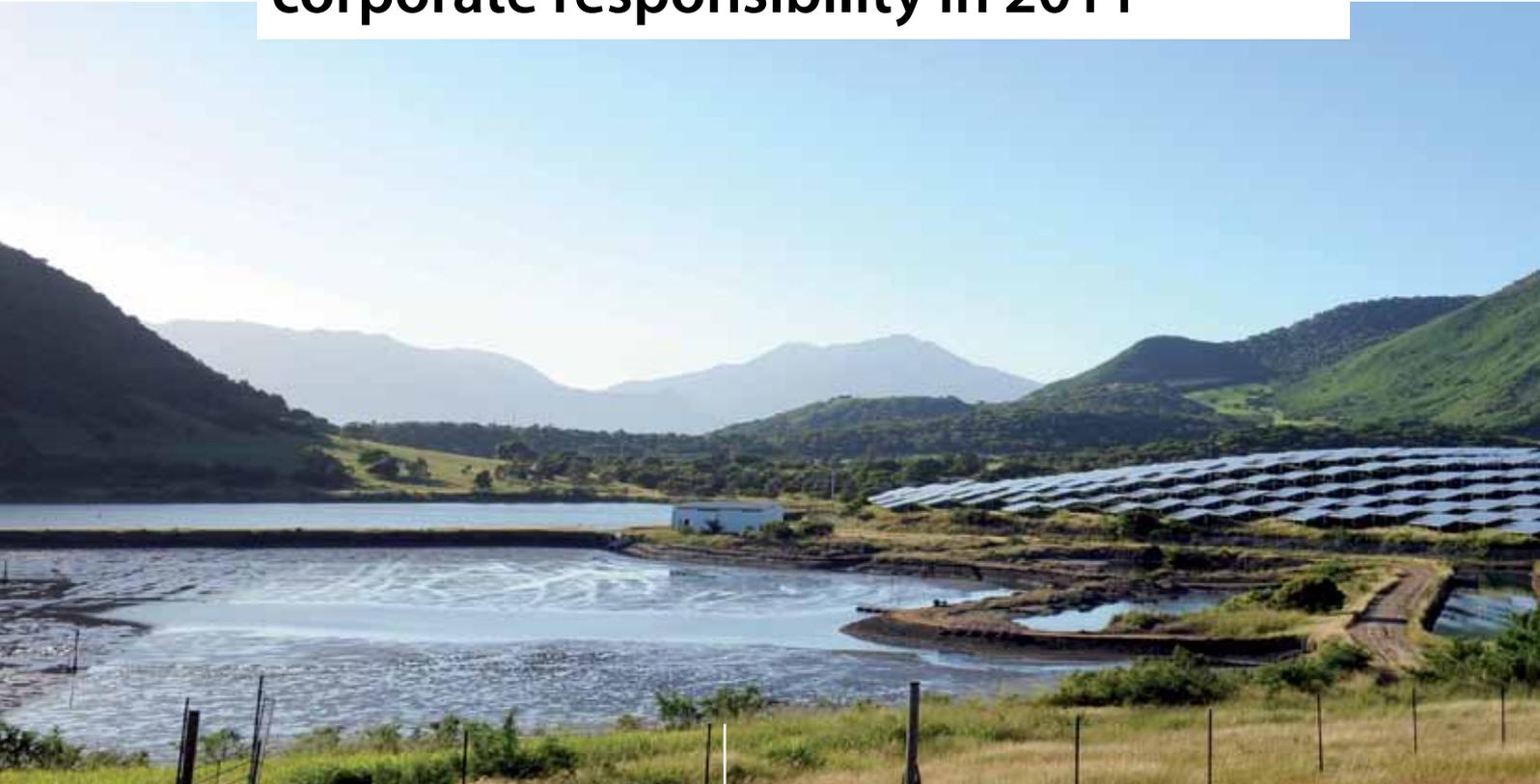
Minimising our own imprint	Energy emissions (Tonnes of CO ₂ e per staff member)	0.38	↘
	Mobility-related emissions (Tonnes of CO ₂ e per staff member)	8.62	↘
	Paper consumption emissions (Tonnes of CO ₂ e per staff member)	0.053	↘
	Waste emissions (Tonnes of CO ₂ e per staff member)	-0.0007 ²	↘
	Electricity consumption (100% green electricity) (kWh per staff member)	8296.82	↘
	Water consumption (m ³ per staff member)	29.88	↘
	Paper consumption (Tonnes per staff member)	0.04	↘
Committed to transparency and engagement with stakeholders	Complaints on projects	46	↘
Being an employer of choice	Number of staff members	1948	→
	Women in management positions (%)	18.7	20
	Women in executive positions (%)	43.4	44

¹ The report and key performance indicators (KPIs) table encompasses the EIB Group. The Group indicators consist of the EIB's and EIF's direct impacts and their headquarters' buildings. With regard to indicators on operations and staff, the report covers the EIB only.

² The disposal of waste at the EIB Group through recycling and valorisation enables this emissions category to make a positive emissions contribution, the waste being used to generate electricity. Please refer to our internal footprint report on the EIB website.

EIB

corporate responsibility in 2011



New Caledonia Helios Bay, France

Our application level has been checked by GRI, and its statement on the EIB application check confirming that the EIB Group has followed the A+ application level of the GRI guidelines is included in this report.

The EIB is the European Union's bank. Its finance and expertise support sound and sustainable investment projects. Its staff of economists, engineers and financial analysts make sure that all the projects the Bank finances meet strict environmental, social and governance criteria. As an EU institution and a public bank, the environmental and social policies, principles and standards, and operational practices are derived from and reflect the EU's approach towards environmental sustainability and social well-being as well as international standards.



Materiality table on stakeholders' key issues



Materiality

As ever more corporate responsibility issues need attention, it is necessary to decide which issues are really key – for stakeholders, for the EIB in fulfilling its mission and for internal management. Some issues are so important that they need specific recognition and effort, but other issues do not rise to this level. This threshold is referred to as materiality.

It is only natural for our stakeholders to expect the EIB, as the bank of the European Union, to operate according to the highest standards. That is why the EIB's Management Committee has decided that the Bank should aim to implement best international practice in corporate responsibility.

Corporate responsibility planning

*The EIB follows best practice standards in disclosing and reporting on its corporate responsibility and uses the **Global Reporting Initiative's** guidelines on the disclosure of economic, environmental, social and governance performance. So far the Bank has reported at B level, meaning that it has reported on at least 20 GRI performance indicators self-selected within each category. Even though the data collection is much more intensive, the EIB has decided to target reporting at A level, which means that the EIB has now checked all GRI core indicators, including those of the Financial Services Sector Supplement.*

EIB Human Rights Seminar



Conference on Human Rights and work of the EU Fundamental Rights Agency



Human rights

The Bank's new transparency policy, adopted in 2010, necessitates better understanding by its staff and its stakeholders, especially its customers. **Awareness-raising on transparency policy** is another CR objective. Basic guides on the Bank's transparency commitments have been made available to the Bank's partners and to all staff, and are used for training and awareness-raising sessions that are open to all staff.

Combating corruption and addressing the lack of transparency are crucial in countries outside the EU that are rich in oil and gas and mineral resources. The **Extractive Industries Transparency Initiative** – EITI – was established to encourage and assist resource-rich countries to put in place procedures for publishing verified information on payments made and revenues received. The EIB supports the EITI by working with its project promoters to introduce greater transparency and consistency in reporting on payments at project level. As a next step the EIB intends to review and enhance its transparency standards for the extractive industries.

The Charter of Fundamental Rights of the European Union, the EU's human rights charter, also covers all institutions and bodies of the EU. The EIB is therefore bound by the Charter.

The EIB is committed to continuously improving its social and environmental performance standards in a manner that protects and promotes human well-being. Social standards reflect people's rights to a healthy and safe environment – both the natural and built environment – and ensure that the people affected by a project will be informed and consulted. The EIB's approach to human rights is focused on respect for the environmental, social and economic rights directly associated with EIB-financed projects.

The recent work by Professor Ruggie, UN Special Representative on Business and Human Rights, on the Human Rights "Protect, Respect and Remedy" Framework, has led to increasing attention being paid to human rights issues by the financial and business communities. *Throughout 2010 the EIB facilitated a series of seminars on Business and Human Rights, held in London and Johannesburg. The proceedings of these seminars were published in 2011.* ✓



Juanita During, Water Aid Nigeria



gy of continuous improvement. The implementation of EIB commitments was consolidated. Management of internal social aspects plays an important role in this assessment. However, the report also compliments the Bank on a genuine strategy of improvement on environmental and social issues, mainly in response to external stakeholders, particularly civil society representatives.

EU Communication on Corporate Social Responsibility

The European Commission published a new policy on corporate social responsibility. It states that to fully meet their social responsibility commitments, enterprises “*should have in place a process to integrate social, environmental, ethical and human rights concerns into their business operations and core strategy in close collaboration with their stakeholders*”. The aim is both to enhance positive impacts – for example through the innovation inherent in new products and services that are beneficial to society and enterprises themselves – and to minimise and prevent negative impacts.

The Communication set an agenda with action items, which the EIB is currently reviewing in terms of its direct relevance to the operations of the Bank. It will make adjustments to its corporate responsibility strategy in 2012 as needed.

The EIB is currently undertaking a review of its existing project social performance standards in light of the principles developed by Professor Ruggie. It will use the outcome of this review to update, as appropriate, its existing project guidelines and establish a work plan to integrate any revised guidelines into Bank operational practices.

Independent CR assessment

An independent CR assessment is important to the EIB as it enables the Bank to communicate with its stakeholders on the basis of independently appraised, concrete facts. *Since the first independent assessment of the EIB's corporate responsibility achievements in 2008, the Bank has steadily increased its CR score from 50 in 2008 to 61 in 2011, exceeding the target for the year, which was set at 60.* ✓ The latest score is evidence of a “consolidated commitment; and substantial evidence of control of managerial factors.”

The report on the EIB's 2011 performance notes continued, considerable progress, vindicating the strate-

Setting standards for microfinance

The EIB joined LuxFLAG, the Luxembourg Fund Labeling Agency, as a Charter Member. LuxFLAG is an independent organisation that awards a distinctive label to eligible microfinance and environment-related investment vehicles, thus providing confidence to investors. ✓

Committed to transparency and engagement with stakeholders



EIB Board values dialogue with civil society

The EIB considers that as a bank and a public body, openness on how it works and implements EU policies strengthens its credibility and its accountability to citizens. Transparency is an essential condition for an informed and open exchange with stakeholders. The rules and reasons behind policies and practices need to be clear to all participants. This implies availability of information, to the fullest possible extent, while respecting business confidentiality.



Stakeholders' overview

A revised Transparency policy was approved by the Bank's Board of Directors in 2010 and provides the basis for making the EIB a more open and engaged institution. This was followed by an internal awareness-raising exercise that started in 2011.

This stakeholder box gives an overview of the various stakeholder groups for the EIB, the topics of engagement, the channels as well as the results for each of the groups.

Stakeholder groups	Engagement topics 2011	Engagement pathways (or consultation channels)	Findings, responses, outcomes
Shareholders (EU Member States)	Support during economic slowdown by financing sound projects and programmes Financial and CR performance	Board meetings Governors' meeting Member States (i.e. shareholders) Appointing Management Committee members	Corporate Operational Plan Policy approval
Investors, bondholders	Financial and CR performance	Roadshows, Newsletters, Ratings, both financial and non-financial	Demand for and yield on bonds
Customers, project promoters	Project-level financing Sectors	Direct engagement, One-to-one communication at project level Public consultation on policy	EUR 60bn+ of lending Revised transport lending policy
NGOs Business associations Think tanks Academia	Transparency Climate action SMEs Development lending Transport lending policy	Board seminar with civil society Annual Dialogue Meeting Workshops Policy public consultation Project-level engagement	Disclosure of Board of Governors' and Board of Directors' meetings' agenda and minutes Revised transport lending policy Outcome of project appraisals Report on human rights seminars
Employees, Staff Representatives	Working hours Diversity CR awareness	Surveys Intranet, newsletter and publications Consultation of Staff Representatives Joint committees Scheduled meetings with staff representatives	HR policies Social dialogue
ESG Rating agencies	Broad range of ESG topics	Questionnaires and face-to-face meetings	Improvements in our CR approach and CR communication Top-level ratings

Civil society dialogue with the EIB's Board of Directors

On 17 October 2011 the Bank organised its first seminar with civil society organisations and the EIB's Board of Directors. Sixty-five participants from 52 organisations and 13 panellists came to Luxembourg for the event. Key issues were climate action, lending to SMEs, and putting people first, especially in operations outside the EU. ☑

As the world's largest climate lender, the Bank plays an important role in supporting investments that contribute to fighting climate change. NGO representatives welcomed the EIB's efforts in the area of renewable energy but wanted the Bank to reduce its involvement with fossil fuels, such as coal and gas, even further. The Bank was also urged to step up its lending for energy efficiency projects, particularly in Eastern European countries

Because lending to SMEs is channelled through intermediary banks, discussions centred on how to make the money reach the right sectors and the right beneficiaries faster. The EIB is endeavouring to accelerate disbursement to final beneficiaries and to improve its reporting. Civil society members suggested that provision for more rapid disbursement to final beneficiaries could help. They also put forward ideas for improving effectiveness, such as the provision of technical assistance to bridge capacity gaps in developing countries, dedicated loans and more creative products, such as micro-insurance, risk capital or mezzanine funding.

Even though only some 10% of the EIB's financing goes to operations outside the EU, the Bank is nonetheless seen as a critically important development partner. Civil society members underlined that the Bank's approach should be tailored to country contexts and regional specificities, with an appropriate balance between pub-

"If the climate threat is a systemic one, then the climate response has to be too. We all need to join the dots, the Bank included." *Mark Johnston, WWF*

"Constructive criticism is essential," *Philippe de Fontaine-Vive, EIB Vice-President*

lic and private sector lending, and a focus on local people's needs and improving their lives.

Transport policy consultation

Sustainable transport was the subject of discussions that took place in the context of a public consultation in 2011 – the first sector policy consultation for the EIB. The Bank engaged with a broad range of stakeholders from all relevant transport sectors as well as with public authorities at EU, national and regional level and with environmental NGOs.

The consultation led to the adoption of a new transport lending policy that outlines how the Bank conducts project prioritisation and appraisal. The fight against climate change is a priority for the EIB and the tool used for setting priorities at the appraisal stage is the "climate action indicator". Projects in the public transport, rail, intermodal and waterborne transport sectors generally count towards meeting the indicator, while roads and aviation projects do not. Shipping and transport research and development projects are assessed on a case-by-case basis. The indicator therefore serves as a useful tool to steer the EIB towards intrinsically more environmentally sustainable modes of transport.

Results Measurement (REM) workshop

In 2011 the EIB decided to replace the existing Economic and Social Impact Assessment Framework (ESIAF) with a new framework in response to the new requirements of the Bank's External Lending Mandates. The new Results Measurement (REM) framework measures results at the appraisal and monitoring stages. By focusing on concrete results, measured by direct outputs achieved, but also on broader outcome indicators, the aim is to improve assessment, monitoring and reporting on the Bank's contribution to mandate objectives and economic development.

A workshop on REM was held with civil society representatives in Brussels at the end of 2011. The REM is being implemented as from 2012.



Martina Weitsch, Quaker Council for European Affairs and EPLO at the CSO dialogue meeting, Brussels

Tax transparency

The EIB is committed to maintaining a stringent policy against tax fraud, tax evasion and harmful tax practices as well as against money laundering and the financing of terrorism. It adheres to the relevant policies of the European Union as well as to the international policies to which the EU contributes. This includes the policies set by the United Nations, the International Monetary Fund (IMF), the Financial Stability Board, the Financial Action Task Force (FATF) and the Organisation for Economic Cooperation and Development (OECD).

The EIB is fully involved with the international efforts to exert pressure on Non-Compliant Jurisdictions (NCJs), in order to persuade them to comply with international standards. It strictly relies on and conforms to the list of non-compliant and monitored jurisdictions and the reports produced by these lead organisations. The Bank has several instruments at its disposal to reject or stop lending operations linked to NCJs and can impose relocation conditions when providing finance.

Exclusion policy

In 2011, the EIB adopted an exclusion policy in line with the policy in use at other multilateral development banks and the European Commission's exclusion system. The aim is to exclude firms and individuals found to have engaged in wrongdoing in EIB-financed projects. Sanctions typically include reprimand, conditions on future contracting, or exclusion – declaring a company or individual ineligible to participate in any future activities it finances, for a period of up to five years, which can be doubled to 10 years in the case of repeat offenders. Exclusion is considered a major deterrent to wrongdoing. ✓

Independent ex-post evaluation

Operations Evaluation (EV) is one of the four independent functions under the umbrella of the Inspectorate General (IG), the others being Internal Audit, Fraud Investigations and the Complaints Mechanism.

Greenmeadow Stores, UK



Golice Windfarm in Poland, JASPERS project



EV provides transparency vis-à-vis the EIB's governing bodies as well as interested outside parties by carrying out thematic evaluations of the Bank's activities. Through its work, it reinforces accountability and encourages the organisation to learn from experience. All thematic evaluation reports are published on the Bank's website.

In 2011, three evaluation reports were completed and published. The first was an ex-post evaluation of the **Evaluation Phase of the JEREMIE** initiative as it relates to the European Investment Fund (EIF), the EIB's subsidiary specialising in SME finance. JEREMIE stands for Joint European Resources for Micro-to-Medium Enterprises initiative, which gives regions and Member States the possibility to use grant finance from the Structural Funds to create holding funds with a range of financial products for SMEs, administered through intermediaries.

The "evaluation phase" covers the time period during which the EIF investigated the market for JEREMIE, which in the meantime has become operational.

The EIF managed 14 holding funds for a total of more than EUR 1bn at the end of 2011. One of the first and most significant observations of the evaluation was the number of challenges facing the EIF as a result of the novel nature of JEREMIE. Not only was it breaking new ground with public authorities, most of which had little previous knowledge of financial engineering, but it also involved the EIF in areas where it virtually had to start from scratch. These challenges were, for the most part, overcome. Nevertheless, the report made a number of recommendations which should allow the evaluation phase of similar future initiatives to be completed more quickly and in a more cost-efficient manner.

The second ex-post evaluation report concerned **JASPERS**, the Joint Assistance to Support Projects in European Regions initiative, which started operations in 2006. JASPERS is a joint initiative of the EIB, the European Commission, the EBRD and Kreditanstalt für Wiederaufbau. It was set up to provide technical assistance to the new Member States for the identification and preparation of good quality pro-



jects for support under the European Regional Development Fund and the Cohesion Fund.

The evaluation was based on the ex post findings of over 50 assignments, out of 240 completed between 2006 and 2009, as well as on interviews and documents. Importantly, it concluded that the launching of JASPERS was fully justified both in terms of the established demand for its services, the reputation it has established with counterparts and clients, and the economic benefits it generates. The evaluation report recommended that at this stage the Bank should take stock of its involvement based on the operational experience gained to date and decide how to continue its involvement, making best use of scarce and valuable resources.

The third ex post evaluation report published in 2011 dealt with lending in support of **economic and social cohesion** since 2000 in France, Portugal and the United Kingdom. Between 2000 and 2009 the EIB signed EUR 99bn in loans for economic and social cohesion projects in these countries, more than 40%

of total lending in the three Member States. The majority of projects financed were remarkably robust in relation to the recent financial crisis and performed well under difficult operating conditions. The evaluation found enough evidence for a very positive overall assessment of the EIB's contribution. The Bank's presence was found to have created a significant catalytic effect for other investors as well as a noticeable impact on stakeholders' perception of the quality of the projects. For the vast majority of the evaluated projects, the EIB's support provided confidence to the sponsors in the soundness of the project and sent a strong message to the markets. The evaluation also identified areas for improvements. For instance, the definition of project objectives and indicators at the appraisal stage as well as project monitoring after completion could both be improved. A more sophisticated approach to defining cohesion and convergence, going beyond a merely geographical approach, was recommended, as was closer coordination between EIB and European Commission services, in particular DG Regio.

An effective grievance mechanism

The EIB Complaints Mechanism is a comprehensive tool for the resolution of disputes for members of the public who want to challenge a decision by the Bank. Any member of the public has access to it. The Complaints Mechanism allows for assessment, investigation and mediation, but in case the complainant is not satisfied with the outcome of the process, a second level of recourse is provided for by the European Ombudsman. This makes the EIB's grievance mechanism unique among those of international financing institutions.

The EIB recognises that an effective Complaints Mechanism is an opportunity, not a threat. *In 2011, the Complaints Mechanism received 54 complaints, of which 46 were admissible. Most complaints related to environmental and social impacts (18) and to procurement (14) in EIB-financed projects. The European Ombudsman ruled on three complaints lodged against the EIB, concluding there had been no maladministration.* ✓

Responsible finance for jobs and growth



Need a Skip recycling company, UK

In the EU, where 90% of the EIB's lending takes place, as well as outside the EU, the Bank finances investment projects with tangible outcomes, either directly or, in the case of small and medium-sized investments, through financial intermediaries. These projects help to improve people's lives and support economic growth and job creation³.

Increasing growth and employment potential

In 2011, the EIB signed loan agreements for projects in the European Union worth EUR 54bn, marking a gradual return to pre-crisis lending levels after reaching record heights in 2009 and 2010 in response to the financial crisis. A large part of this lending went to investment supporting Europe's transition to a smarter, greener and more inclusive economy.

In 2011, investment projects in the convergence regions played an important role, with the objective of providing for crucial investment in a particularly difficult environment. The EIB lent more than EUR 20bn to the convergence regions, representing more than a third of total EIB lending inside the EU. ☑ The Bank is supporting investment and initiatives to help the regions that suffered most during the economic downturn to return to a sustainable growth path.

At the same time, the EIB provided targeted support for key growth drivers, such as SMEs, innovation, and energy and infrastructure projects.

Micro, small and medium-sized enterprises are drivers of economic growth and job creation. In 2011, the EIB Group – both the EIB and EIF – supported some 120 000 SMEs in Europe. The EIB helps to improve access to finance for SMEs by working with a network of local partner banks and financing institutions that act as intermediaries. In 2011 it provided EUR 10.5bn to these banks in Europe for on-lending to SMEs at favourable rates, while requesting that SME loans be matched by at least the same amount of SME lending by the intermediary. ☑

Investments in research, development and innovation, education, and information and communications technology are drivers of smart growth. Projects in this area are fundamental to competitiveness and economic growth. In 2011, the EIB invested some EUR 10bn in the establishment of the knowledge economy. ☑

³ For more detailed information on the EIB's financing activities in 2011, please consult the EIB's 2011 Activity Report (Volume I of the Annual Report) and the 2011 Statistical Report (Volume III of the Annual Report).



EIB loans for Europe's energy sector help the EU reach its policy goals of sustainability, competitiveness and security of energy supplies. Financing to support energy investment reached EUR 11bn, with renewable energy and energy efficiency projects playing an important and growing role. ✓

Building transport networks helps to underpin the internal market and ensures competitiveness for the EU's industry and services. In 2011, the EIB lent EUR 9bn for transport networks. Empirical evidence reveals that infrastructure investments have a positive impact on economic growth and job creation: EUR 1bn generates roughly 30 to 40 thousand jobs per year⁴. A transport policy public consultation, the first sector policy consultation for the EIB, took place in 2011. The conclusions continue to steer the EIB towards intrinsically more environmentally sustainable modes of transport. ✓

In 2011, lending operations outside the EU underpinning the EU's foreign policy goals accounted for EUR 7bn in loans. ✓

More than money

As a responsible lender, the EIB is aware that it takes more than money to make a project successful. That is why environmental, social and governance criteria play an important role in the appraisal of each and every project, both within the European Union and outside the EU. Helping the implementation of sound and solid projects, the EIB also makes technical assistance available.

JASPERS, the Joint Assistance to Support Projects in the European Regions initiative, provides technical assistance to the beneficiary countries of Structural Funds to help prepare sound infrastructure proposals. The initiative is managed by the EIB and co-sponsored by the European Commission, the European Bank for Reconstruction and Development, and Germany's Kreditanstalt für Wiederaufbau. In 2011, JASPERS completed 141 project assignments, bringing the total number of assignments completed since the start of operations to 540.

Need A Skip

A West Bromwich (UK) construction waste management company has expanded its premises after securing an EIB loan via Lloyds TSB Commercial. Need A Skip, based on Brandon Way, separates the recyclable materials from waste, which can then be sold as a commodity. The company also provides skip hire throughout the West Midlands.

The loan has enabled Need A Skip to expand its premises in West Bromwich by an extra 3 500 sq ft and increase its recycling to at least 90% of all materials acquired. The loan was made under an EIB scheme that enables firms to secure standard fixed or base rate loans with a 0.80% interest rate discount.

Need A Skip, which currently employs 48 people, plans to create a further five jobs at the new site. The company also aims to increase turnover by GBP 1m in the next 12 months. Stephen Butler, director at Need A Skip, said: "We service all the major house builders, along with many local construction companies and homeowners, taking in huge amounts of waste every day. It is therefore important that we dispose of it in the most environmentally friendly way possible."

⁴ <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/10/692&format=HTML&aged=0&language=EN&guiLanguage=en>

EPEC, the European PPP Expertise Centre, is a joint initiative of the European Commission and the EIB, which also fund the Centre. EPEC helps its 35 public sector members by sharing experience and expertise, analysis and good practice.

Outside the EU, technical assistance (TA) is a key instrument for improving the quality of lending operations and enhancing their development impact. TA is an integral part of the appraisal and implementation process for loans under FEMIP, the EIB Facility for Euro-Mediterranean Investment and Partnership. FEMIP is committed to helping the Mediterranean partner countries increase their economic growth and social development. The FEMIP technical assistance is based on two funds. The FEMIP Support Package backs existing projects that have already been identified. The assistance can be delivered at various stages of a project, from preparation through to completion. The FEMIP Trust Fund provides upstream technical assistance for loan operations and is not necessarily linked to an EIB investment.

In the ACP countries where the Bank is active, the Investment Facility makes technical assistance available for financial sector operations, notably microfinance support and SME lending. TA is also available for infrastructure investment, with the emphasis on water project preparation. The Investment Facility



Glasgow school

was created under the Cotonou Agreement. For regional infrastructure, assistance is available through the EU-Africa Infrastructure Trust Fund. The Trust Fund channels grant resources from the Commission and Member States in such a way that they can be blended with the lending capacity of the EIB and Member State development financiers. The target infrastructure sectors are energy, water, transport and telecommunications.



An EIB project ten years down the line

In 2000, the EIB lent GBP 105m for the design, rebuild, refurbishment and maintenance of 29 secondary schools in the city of Glasgow. In 2011, the Glasgow Schools Project was the subject of an ex post evaluation.

With a population of 590 000 inhabitants, Glasgow is Scotland's largest city and the third-largest provider of higher and further education in the UK. Despite recent improvements, it has a high prevalence of social deprivation and economic uncertainty: one in four Glaswegians claims welfare benefits, one in two families is headed by a single parent, and 33% of the working age population are unemployed. Education attainment levels have been below the national average for decades and for a long time performance has been inconsistent across Glasgow City's schools, with secondary schools in especially poor condition and needing substantial refurbishment, with a backlog of maintenance costs.



At the turn of the century public authorities decided to allocate more resources to education. However, since the Glasgow City Council could not afford to commit to the necessary level of investment from its own resources, they chose a public-private partnership⁵ scheme to meet such major challenges. At the same time, this was also considered to be a good way for improving the delivery and management of public services.

In 2000 the Glasgow City Council decided to close 10 secondary schools, while providing 32 500 pupil places in 28 strategically placed schools. They were all intended to be modern-standard amenities providing a stimulating, high-quality learning environment with premium information and communications technology (ICT) available. Sharing a site with a secondary school, one primary school was added to the scheme.

The main idea behind the entire project was to transfer the rebuilding/refurbishment, life cycle maintenance and physical operation (facilities management) of the 29 schools to the private sector over a 30-year concession period (12-year contract only for ICT services).

Some broad economic and social objectives were also defined, i.e. to raise educational standards, even though no quantitative targets were set or quantified ex ante. In view of the neglected state of most of the schools, the impact was also expected to have a knock-on effect on the self-esteem and well-being of the local population. Finally, the project was a key strategic tool used by Glasgow City Council to retain the population in the inner city and to limit the difficulties induced by a very rapid decline in population (notably with regard to the management of public services and public facilities.).

Evaluation results

The Glasgow Schools Project was highly relevant in terms of European, national and local needs. The project was effective and efficient thanks to a good level of delivery during both the construction and operational phases (limited cost overruns, few delays, relatively good coordination between many players and entities). It was sustainable, thanks to a good degree of flexibility from the counterparts and structures forming the consortium. The project also has a solid economic model. Finally, it was excellent with regard to its impact on the social and economic environment.

EIB contribution and management

As one of the first educational projects and one of the Bank's first PPPs, the appraisal phase was particularly detailed and carefully carried out, incurring many in-depth appraisal missions. De facto, this appraisal phase took place as a sort of PPP benchmark exercise for the EIB, in particular with regard to the legal aspects. The implementation of the project was carefully monitored and monitoring continues until this day. As this is a long-term loan with specific features, notably its PPP nature, Bank staff pay regular visits to the project.

⁵ A public-private partnership (PPP) is used to describe a procurement or outsourcing arrangement where a "partnership" is established between a public sector body and a private sector organisation to deliver public services.

Support for climate action



Baltic 1, offshore wind power, Germany

The Bank is one of the largest providers of finance for climate action. In 2011 it supplied some EUR 18bn, roughly a third of total lending. Moreover, climate considerations are increasingly taken into account in many of the EIB's activities. ✓

The EIB supports the EU's goal of low-carbon, climate-resilient growth both inside and outside the Union. As a financial leader in supporting innovative clean technologies, the EIB is a catalyst for green investment.

The Bank focuses on low-carbon investments that mitigate greenhouse gas emissions and on climate-resilient projects that improve adaptation to climate change impacts. This is reflected in the EIB's approach to lending in various sectors, notably energy, transport, water, wastewater, solid waste and forestry, as well as research, development and innovation.

Over the last three years, the Bank has conducted a pilot initiative to measure the carbon footprint of EIB projects. The pilot exercise continued in 2011 and covered 63 projects with a total investment cost of EUR 50bn, 27% of which was financed by the EIB. Total emissions from these projects are estimated at 16 million tonnes of CO₂ per year, roughly between the yearly emissions of Luxembourg and Slovenia. Total relative emissions, i.e. emissions savings, are estimated at 4 million tonnes of CO₂ per year. ✓

The Bank has recently been mandated to lend an additional EUR 2bn to support the fight against climate change beyond the EU's borders. In 2011, it signed major framework loans to help finance key climate investments in China, India, Brazil and South Africa.



The EIB's energy financing dilemma

Climate action is one of the top priorities for EIB lending. But so are investments that ensure competitive and secure supplies of energy, including oil and natural gas. This kind of investment accounted for EUR 11.5bn in loans in 2011. Most of the funding goes to networks that facilitate the transmission of energy resources within and to the EU. Since 2005 the financing of schemes to reduce the production of hydrocarbons has accounted for less than 1% of EIB loans in the energy sector.

Renewable energy and energy efficiency

EIB loans for renewable and efficient energy contribute to the reduction of greenhouse gas emissions. Towards the end of 2010, the Bank estimated that it would be necessary to invest over EUR 420bn between 2011 and 2020 in renewable energy generation. Already, the EIB's support for renewable energies and energy efficiency in Europe has shown strong growth over the past four years, from EUR 2.9bn in 2008 to EUR 5.7bn in 2011. The Bank is currently funding more than 10% of all renewable investments in the EU. ☑

Within the EU, the EIB is a major financier of wind energy. In recent years, it has particularly increased its financing of offshore wind farms, especially in Germany, the United Kingdom, Denmark and Belgium. In 2011, with a total of EUR 856m, financing of offshore generation inside and outside the EU reached similar levels as for onshore generation, which amounted to EUR 845m. ☑

Supporting such innovative technologies is particularly important as commercial lenders are only hesitantly moving into the sector, and financing is seen as a major constraint in the development of offshore wind power. These projects are by definition large, long-term and technically demanding investments.

The EIB is therefore a natural financing partner for this sector, which can benefit from its technical expertise and experience, as it has co-financed around a third of all European projects. Large onshore projects in 2011 included wind parks in Spain and Austria. Total wind energy lending in 2011 stood at EUR 1.7bn.

The EIB appraisal of a recent onshore wind programme in Ireland, which consisted of six wind farms, showed that the biggest environmental impact would be ecological. Four wind farms were in, or close to, protected nature areas. One entailed a risk of bog slides. Mitigation measures, agreed with the competent authority, ensure that the wind farms will not have a significant negative impact on the protected sites, while the risk of bog slides has been minimised.

Absolute CO₂ emissions from the project in a standard year of operation will be zero. The baseline emissions were calculated assuming that electricity generated by the project will displace generation from the existing thermal mix in Ireland (natural gas). Compared to this baseline, it is estimated that the project will save 196 kt of CO₂ per year. As the EIB loan covers 50% of the total investment cost, the Bank is supporting emissions savings of 98 kt annually.

Solar energy is becoming increasingly competitive and innovative. Gemasolar, a cutting-edge solar power plant located in the Spanish region of Andalusia that was inaugurated in 2011, is a demonstration plant involving an innovative technology. Hot, molten salt is stored in a large tank. After sunset or during cloudy weather conditions heat from the hot salt can still be transferred to the steam cycle enabling power to be dispatched. To meet the expected electricity dispatch at

night and during cloudy periods, the two molten-salt storage tanks have been designed to accumulate solar energy to cover full operation of the steam turbine for up to 15 hours. Gemasolar is one of a series of seven concentrated solar power (CSP) and 19 photovoltaic (PV) power plants financed by the Bank since 2006, with a total of EUR 2.6bn. ☑

EIB lending for energy efficiency in Europe has grown by 60% since 2008, to reach EUR 1.2bn in 2011. ☑ Energy efficiency considerations are being mainstreamed into all projects appraised by the Bank. Further gains are expected to be made from targeted energy efficiency investments. EIB financing for such projects covers both the supply side (such as combined heat and power and district heating) as well as the demand side (mainly insulation of public and private buildings).

Among the investments supported by the EIB in 2011 were several loans to finance energy efficiency refurbishments of multi-storey residential buildings in Romania's capital Bucharest. The financing of thermal rehabilitation is expected to reduce the energy consumption of more than 600 multi-storey residential buildings by around 50%. ☑

To facilitate the mobilisation of funds for investments in sustainable energy at local level, the European Commission and the EIB established the ELENA technical assistance facility (European Local Energy Assistance), financed through the Intelligent Energy – Europe programme. ELENA support covers a share of the cost of the technical support needed to prepare, implement and finance the sustainable energy investment programme, to make it ready for EIB funding. Technical assistance commitments to beneficiaries under ELENA amounted to EUR 17m in 2011.

Supporting sustainable transport

The EIB places a strong emphasis on supporting public transport and strives for the most efficient, economic and sustainable way of satisfying transport demand. This requires a mix of transport solutions, integrating all modes and improving accessibility. By promoting a shift from private to public transport

and by investing in lower-carbon transport of goods and people, these sustainable transport projects help to tackle climate change by enhancing energy efficiency and limiting greenhouse gas emissions, while also improving air quality and reducing noise pollution.

The Bank's support ranges from the construction, extension or rehabilitation of sustainable transport infrastructure (for example railway, light rail, metro and tramway systems, short-sea shipping, inland waterways and bus rapid transit systems) and acquisition of their associated vehicles/rolling stock, to the promotion of cycling and pedestrian networks, as well as electro-mobility and traffic management systems. The EIB also promotes the development of cleaner and safer vehicles by supporting research and development for energy-efficient and low-emission transport solutions.

In 2011, support for sustainable transport amounted to EUR 8bn. Projects included the Ile-de-France transport network upgrade involving four tramway lines in Paris, the first tramway in Tours in France and the Nottingham tram network extension in the UK, as well as the extension of metro lines in Rome, Prague, Bucharest and Helsinki.

Carbon capture and storage

The EIB also supports EU climate and energy policy in other ways. The Bank and the European Commission have joined forces in the so-called NER 300 initiative – the world's largest funding programme for carbon capture and storage demonstration projects and innovative renewable energy technologies. The initiative is so named because it will be funded from the sale of 300 million emission allowances in the New Entrants Reserve of the European Emissions Trading Scheme. The Bank, acting as an agent for the European Commission, appraises and ranks projects submitted by EU Member States for financing and raises funds by selling the special allocation of emissions allowances. In December 2011, a total of 12 million allowances was sold for a total of EUR 97m. The Commission is due to select the first batch of projects in the second half of 2012.



Adaptation and water

Water is the primary medium through which climate change influences human societies and ecosystems. Increased frequency of extreme weather conditions has severe impacts on the availability and quality of freshwater resources, giving rise to water-related natural disasters, including droughts and floods.

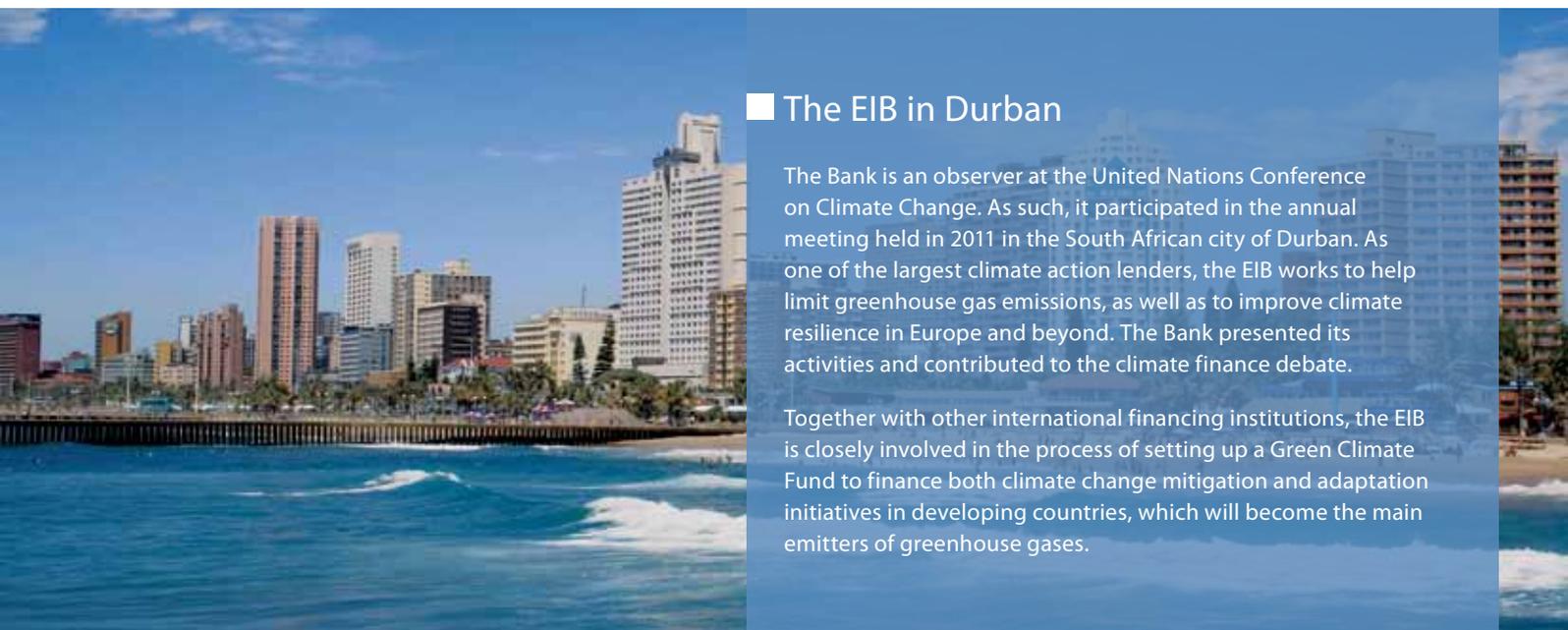
The EIB has been the largest source of loan finance to the global water sector, compared with other international financial institutions. In the five-year period 2005-2009, 90% of EIB direct lending for water-related projects was in the EU-27, making the EIB the biggest lender to the water sector within the EU. In 2011, the EIB supported 16 projects, of which 14 in the water sector – both inside and outside the EU – that contribute to increasing climate-resilience and adaptation to changing weather conditions, amounting to a total of EUR 1.2bn. ✓

Anticipatory adaptation to the consequences of climate change is more effective and less costly than forced, last-minute emergency action. Many of the Bank's activities in the water sector are therefore con-

cerned with the preservation of freshwater resources, sustainable water management, protection of marine and coastal zones and other adaptive measures.

In 2011, the EIB signed its first water project in Africa that specifically focuses on reducing the threat of and ensuring long-term preparation for climate change. The EUR 27m loan to the Seychelles Public Utilities Corporation will help to alleviate water shortages through renewal and expansion of the water supply on the three main islands to reduce water loss, improve energy efficiency and increase resilience of water supply to an increasingly uncertain climate and less predictable rainfall patterns. The scheme will also help to improve environmental and natural disaster risk management, and overall water management.

Other sectors will be affected by climate change as well and adaptation in these sectors also merits the EIB's support. One example of the Bank's involvement is the EUR 50m Caribbean Development Bank Climate Action credit line, which is specifically earmarked to support disaster resilience management and climate change adaptation.



■ The EIB in Durban

The Bank is an observer at the United Nations Conference on Climate Change. As such, it participated in the annual meeting held in 2011 in the South African city of Durban. As one of the largest climate action lenders, the EIB works to help limit greenhouse gas emissions, as well as to improve climate resilience in Europe and beyond. The Bank presented its activities and contributed to the climate finance debate.

Together with other international financing institutions, the EIB is closely involved in the process of setting up a Green Climate Fund to finance both climate change mitigation and adaptation initiatives in developing countries, which will become the main emitters of greenhouse gases.

Acting as a responsible borrower



For more than 50 years the EIB has been a solid financial partner, underpinning the EU's goals. The Bank is the largest supranational borrower and raised EUR 76bn on the international capital markets in 2011. ✓

The EIB is a responsible borrower and is a force for stability in times of turmoil. With a strong capital base and balance sheet that stem from a prudent lending policy and sound risk management, it maintained its excellent financial standing in 2011. It also supports the development of capital markets, seizing opportunities to issue bonds that enhance the range of alternatives available to investors, in both EU and non-EU currencies.

Building on its financial strength, it is able to borrow at very attractive rates, while the benefits of the EIB's borrowing conditions are passed on to project promoters.

Amid highly volatile market conditions in 2011, the Bank borrowed EUR 76bn from the international capital markets at cost levels and maturities that compared favourably with 2010. Borrowing in the Bank's three core currencies – the euro (EUR), US dollars (USD) and sterling (GBP) – continued to dominate, accounting for almost 88% of EIB issuance in 2011.



Since 2007, EIB Climate Awareness Bonds have raised the equivalent of EUR 1.4bn, through ten transactions in six currencies. The residual treasury balance available for disbursement in 2011 was EUR 57m, derived from the last 2010 CAB transaction issued in November 2010. These funds have now been fully allocated, with loans going to projects in Portugal, Georgia and Romania in 2011.

Sustainable and responsible investment

A growing number of institutional investors focus on investing in bonds that are used to finance sustainable or responsible investments. Investors in EIB bonds are reassured by the Bank's strong performance with regard to environmental, social and governance (ESG) issues. This helps investors meet their criteria for ESG risk management. *The box shows activities that are expressly excluded from all EIB lending.*

Excluded Activities

- Ammunition and weapons, military/police equipment or infrastructure
- Projects that have the effect of limiting people's individual rights and freedoms or violating their human rights
- Projects unacceptable in environmental and social terms
- Ethically or morally controversial projects (gambling, tobacco, etc.)
- Activities prohibited by national legislation (where such legislation exists)

Climate Awareness Bonds

The EIB has been in the forefront of developing specialised bonds for climate-conscious investors. Climate Awareness Bonds (CABs) are EIB bonds whose proceeds are ring-fenced from the Bank's general funding portfolio and are used exclusively to finance projects supporting climate action in the fields of renewable energy and energy efficiency.

In October 2011, State Street Global Advisors (SSgA), the investment management arm of State Street Corporation, launched its High Quality Green Bond strategy. The EIB's Climate Awareness Bonds are among the eligible instruments targeted by the strategy, which will invest primarily in 'green' bonds issued by supranational or multilateral development banks.

Minimising our own imprint



In order to manage the environmental impacts of its internal operations more effectively, the EIB Group is about to implement an Environmental Management System (EMS) certified to the ISO 14001 international environmental standard.

The EMS will enable the Bank to identify and manage significant environmental impacts, reduce operating costs by increasing efficiency and provide benchmarks for continual improvements in its environmental performance. The first phase of introducing the EMS was a gap analysis, which is now complete. The actual implementation is planned to be in 2012/2013. Beginning with energy, water consumption and waste management, the EMS will be rolled out to include other activities with a high environmental impact.

Measurement of the internal footprint

External consultants certified to use the Bilan Carbone® tool calculated the 2011 EIB Group direct footprint based on: the internal consumption, including heating and electricity production, sourced electricity and heat-



	Tonnes of CO ₂ per staff member 2007	Tonnes of CO ₂ per staff member 2008	Tonnes of CO ₂ per staff member 2009	Tonnes of CO ₂ per staff member 2010	Tonnes of CO ₂ per staff member 2011	Tonnes of CO ₂ 2011
Energy emissions	0.82	0.68	0.52	0.41	0.38	824
Mobility emissions	11.10	10.31	8.13	8.67	8.62	18 744
Waste	0.0002	-0.0007	0.0001	-0.002	-0.0007	-1.6
Copying paper consumption	0.13	0.13	0.06	0.1	0.053	114.8
TOTAL	11.92	11.11	8.69	9.14	9.05	19 682

EIB's new building

ing, employee commuting to and from work, employee business travel, paper consumption and disposal of waste generated. ✓

On a per capita basis the EIB Group continues to reduce the carbon emissions from its internal activities, despite the increase in its business activities from 2008 to 2011. More efficient and effective use of office space and improvements in the management of the office buildings have resulted in a reduction in emissions attributed to energy usage.

As the Bank responded to the financial crisis with extra lending activity in 2010 and 2011, mobility emissions (primarily caused by air travel) increased slightly, but have now resumed the pre-crisis downward trend.

75% of the domestic waste produced by the EIB Group is valorised by the local authorities to produce energy that would otherwise be produced from non-renewa-

ble sources. The process of waste valorisation produces energy through various processes such as incineration, composting and production of biogas. According to data provided by the local authorities, the valorisation of domestic waste produced by the Bank results in a positive effect on carbon emissions overall. ✓

The EIB Group has been measuring the carbon footprint resulting from its internal operations since 2007 (EIB Group baseline). The original target of reducing the per capita carbon footprint by 20% by 2020 has already been achieved and even exceeded by 4% in 2011. ✓

The carbon footprint exercise, together with other environmental programmes, will become part of the EMS in order to create a coherent system to manage the Bank's own footprint.



Parade (2005-2008), EIB

Green cleaning

The EIB outsources the cleaning of its Luxembourg offices and its waste disposal to Innoclean. The company is contractually obliged to aim for maximum waste reduction and green cleaning services. Since Innoclean and the EIB signed the contract at the end of 2010, the amount of EIB waste that is incinerated has decreased by 20% and further reductions are about to be realised. Cleaning materials for the offices are 100% green, all products used carrying the EU Ecolabel. Moreover, cleaning staff receive 20 hours of training annually in green product handling and environmental protection.

Enabling technologies

The Bank continues to expand its videoconferencing facilities, with the installation of additional facilities at its head offices in Luxembourg. Further expansion of the network is planned for the Bank's external offices, to enable better communications between offices. Videoconferencing facilities will also help to reduce business travel by replacing face-to-face meetings whenever possible.

The New World of Work project currently being piloted in the Bank delivers the technology to further enhance communications through videoconferencing, 'tele-presence' and flexible working, which can also contribute to reductions in business travel and staff commuting, particularly at peak times. All New World of Work laptops are equipped with webcams to enable colleagues to talk to one another irrespective of where they work.



■ Sodexo Fairtrade Zone

The EIB's internal caterer is Sodexo. On average the company serves 1 300 meals a day in the Bank's restaurant and 1 700 servings in the cafeteria. Sodexo has been awarded the Fairtrade Zone certificate for its catering at the EIB. The Fairtrade certification model is designed and audited to ensure equitable trade practices at every level of the supply chain. To earn the certificate companies must buy from certified farms and organisations, pay Fairtrade prices and premiums and submit to rigorous supply chain audits.

Extending corporate responsibility to its suppliers, Sodexo's contract with the EIB stipulates that the caterer must use Fairtrade products.

A key concept behind this style of working is a 'paperless' environment. Documents are stored and shared electronically, reducing the need for paper copies, keeping physical storage to a minimum and helping the Bank's carbon footprint. It also means that workplaces are more portable and that remote working, such as telework, is made easier.

Sustainable procurement

In parallel to the EMS, the EIB is also reviewing its Green Procurement policy to bring it in line with the guidelines published in October 2011 by the European Commission in its 'Handbook on green public procurement; Buying Green'. Furthermore, the Bank will consider the guidelines for Social Procurement also published by the European Commission and determine which social factors may be included in its sustainable procurement policy. In 2011 a work-

ing group was created to review the current policy in the context of the public procurement directives (2004/17/EC and 2004/18/EC) applying to the Bank.

Once formulated, the sustainable procurement policy and procedures will be applied to a number of pilot procurement tenders in order to fine-tune the process before finalising the policy and applying it to all the procurement activities for the Bank's own account.

Being an employer of choice



The EIB's Human Resources (HR) strategy

HR's strategy entitled "People 2013" focuses on three main goals:

- o High-performing motivated staff continuously developing their skills;
- o Inspirational leadership and empowered management in the right organisational set-up;
- o An enabling, inclusive work environment allowing our people to perform at their best.

Open and transparent internal communication is the underlying enabler to achieve these three goals. HR also intends to develop and review the HR policies through a corporate responsibility lens (e.g. diversity/non-discrimination and greater equity in reward-performance).

Diversity Strategy

The Diversity Strategy is critical to the Bank's success and builds on well-established principles of long-term talent management. Initially, high priority is attached to attaining a gender and nationality balance and to the inclusion of disabled people,

whilst acknowledging that the concept of diversity embraces a wide range of individual and cultural characteristics.

The four priority areas of the Diversity Strategy are to attract, engage and retain diverse talent; build an inclusive work environment; foster leadership and management; and build the Bank's profile as an employer of choice. The diversity strategy will be revised in 2012, with a view to obtaining a wide range of internal views. To that end, internal working groups were set up to explore talent management, career progression and recruitment, diversity governance, staff engagement, communication and disability. The output from the groups was consolidated at the end of 2011 and will be feeding into the renewal of the diversity strategy for 2012-2015

As part of its strategy for an inclusive working environment, HR has reviewed flexible working arrangements over the past year, increasing the availability of flexible working hours, teleworking and part-time working.

At end-2011, the EIB had a total staff complement of 1948, a 4.3% increase for the year. Among management staff, 18.7% were women, which compares to 16.9% in 2010. The end-2012 target is 20%. For executive staff, the share of women increased to 43.4 %, up from 42.4% in 2010. The target for the end of 2012 is 44%. In order to reach these targets, EIB Directorates are



being asked to achieve targets specific to their areas. The share of women recruited at managerial and executive level was 45.2%. Whilst this is an improvement on past years, it fell short of the 50% target for 2011. ☑

The composition of the Bank's staff complies with the objective laid down in the EIB's Statute that "in the selection of staff, account shall be taken not only of personal ability and qualifications but also of an equitable representation of nationals of Member States". The staff turnover rate for the EIB Group in 2011 was 2.5%.

Learning and development

Staff development is one of the main priorities of the "People 2013" strategy: staff need to be supported in the consistent development and upgrading of their skills to ensure the Bank keeps up with external developments and is ready to respond rapidly to new business initiatives.

In 2011, numerous managerial and executive staff participated in the EIB Fraud & Corruption Awareness training to gain an understanding of the EIB's policy, spot signs of prohibited practices and learn how to react. Other such internal training focuses on the EIB's core control mechanisms, such as internal audit, compliance and ex post evaluation. Core Competencies Training was also introduced as a tool to continuously develop personal and professional competencies of staff as well as overall organisational competencies.

Internal mobility is a key element in bringing the organisation together and in better using and developing cross-functional skills, knowledge and approaches. The EIB supports increased internal mobility at all staff levels through the creation of on-the-job learning opportunities – temporary assignments that give staff the opportunity to broaden their work experience and skills in another role for a defined period of time.

External secondments also provide an opportunity for staff to develop new skills and forge connections with partner organisations that can be beneficial to the EIB in the longer term.

Social dialogue

In early 2011 a group of independent experts was commissioned to undertake a critical review of the current status of social the dialogue at the EIB and to make recommendations for improvements in the light of best practice, either at national level or in comparable institutions. The basic structure of the rules governing Staff Representation at the EIB date back to 1984 and the expert group was asked to verify to what extent the rules were still suited to the Bank's current situation. The group of independent experts was composed of two labour law specialists, two trade unionists and one ex-Vice-President of the EIB.

Discussions of the group of experts with the EIB's Human Resources Department and the Staff Representatives led to a number of recommendations. The need to move towards a more collective system with increased participation by staff in the decision-making on staff matters was one of the recommendations.

Staff Pensions Board

Joint committees are common at the EIB. They enable social dialogue on specific issues such the Bank's Pension Scheme. The Pension Regulations are reviewed in a joint committee (the Pensions Board) composed of all the parties involved: the administration, the staff and the pensioners. The Pensions Board gives an opinion on all matters relating to the Pension Regulations and makes recommendations to the relevant decision-making bodies. Such an approach enables robust dialogue between all stakeholders, providing for a platform of engagement and debate, and resulting in informed decisions. To strengthen the governance of the Pensions Board, it is presided over by one Chair and two Vice-Chairs (one from each of the three parties represented), rotating on an annual basis. Its members are appointed for a term of office not exceeding three years. While maintaining a well-balanced governance structure, the Pensions Board strives to achieve consensus in its decisions, reflecting the dialogue and participation-based approach that is at its heart.

The EIB Institute

European initiatives
for the common good



Corporate responsibility at the EIB will be given an extra boost with the newly set up EIB Institute. Due to commence its activities on 1 January 2012, the EIB Institute will act as a catalyst for the Bank's existing social, arts and educational activities. Created as part of the EIB Group, the Institute will be supported by a small group of staff working under the day-to-day management of the Dean. The Institute will be based at EIB headquarters in Luxembourg. ☑



The EIB Institute is dedicated to promoting EU objectives by supporting 'European initiatives for the common good'. With the support of its partners and 'Friends of the Institute' network, it aims to be a catalyst for social, cultural, educational and research activities directed towards economic and social development in the EU Member States. The focus is on three strategic pillars: the Knowledge, Social and Arts Programmes.

The Knowledge Programme

The Knowledge Programme channels support, mainly through grants or sponsorship, to higher education and research activities, particularly in the field of applied economics within Europe. Higher education and research are key drivers of innovation, which in turn boosts economic growth.

Through its Universities Research Action initiative the EIB undertakes a number of support activities, such as providing grants to EU University Research Centres working on research topics and themes of major interest to the Bank, financing young researchers working on joint EIB-University projects, sponsoring university networks, and more local initiatives such as working together with the University of Luxembourg.

The Social Programme

Through its Social Programme, the EIB Institute aims to facilitate and develop networks of social entrepreneurs with innovative ideas which benefit society. It aims to support social innovation and entrepreneurs whose primary purpose is to have a social impact. The Institute will play an active role in supporting local philanthropic initiatives and will encourage EIB Group staff to continue their voluntary work for charitable causes in the local community.

The Arts Programme

The EIB Institute recognises the value of the arts and culture as an integral part of both effective community engagement and corporate responsibility. Under the Arts Programme the EIB Institute will manage the EIB's art collection.

Many EIB staff members are involved in volunteer activities. To name but one example, in 2011 ex-students and parents of students at United World Colleges established a Luxembourg National Committee for the UWC movement www.uwc.lu/. Several EIB staff members are involved in the UWC Luxembourg National Committee and devote considerably amounts of their free time to promoting the United World Colleges in Luxembourg and selecting students.

UWCs offer education based on shared learning, collaboration and understanding of the tensions and conflicts within as well as between societies. The 13 UWCs around the world offer the International Baccalaureate programme, together with an international and local social engagement programme. Students are selected by alumni on their merit. The National Committees also provide scholarships, for which they raise funds from alumni and locally. The EIB hosted the first fund-raising dinner for its scholarship programme.

GRI

content index

Since 2005, the EIB Group has reported annually on its corporate responsibility in accordance with the Global Reporting Initiative Guidelines for reporting on sustainable development. The listing of GRI indicators is part of the GRI-based reporting requirements.

Within the GRI index, we have included an explanation of the reasons why we have not reported on omitted indicators. Where appropriate, the index refers the reader to relevant sources of the required information, including our 2011 Financial, Statistical, Activity and Corporate Responsibility Reports and website. The EIB's GRI index is annexed to the report while, this year, responses to the GRI have been posted on a dedicated page on our website (GRI table) for stakeholders' ease of reference.

Our application level has been checked by GRI, and its statement on the EIB application check confirming that the EIB Group has followed the A+ application level of the GRI guidelines is included in this report.

Disclosure on the Management Approach

Economic

The EIB reports on its economic performance in accordance with internationally recognised accounting practices and standards. It also adheres to good governance practices as the Bank furthers European objectives. This report is also based on Guidelines 3.1 (G3.1) of the Global Reporting Initiative (GRI) and follows the related criteria, which the Bank also refers to as its internal reporting criteria: materiality, stakeholder inclusiveness, sustainability context, completeness, balance, comparability, accuracy, timeliness, clarity and reliability. GRI has verified that the requirements for our application level have been met.

Environmental

The EIB has an Environmental Management Systems Manager and a Facilities Management team tasked with measuring and reducing the resources consumed by the Bank's staff members. Our report provides details of the Bank's direct footprint and its internal environmental management system. The Bank's Internal Environmental Management Working Group is responsible for seeking solutions for curtailing the Bank's use of valuable resources.

The EIB's "Environmental and Social Practices Handbook" describes the internal processes and practices

applied by the Bank, particularly the work carried out by its Projects Directorate. It ensures that all financing activities are consistent with the Bank's environmental policy. In turn, the Bank's environmental policy is in line with existing EU environmental legislation. Outside the EU-27 and the Candidate and Potential Candidate Countries, the environmental standards of the Bank are also subject to local conditions.

Product responsibility

The EIB supports the pursuit of sustainable development through its lending activities, by financing environmental projects, safeguarding the environment and endeavouring to improve the environmental and social outcomes of all projects, wherever possible.

Labour practices and decent work

The Human Resources team ensures that staff members are aware of the conditions of employment and their rights and duties under the Bank's employment policy.

Within the Bank, a Dignity at Work policy is in place aimed at preventing incidents of bullying or harassment in the EIB work environment. A Diversity policy is also in place in order to prevent discrimination in the workplace.

Human rights

In terms of the projects that the EIB finances, it seeks to ensure that social safeguards are in place to prevent human rights abuses. Projects to be financed within the EU will, in any case, comply with EU law, policy, principles, standards and practices. All projects outside the EU are assessed against the social safeguards of the Bank, which are defined in a number of guidelines covering the following topics: population movement (including involuntary resettlement), the core labour standards of the International Labour Organisation (ILO), treatment of potentially disadvantaged minorities, including indigenous peoples and gender issues, occupational and community health and safety, and consultation and public participation.

Society

The Office of the Chief Compliance Officer identifies and addresses ex-ante risks associated with non-compliance with laws, rules, regulations and policies applicable to the EIB. It is responsible for integrity checks and anti-money laundering and combating the financing of terrorism controls in respect of the Bank's counterparties and operations.



Profile Disclosure	Description	Cross-reference / direct answer
1. Strategy and Analysis		
1.1	Statement from the most senior decision-maker of the organization.	2011 Corporate Responsibility Report, p. 2-3
1.2	Description of key impacts, risks, and opportunities.	For detailed information on our key impacts, risks and opportunities please refer to the President's 2011 press conference. http://www.eib.org/infocentre/events/all/annual-press-conference-2011.htm See direct answer in the GRI table and the following website pages : http://www.eib.org/attachments/strategies/cop_2011_en.pdf p.2-9
2. Organizational Profile		
2.1	Name of the organization.	EIB Group 2011 Corporate Responsibility Report cover page, back page and p. 4 – Who we are See the following website pages : www.eib.org ; www.eif.org
2.2	Primary brands, products, and/or services.	2011 Corporate Responsibility Report, p. 4 – Who we are See the following website pages: http://www.eib.org/products/index.htm http://www.eif.org/what_we_do/index.htm
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	2011 Corporate Responsibility Report, p. 4 – Who we are Annual Report 2005 – “Corporate Responsibility” p. 17-19 See direct answer in the GRI table and the following website pages : http://www.eib.org/about/structure/index.htm ; http://www.eib.org/about/structure/organisation/index.htm http://www.eif.org/who_we_are/governance/index.htm
2.4	Location of organization's headquarters.	2011 Corporate Responsibility Report, p. 4 – Who we are See direct answer in the GRI table and the following website pages : http://www.eib.org/infocentre/contact/index.htm http://www.eib.org/infocentre/contact/offices/index.htm
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	2011 Corporate Responsibility Report, p. 4 – Who we are See direct answer in the GRI table and the following website page : http://www.eib.org/infocentre/contact/offices/index.htm
2.6	Nature of ownership and legal form.	2011 Corporate Responsibility Report, p. 4 – Who we are See direct answer in the GRI table and the following website pages : http://www.eib.org/about/index.htm http://www.eib.org/about/group/index.htm http://www.cvce.eu/content/publication/1999/1/1/c638f726-0389-4fc8-ad0c-98b857251d48/publishable_en.pdf
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	2011 Corporate Responsibility Report, p. 4 – Who we are Annual Report 2011 – “Statistical Report 2011 p. 6-64 See the following website pages: http://www.eib.org/projects/regions/index.htm http://www.eib.org/products/faq/index.htm#in-which-countries-is-the-eib-active
2.8	Scale of the reporting organization.	2011 Corporate Responsibility Report, p. 7 EIB Group key performance indicators
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	There were no significant changes during the reporting period regarding size, structure or ownership.
2.10	Awards received in the reporting period.	As a multilateral financial institution, EIB promotes excellence in the markets in which it operates. The good work of the institution is recognised from time to time through awards to individual staff and projects.
3. Report Parameters		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	See 2011 Corporate Responsibility Report, cover page.
3.2	Date of most recent previous report (if any).	2011
3.3	Reporting cycle (annual, biennial, etc.)	Annual reporting cycle
3.4	Contact point for questions regarding the report or its contents.	2011 Corporate Responsibility Report, p. 9 – Materiality; Annual Report 2006 – Volume IV, “Corporate Responsibility”. p. 37 – Mapping our stakeholders
3.5	Process for defining report content.	2011 Corporate Responsibility Report p. 9 – Materiality; Annual Report 2006 – Volume IV, “Corporate Responsibility”. p. 37 – Mapping our stakeholders
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	See direct answer in the GRI table and 2011 Corporate Responsibility Report, p. 1 – Our report Boundaries
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	See direct answer in the GRI table and 2011 Corporate Responsibility Report, p. 1 – Our report boundaries http://www.eib.org/projects/cycle/index-fc.htm
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Annual Report 2011 – Financial Report. Cover page and p. 96 & 162 – Basis of consolidation
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	See direct answer in the GRI table and 2011 Corporate Responsibility Report, p. 11 and 28 – Independent CR assessment & Measurement of the internal footprint
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	See direct answer in the GRI table

3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	2011 Corporate Responsibility Report, p. 9 – EIB Corporate responsibility in 2011
3.12	Table identifying the location of the Standard Disclosures in the report.	2011 Corporate Responsibility Report, p. 36 & 37 – GRI content index
3.13	Policy and current practice with regard to seeking external assurance for the report.	See direct answer in the GRI table and 2011 Corporate Responsibility Report, p. 1, 8 & 37
4. Governance, Commitments, and Engagement		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	See direct answer in the GRI table and 2011 Corporate Responsibility Report, p. 6 – how we are governed. See direct answer in the GRI table and the following website pages: http://www.eib.org/infocentre/publications/all/statute.htm http://www.eib.org/infocentre/publications/all/rules-of-procedure.htm http://www.eib.org/about/structure/governance/index http://www.eib.org/infocentre/publications/all/activity-report-2011.htm http://www.eib.org/infocentre/publications/all/2011-annual-statement-on-corporate-governance.htm
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	2011 Corporate Responsibility Report, p. 6 – How we are governed See direct answer in the GRI table and the following website pages: http://www.eib.org/infocentre/publications/all/statute.htm http://www.eib.org/infocentre/publications/all/rules-of-procedure.htm http://www.eib.org/about/structure/governance/index http://www.eib.org/infocentre/publications/all/activity-report-2011.htm http://www.eib.org/infocentre/publications/all/2011-annual-statement-on-corporate-governance.htm
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	2011 Corporate Responsibility Report, p. 6 – How we are governed. See direct answer in the GRI table and the following website pages: http://www.eib.org/infocentre/publications/all/statute.htm http://www.eib.org/infocentre/publications/all/rules-of-procedure.htm http://www.eib.org/about/structure/governance/index http://www.eib.org/infocentre/publications/all/activity-report-2011.htm http://www.eib.org/infocentre/publications/all/2011-annual-statement-on-corporate-governance.htm
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	2011 Corporate Responsibility Report, p. 6 – How we are governed. Annual Report 2005 – "Corporate Responsibility", p. 95 & 97 See direct answer in the GRI table and the following website pages: http://www.eib.org/infocentre/publications/all/statute.htm http://www.eib.org/infocentre/publications/all/2011-annual-statement-on-corporate-governance.htm
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	See direct answer in the GRI table and the following website pages: http://www.eib.org/infocentre/publications/all/statute.htm http://www.eib.org/infocentre/publications/all/rules-of-procedure.htm http://www.eib.org/about/structure/governance/index http://www.eib.org/infocentre/publications/all/activity-report-2011.htm http://www.eib.org/infocentre/publications/all/2011-annual-statement-on-corporate-governance.htm http://www.eib.org/about/jobs/compensation-and-benefits.htm
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Annual Report 2005 – "Corporate Responsibility", p. 20 See direct answer in the GRI table and the following website pages: http://www.eib.org/infocentre/publications/all/rules-of-procedure.htm , p. 7 & 12 http://www.eib.org/infocentre/publications/all/management-committee-code-of-conduct.htm , p. 2-7 & 9 & 11. http://www.eib.org/about/publications/code-of-conduct-for-the-members-of-the-board-of-directors-of-the-eib.htm , p. 2-4. http://www.eib.org/about/publications/code-of-conduct-for-the-members-of-the-audit-committee-of-the-eib.htm , p. 2-3. http://www.eib.org/about/structure/governance/board_of_directors/index.htm
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	See direct answer in the GRI table and the following website pages: http://www.eib.org/infocentre/publications/all/statute.htm , p. 14 and articles 174 and 175.
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	2011 Corporate Responsibility Report, p. 15 – Exclusion policy and p. 22 to 33 Annual Report 2009 – "Corporate Responsibility", p. 21, 28-30 Annual Report 2007 – "Corporate Responsibility", p. 20, 21 Annual Report 2006 – "Corporate Responsibility", p. 14 Annual Report 2005 – "Corporate Responsibility", p. 12, 13, 21-25 See direct answer in the GRI table and the following website pages: EIB Statement on Corporate Social Responsibility http://www.eib.org/attachments/strategies/statement_csr_en.pdf http://www.eib.org/infocentre/publications/all/environmental-and-social-practices-handbook.htm http://www.eib.org/attachments/thematic/code_conduct_staff_en.pdf
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	2011 Corporate Responsibility Report, p. 11 – Independent CR assessment Annual Report 2009 – "Corporate Responsibility", p. 12-13 Annual Report 2005 – "Corporate Responsibility", p. 24, 30-32 See direct answer in the GRI table and the following website pages: http://www.eib.org/attachments/strategies/cop_2011_en.pdf http://www.eib.org/projects/topics/environment/organisation/index.htm
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	See direct answer in the GRI table and the following website pages: http://www.eib.org/infocentre/publications/all/statute.htm
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	See direct answer in the GRI table and the following website pages: http://www.eib.org/attachments/strategies/eib_statement_esps_en.pdf Environmental Impact Assessment Directive 85/337/EEC, Birds Directive 2009/147/EC, Habitats Directive 92/43/EEC, Environmental Liability Directive 2004/35/EC.
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	2011 Corporate Responsibility Report, p. 9 – Corporate responsibility planning and p. 10 – Human rights Annual Report 2006 – "Corporate Responsibility", p. 24, 30-32 See direct answer in the GRI table and the following website pages: http://www.eib.org/infocentre/publications/all/2011-annual-statement-on-corporate-governance.htm http://www.eib.org/attachments/strategies/eib_statement_esps_en.pdf
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	See direct answer in the GRI table
4.14	List of stakeholder groups engaged by the organization.	See direct answer in the GRI table and 2011 Corporate Responsibility Report, p. 13 – Stakeholders' overview



4.15	Basis for identification and selection of stakeholders with whom to engage.	Annual Report 2006 – "Corporate Responsibility", p. 37 See direct answer in the GRI table and 2011 Corporate Responsibility Report, p. 12-14 – Committed to transparency and engagement with stakeholders
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	2011 Corporate Responsibility Report, p. 12-14 – Committed to transparency and engagement with stakeholders See direct answer in the GRI table and the following website page: http://www.eib.org/infocentre/publications/all/eib-transparency-policy.htm
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	2011 Corporate Responsibility Report, p. 13-14 – Stakeholders' overview; Civil society dialogue with the EIB's Board of Directors; Transport policy consultation; Results measurement workshop. See the following website pages: http://www.eib.org/attachments/consultations/tlp_consultation_report_20111123_en.pdf http://www.eib.org/about/news/eib-board-agrees-new-transport-lending-policy.htm http://www.eib.org/infocentre/publications/all/report-on-the-implementation-on-the-eibs-transparency-policy-in-2011.htm
STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)		
DMA PS	Disclosure on Management Approach PS	
	Product Portfolio	See the following website page: http://www.eib.org/products/index.htm
FS1	Policies with specific environmental and social components applied to business lines.	See direct answer in the GRI table
FS2	Procedures for assessing and screening environmental and social risks in business lines.	See direct answer in the GRI table
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	See direct answer in the GRI table
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	See direct answer in the GRI table
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	See direct answer in the GRI table
	Audits	Annual Report 2011 – "Financial Report" p. 27
	Active ownership	Annual Report 2011 – "Financial Report" p. 38
DMA EC	Disclosure on Management Approach EC	
	Economic performance	2011 Corporate Responsibility Report, p. 36 – Economic
	Market presence	Annual Report 2011 – "Financial Report", p. 106-109
	Indirect economic impacts	See the following website pages: http://www.eib.org/infocentre/publications/all/financial-report-2011.htm http://www.eib.org/attachments/strategies/cop_2011_en.pdf
DMA EN	Disclosure on Management Approach EN	
	Materials Energy Water Biodiversity Emissions, effluents and waste Products and services Compliance Transport Overall	2011 Corporate Responsibility Report, p. 36 – Environmental http://www.eib.org/infocentre/publications/all/carbon-footprint-2011.htm p.3-4
DMA LA	Disclosure on Management Approach LA	
	Employment Labor/management relations Occupational health and safety Training and education Diversity and equal opportunity	2011 Corporate Responsibility Report, p. 36 – labour practices and decent work
DMA HR	Disclosure on Management Approach HA	
	Investment and procurement practices Non-discrimination Freedom of association and collective bargaining Child labor Forced and compulsory labor Security practices Indigenous rights	2011 Corporate Responsibility Report, p. 36 – Human rights
DMA SO	Disclosure on Management Approach SO	
	Community Corruption Public policy Anti-competitive behavior Compliance	2011 Corporate Responsibility Report, p. 37 – Society

DMA PR	Disclosure on Management Approach PR	
	Customer health and safety	2011 Corporate Responsibility Report, p. 11 – Setting standards for microfinance; Annual Report 2005 – Volume IV, "Corporate Responsibility", p. 20-21
	Product and service labelling	Not applicable
FS15	Policies for the fair design and sale of financial products and services.	2011 Corporate Responsibility Report, p. 27 – Sustainable and responsible investment and also see the EIB Environmental and Social Principles and Standards, Statement p. 10 – Environmental and Social Acceptability: Managing Opportunities and Risks See the following website page: http://www.eib.org/attachments/strategies/eib_statement_esps_en.pdf
	Marketing communications	Not applicable
	Customer privacy	Not applicable
	Compliance	See the following website page: http://www.eib.org/attachments/general/occo_charter_en.pdf , p.1 & 2
STANDARD DISCLOSURES PART III: Performance Indicators		
Product and Service Impact		
Product portfolio		
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	Annual Report 2011 – "Statistical Report 2011, p. 6-64
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	See direct answer in the GRI table
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	See direct answer in the GRI table
Audit		
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	2011 Corporate Responsibility Report, p. 11 – independent CR assessment
Active ownership		
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	2011 Financial Report, p. 8-9 Annual Report 2011 – "Statistical Report 2011, p. 63
FS11	Percentage of assets subject to positive and negative environmental or social screening.	Annual Report 2011 – "Corporate Responsibility Report 2011, p. 7 – EIB Group key performance indicators.
FS12	Voting policies applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	Almost the entirety of the EIB's financing activities is in lending operations for which this indicator is not applicable.
Economic		
Economic performance		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Annual Report 2011 – "Activity", p. 2-23 2011 Financial Report, p. 2-11 2011 Corporate Responsibility Report, p. 34 – The EIB Institute See direct answer in the GRI table and the following website page: http://www.eib.org/infocentre/publications/all/financial-report-2011.htm http://www.eib.org/infocentre/publications/all/subsidies-committee-annual-report-2011.htm
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	2011 Corporate Responsibility Report, p. 22-25 – Support for Climate action See direct answer in the GRI table and the following website page: http://www.eib.org/projects/topics/environment/climate-action/index.htm
EC3	Coverage of the organization's defined benefit plan obligations.	2011 Financial Report, p – 2 & 9 See the following website page: http://www.eib.org/infocentre/publications/all/staff-pension-scheme-regulations.htm http://www.eib.org/about/jobs/compensation-and-benefits.htm
EC4	Significant financial assistance received from government.	Not applicable. See direct answer in the GRI table.
Market presence		
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	See direct answer in the GRI table and the following website page: http://www.eib.org/infocentre/publications/all/salary-scale.htm http://www.eib.org/infocentre/contact/offices/index.htm
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	See direct answer in the GRI table and the 2011 Corporate Responsibility Report, p. 31 – Sustainable procurement
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	See direct answer in the GRI table and EIB statute, Articles 7, 9, 11: www.eib.org/attachments/general/statute/eib_statute_2009_en.pdf
Indirect economic impacts		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	See direct answer in the GRI table and the following website page: http://institute.eib.org Annual Report 2011 – "Statistical Report 2011, p. 46 table E http://www.eib.org/instruments/pro-bono
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts. 2011 Corporate Responsibility Report, p. 18-21 – Responsible finance for jobs and growth See direct answer in the GRI table and the following website page: http://www.eib.org/about/structure/control_and_evaluation/control_ev.htm , http://www.eib.org/about/structure/organisation/services/entity/ig/div03-ev.htm , http://www.eib.org/projects/evaluation/methodology/process/index.htm , http://www.eib.org/projects/evaluation/reports/operations/index.htm , Ex-post Evaluation of the JEREMIE "Evaluation Phase" as it relates to the EIF http://www.eib.org/products/jessica/studies/index.htm Environmental
Environmental		
Materials		
EN1	Materials used by weight or volume.	The EIB's direct operations as a financial institution do not include activities for which this indicator would be material or relevant.
EN2	Percentage of materials used that are recycled input materials.	The EIB's direct operations as a financial institution do not include activities for which this indicator would be material or relevant.



Energy		
EN3	Direct energy consumption by primary energy source.	The EIB's direct operations as a financial institution do not include activities for which this indicator would be material or relevant.
EN4	Indirect energy consumption by primary source.	2011 Corporate Responsibility Report, p. 28-31 – Minimising our own imprint See direct answer in the GRI table and the following website pages: http://www.eib.org/infocentre/publications/all/carbon-footprint-2011.htm p. 7 http://www.eib.org/infocentre/publications/all/carbon-footprint-2010.htm p. 6 http://www.eib.org/infocentre/publications/all/carbon-footprint-2009.htm p. 6
EN5	Energy saved due to conservation and efficiency improvements.	2011 Corporate Responsibility Report, p. 28-31 – Minimising our own imprint See direct answer in the GRI table and the following website pages: http://www.eib.org/infocentre/publications/all/carbon-footprint-2011.htm p. 7 http://www.eib.org/infocentre/publications/all/carbon-footprint-2010.htm p. 6 http://www.eib.org/infocentre/publications/all/carbon-footprint-2009.htm p. 6
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	See the following website page: http://www.eib.org/projects/topics/environment/renewable-energy/index.htm
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	See direct answer in the GRI table and the following website page: http://www.eib.org/about/documents/footprint-summary-of-the-methodologies.htm
Water		
EN8	Total water withdrawal by source.	The EIB's direct operations as a financial institution do not include activities for which this indicator would be material.
EN9	Water sources significantly affected by withdrawal of water.	The EIB's direct operations as a financial institution do not include activities for which this indicator would be material.
EN10	Percentage and total volume of water recycled and reused.	The EIB's direct operations as a financial institution do not include activities for which this indicator would be material.
Biodiversity		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Annual Report 2009 – "Corporate Responsibility", p. 98 See direct answer in the GRI table
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	See direct answer in the GRI table and Annual Report 2007 – "Corporate Responsibility", p. 39-40; Annual Report 2006 – "Corporate Responsibility", p. 98.
EN13	Habitats protected or restored.	Not material for our direct impacts. For indirect issues, see direct answer in the GRI table and the following website page: http://www.eib.org/about/news/eib-statement-of-environmental-and-social-principles-and-standards.htm
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	See direct answer in the GRI table and the following website page: http://www.eib.org/projects/topics/environment/biodiversity/index.htm
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	See the following website page: http://www.eib.org/projects/topics/environment/biodiversity/index.htm
Emissions, effluents and waste		
EN16	Total direct and indirect greenhouse gas emissions by weight.	2011 Corporate Responsibility Report, p. 28-31 – Minimising our own imprint See direct answer in the GRI table and the following website pages: http://www.eib.org/infocentre/publications/all/carbon-footprint-2011.htm , p. 5 http://www.eib.org/infocentre/publications/all/carbon-footprint-2010.htm , p. 5 http://www.eib.org/infocentre/publications/all/carbon-footprint-2009.htm , p. 5
EN17	Other relevant indirect greenhouse gas emissions by weight.	See direct answer in the GRI table and the following website page: http://www.eib.org/about/documents/footprint-summary-of-the-methodologies.htm
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	2011 Corporate Responsibility Report, p. 28-31 – Minimising our own imprint
EN19	Emissions of ozone-depleting substances by weight.	We do not produce or manufacture any goods hence this indicator is not relevant to the reporting organisations activities.
EN20	NOx, SOx, and other significant air emissions by type and weight.	We do not produce or manufacture any goods hence this indicator is not relevant to the reporting organisations activities.
EN21	Total water discharge by quality and destination.	We do not produce or manufacture any goods hence this indicator is not relevant to the reporting organisations activities.
EN22	Total weight of waste by type and disposal method.	2011 Corporate Responsibility Report, p. 28-31 – Minimising our own imprint See the following website page: http://www.eib.org/infocentre/publications/all/carbon-footprint-2011.htm , p. 10-11 http://www.eib.org/infocentre/publications/all/carbon-footprint-2010.htm , p. 10-11 http://www.eib.org/infocentre/publications/all/carbon-footprint-2009.htm , p. 9-10
EN23	Total number and volume of significant spills.	We do not have significant spills hence this indicator is not relevant to the reporting organisation's activities.
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	The EIB's direct operations as a financial institution do not include activities for which this indicator would be material or relevant.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	The Bank does not directly discharge any waste or effluent. Wastewater and effluent from the EIB estate is treated by the local municipality where appropriate.
Products and services		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	See direct answer in the GRI table and 2011 Corporate Responsibility Report, p. 23-24 – Renewable energy and energy efficiency
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	The EIB's direct operations as a financial institution do not include activities for which this indicator would be material. In its investments, the EIB promotes transparency by promoters with regard significant projects' impacts.
Compliance		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	The EIB's direct operations as a financial institution do not include activities for which this indicator would be material.
Transport		
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	The EIB's direct operations as a financial institution do not include activities for which this indicator would be material.

Overall		
EN30	Total environmental protection expenditures and investments by type.	The EIB's direct operations as a financial institution do not include activities for which this indicator would be material.
Social: Labor Practices and Decent Work		
Employment		
LA1	Total workforce by employment type, employment contract, and region.	2011 Corporate Responsibility Report, p. 32-33 – Being an employer of choice
LA2	Total number and rate of employee turnover by age group, gender, and region.	See direct answer in the GRI table and 2011 Corporate Responsibility Report, p. 32-33 – Being an employer of choice
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	See direct answer in the GRI table and the following website pages: http://www.eib.org/about/jobs/compensation-and-benefits.htm ; http://www.eib.org/attachments/general/eib_staff_regulations_2009_en.pdf , p. 11
Labor/management relations		
LA4	Percentage of employees covered by collective bargaining agreements.	See direct answer in the GRI table
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	See the EIB Staff Regulations http://www.eib.org/attachments/general/eib_staff_regulations_2009_en.pdf , p. 6 – Article 16
Occupational health and safety		
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Annual Report 2006 – "Corporate Responsibility", p. 105
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	See direct answer in the GRI table
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Not applicable. Due to the nature of the activities of the EIB the risk of serious diseases is very low and risk control programmes are not applicable.
LA9	Health and safety topics covered in formal agreements with trade unions.	Not applicable, due to the nature of the activities of the EIB..
Training and education		
LA10	Average hours of training per year per employee by employee category.	See direct answer in the GRI table
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	See direct answer in the GRI table
LA12	Percentage of employees receiving regular performance and career development reviews.	See direct answer in the GRI table and the EIB Staff Regulations http://www.eib.org/attachments/general/eib_staff_regulations_2009_en.pdf , p. 7, Article 22.
Diversity and equal opportunity		
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	See direct answer in the GRI table.
LA14	Ratio of basic salary of men to women by employee category.	See direct answer in the GRI table and the EIB Staff Regulations: http://www.eib.org/attachments/general/eib_staff_regulations_2009_en.pdf ; http://www.eib.org/attachments/general/salary_scale_2012_en.pdf
Social: Human Rights		
Investment and procurement practices		
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	See direct answer in the GRI table and 2011 Corporate Responsibility Report, p. 10 – Human rights EIB environmental and social practices handbook: http://www.eib.org/attachments/thematic/environmental_and_social_practices_handbook.pdf p.1
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	See 2011 Corporate Responsibility Report, p. 6 and the following website page: http://www.eib.org/attachments/thematic/procurement_en.pdf http://ec.europa.eu/internal_market/publicprocurement/other_aspects/index_en.htm#social
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	See direct answer in the GRI table
Non-discrimination		
HR4	Total number of incidents of discrimination and actions taken.	See direct answer in the GRI table, the EIB environmental and Social Principles and Standards http://www.eib.org/about/news/eib-statement-of-environmental-and-social-principles-and-standards.htm ; Articles 51, 52, 53 and the environmental and social handbook: http://www.eib.org/attachments/thematic/environmental_and_social_practices_handbook.pdf p. 35, 60, 105 http://www.eib.org/projects/news/gazela-bridge-rehabilitation-project.htm
Freedom of association and collective bargaining		
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	See EIB environmental and social practices handbook: http://www.eib.org/attachments/thematic/environmental_and_social_practices_handbook.pdf , p.113
Child labor		
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Not applicable as our headquarters are based in Luxembourg.
Forced and compulsory labor		
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	See direct answer in the GRI table. To date, as due diligence is applied on a project-by-project case, no quantitative collated information exists on this indicator.
Security practices		
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	This indicator is not applicable to the reporting organisation's direct operations. However, the EIB does have three staff members that are in charge of security services and ensuring business continuity. In addition, the EIB has a contract with two security companies that are used occasionally to ensure staff wellbeing on missions in high risk countries.



Indigenous rights		
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	See direct answer in the GRI table
Social: Society		
Community		
SO1	Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	See EIB environmental and social practices handbook: http://www.eib.org/attachments/thematic/environmental_and_social_practices_handbook.pdf , p. 80, 104-106, 121-124.
FS13	Access points in low-populated or economically disadvantaged areas by type.	The EIB does not deal directly with retail customers via access points. EIB/EIF funding is delivered directly to sovereigns, sub-sovereigns and corporates or indirectly through a range of intermediaries banks, guarantee, microfinance institutions and equity funds, etc. that provide equity finance, loans, micro-loans and guarantees to micro, SME and mid-cap sized beneficiaries.
FS14	Initiatives to improve access to financial services for disadvantaged people.	See our website; http://www.eib.org/projects/press/2009/2009-111-eib-supports-access-to-financial-services-for-the-poor.htm
Corruption		
SO2	Percentage and total number of business units analyzed for risks related to corruption.	This data is not available as it is not systematically collected.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	2011 Corporate Responsibility Report, p.33 – Learning and development
SO4	Actions taken in response to incidents of corruption.	2011 Corporate Responsibility Report, p.15 – Exclusion policy See the 2011 Annual Report of Investigations: http://www.eib.org/infocentre/publications/all/inspectorate-general---fraud-investigations-annual-report-2011.htm
Public policy		
SO5	Public policy positions and participation in public policy development and lobbying.	This data is not available as it is not systematically collected.
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	The EIB excludes political parties and related institutions from its financing operations.
Anti-competitive behavior		
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	The EIB has a clear policy objective of non-distortion of local financial markets.
Compliance		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	The EIB's direct operations as a financial institution do not include activities for which this indicator would be material.
Social: Product Responsibility		
Customer health and safety		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	This data is not available as it is not systematically collected.
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	This indicator is not material to the reporting organisation's activities.
Product and service labelling		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	The EIB's operations as a financial institution do not include activities for which this indicator would be material.
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	The EIB's operations as a financial institution do not include activities for which this indicator would be material.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	This data is not available as it is not systematically collected.
FS16	Initiatives to enhance financial literacy by type of beneficiary.	See direct answer in the GRI table and Annual Report 2011 – "Statistical Report 2011 p 62
Marketing communications		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	The EIB's operations as a financial institution do not include activities for which this indicator would be material.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	The EIB's operations as a financial institution do not include activities for which this indicator would be material.
Customer privacy		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	The EIB's operations as a financial institution do not include activities for which this indicator would be material.
Compliance		
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	The EIB's operations as a financial institution do not include activities for which this indicator would be material.



Independent Limited Assurance Report to European Investment Bank

We were engaged by the Management of EUROPEAN INVESTMENT BANK (or "the Bank") to provide limited assurance on the following information included in the "Corporate Responsibility Report 2011" for the year ended December 31, 2011 of EUROPEAN INVESTMENT BANK ("the Report"): indicators and statements in the Report marked with a tick prepared in accordance with the internal reporting criteria applicable in 2011 at the Bank, as detailed on page 36 of the Report.

EUROPEAN INVESTMENT BANK Management's responsibility for the Report

EUROPEAN INVESTMENT BANK's Management is responsible for the preparation and presentation of the Report, and the information and assertions contained within it, in accordance with the internal reporting criteria applicable in 2011 at the Bank as detailed on page 36 of the Report; for determining the EUROPEAN INVESTMENT BANK's objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Responsibility of the Réviseur d'Entreprises agréé

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

A limited assurance engagement on a sustainability report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the sustainability report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- Inquiries of management to gain an understanding of the Bank's processes for determining the material issues for the Bank's stakeholder groups;
- Interviews with relevant staff at corporate and business unit level responsible for providing the information in the Report;
- A media analysis and an internet search for references to the Bank during the reporting period;



- Comparing the information presented in the Report to corresponding information in the relevant underlying sources;
- inquiries about the design and implementation of the systems and methods used to collect and process the information reported, including the aggregation of data into information as presented in the Report;
- With regard to the indicators and statements marked with a tick included in the Report, verifying that they were correctly derived from the Bank's 2011 audited financial statements, when applicable.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement or an audit conducted in accordance with International Standards on Auditing and Assurance Engagements, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit or a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion on the Report as a whole or on the indicators and statements in the Report marked with a tick .

Conclusion

Based on the limited assurance procedures performed, as described above, nothing has come to our attention that causes us to believe that the indicators and statements in the Report marked with a tick are not prepared, in all material respects, in accordance with the internal reporting criteria applicable in 2011 at the Bank, as detailed on page 36 of the Report.

Luxembourg, July 2, 2012

KPMG Luxembourg S.à r.l.
Cabinet de révision agréé

E. DOLLÉ

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Statement GRI Application Level Check

GRI hereby states that **European Investment Bank Group** has presented its report "2011 Corporate Responsibility Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 22 June 2012

A handwritten signature in blue ink, appearing to read "Nelmara Arbex".

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because **European Investment Bank Group** has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.gri.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 24 April 2012. GRI explicitly excludes the statement being applied to any later changes to such material.



Glossary

ACP	African, Caribbean and Pacific Group of States
CABs	Climate Awareness Bonds
CO2e	Carbon dioxide equivalent
CR	Corporate Responsibility
DG Regio	European Commission Directorate-General for Regional Policy
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
EIF	European Investment Fund
EITI	Extractive Industries Transparency Initiative
ELENA	European Local ENergy Assistance
EMS	Environmental Management System
EPEC	European PPP Expertise Centre
ESG	Environmental, Social and Governance
ESIAF	Former (EIB's) Environmental and Social Impact Assessment Framework.
EU	European Union
EV	Operations Evaluation
FATF	Financial Stability Board, the Financial Action Task Force
FEMIP	Facility for Euro-Mediterranean Investment and Partnership
GBP	Sterling
GRI	Global Reporting Initiative
ICT	Information and communications technology
IG	Inspectorate General
ILO	International Labour Organization
IMF	International Monetary Fund
ISO 14001	International Organization for Standardization Environmental Management System standard
JASPERS	Joint Assistance to Support Projects in European Regions initiative
JEREMIE	Joint European Resources for Micro to Medium Enterprises
kt	kiloton
kWh	kilowatt hour
NCJs	Non-Compliant Jurisdictions
NER 300	300 million allowances (rights to emit one tonne of carbon dioxide) in the New Entrants' Reserve of the European Emissions Trading Scheme
NGOs	Non-governmental organisations
OECD	Organisation for Economic Co-operation and Development
PPP	Public-private partnerships
REM	Results Measurement
SMEs	Small and medium-sized enterprises
SSgA	State Street Global Advisors
UN	United Nations
UWC	United World Colleges
WWF	World Wildlife Fund

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