Mission

The Ethics and Compliance Committee ("ECC") rules and makes decisions on any conflict of interest of a member or former member of the Board of Directors or the Management Committee. The ECC provides opinions on any conflict of interest of a member or observer of the Audit Committee.

The ECC may also provide opinions on ethical matters concerning members of the Board of Directors or the Management Committee, regulated in the code of conduct of either body or in related applicable provisions.

The ECC’s operating rules stipulate that its decisions must be communicated to the Board of Directors and the Board of Governors in an annual report.

Composition

The ECC is composed of the four longest-serving directors of the Board of Directors and the chairperson of the Audit Committee. In 2022, its composition was as follows:

- Mr Arsène Jacoby, Chairman, board member since January 2013
- Mr Kyriacos Kakouris, member, board member since May 2004
- Mr Konstantin Andreopoulos, member, board member since May 2013
- Ms Kristina Sarjo, member, board member since May 2013
- Mr Christos G. Triantopoulos, Chairman of the Audit Committee

The ECC’s chair is assumed on a rotating basis. Every three years, the chairperson is replaced by the next ECC member in order of seniority. The outgoing chairperson remains a member of the ECC. Mr Arsène Jacoby was appointed as Chairman as of 1 August 2021.

Activity report for 2022

The codes of conduct of the Management Committee and the Board of Directors are designed, among other considerations, to prevent potential conflicts of interest. To strengthen this principle further during the cooling-off period, certain activities of former members of the Management Committee or Board of Directors might, depending on their specific nature, require assessment and prior approval by the ECC.

In 2022, the ECC met seven (7) times and provided nine (9) decisions.

The breakdown of the ECC’s activities since 2018 is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of meetings</td>
<td>5</td>
<td>5</td>
<td>7</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>Number of reasoned decisions and opinions</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>11</td>
<td>9</td>
</tr>
</tbody>
</table>

concerning a member of the

| Management Committee | 3 | 4 | 9 | 3 | 2 |
| Board of Directors | 2 | 1 | 4 | 4 |
| Audit Committee | 1 | 1 | 2 |  |

concerning a former member of the

| Management Committee | 1 | 2 | 3 | 1 |
| Board of Directors | | | | |
| Audit Committee | | | | 3 |

Management Committee

In accordance with the Management Committee’s code of conduct, certain activities not connected to the Bank’s work also require assessment and prior approval by the ECC, if said activities are to take place during a member’s mandate.

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1 With regard to their cooling-off period.
2 As stipulated in Article 6 of the codes of conduct of the Management Committee and Board of Directors.
3 See Article 5.9 of the Code of Conduct of the Management Committee.
In 2022, two (2) non-objection decisions were provided in response to requests received for a ruling and guidance concerning members of the EIB Management Committee. These non-objection decisions, made after due deliberation, were subject to standard or more specific caveats that were outlined by the ECC to mitigate potential conflicts of interest during and after the EIB mandate.

- One non-objection decision concerned a request from a Management Committee member for the ECC’s opinion in order to participate, in a personal capacity, as a member of the Public Sector Borrowing Requirement section of the Belgian High Council of Finance.
- Another non-objection decision concerned a personal invitation received by a member of the Management Committee to join the Istituto Affari Internazionali, a non-profit cultural association.

**Board of Directors**

As a matter of principle, members of the EIB Board of Directors are free to pursue their professional development during their mandate at the Bank without prior approval from the ECC. This is without prejudice to the requirement to seek the ECC’s approval before committing to any activity which may give rise to a conflict of interest vis-à-vis their duties and responsibilities as board members. A total of seven (7) decisions were provided by the ECC in 2022, in response to requests for a ruling and guidance, four (4) of which were received from active board members and three (3) of which were received from former board members.

- The ECC was notified of new external activities not connected to the Bank’s work by three (3) different active board members and decided to perform a comprehensive analysis of the new professional positions vis-à-vis any conflicts of interest and reputational risks for the Bank. After due deliberation, the ECC was of the opinion that the respective new professional positions were compatible with membership of the EIB Board of Directors and recommended to put in place a number of measures to mitigate any potential conflict of interest, possible confidentiality issues and reputational risks.
- One (1) non-objection decision concerned a request received from a member of the Board of Directors on a possible appointment as a member of the EIB Management Committee.
- Three (3) non-objection decisions were taken by the ECC concerning requests received from three (3) former members of the Board of Directors on external appointments during their cooling-off periods. This included one (1) request that failed to comply with the provisions of Article 6.1 of the Code of Conduct of the Board of Directors, as a former member did not obtain prior approval of the ECC before engaging in profitable occupational activities in the private sector during the one-year cooling-off period.

The aforementioned non-objection decisions taken by the ECC were subject to specific terms and conditions, such as abstaining from any business relations with the EIB Group and from lobbying EIB Group Governing Bodies and staff, where relevant.

These decisions were taken after a comprehensive analysis of the context and the potential conflict of interest related to each request. Due consideration was given to the information received, the extent of responsibilities of the individual concerned, and any applicable legal provisions.

Members of the Board of Directors may disclose information which is classified as non-public as per the EIB classification of information, received in the exercise of their duties or generated by them, whether directly or indirectly, to national parliaments, authorities and officials, on a strict need-to-know basis, to address public policy-related questions, provided that the Bank is duly informed in a timely manner about disclosure. The Bank received only one such notification in 2022.

In 2022, there were three (3) instances in which a board member declared a conflict of interest with regard to an agenda item being discussed during a meeting of the Board of Directors. In addition, one (1) declaration was received from a board member concerning decisions adopted by written procedures.

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4 See Article 2.3 on confidentiality of the Code of Conduct of the Board of Directors.
Considerations by the Ethics and Compliance Committee in 2022

At the discretion of the ECC, during a restricted session of the Board of Directors in June 2022, the members of the Board of Directors were reminded about their obligations arising from or in connection with the Code of Conduct of the Board of Directors and the Operating Rules of the Ethics and Compliance Committee, in particular regarding the new provisions on cooling-off requirements stipulated in Article 6.1 of the code.

In June 2022, the European Ombudsman ("EO") informed the EIB of a complaint concerning the manner in which the EIB had handled the move of a former EIB vice-president and chairman of the EIF Board of Directors to become the CEO of the national promotional bank of Italy. In December 2022, the EIB Group responded to the questions raised by the EO on the matter. The conclusions of the EO on this case had not been received as of 31 December 2022.

In July 2022, the EO published the decision on how the EIB handled a former vice-president's post-employment application to join an energy utility company that had received EIB loans. This inquiry can be considered in the context of a wider initiative of the EO on how the European institutions implement (post-employment) ethics-related obligations when senior representatives move to the private sector. The EO concluded that the EIB did not properly manage the risk related to the conflicts of interest which arose from the request of the former vice-president to take up the position in the energy utility company during her cooling-off period. Nonetheless, in the interim, the EIB improved the relevant internal ethics rules. The EO therefore closed the inquiry with only a few suggestions for improvement being proposed, which are documented in the EIB Complaints Mechanism Report 2022.

In July 2022, the ECC members discussed draft proposals to review Declaration of Interest (DoI) templates for senior staff, Management Committee members and board members. The ECC, after deliberations, considered that the proposed changes to the DoI templates were appropriate for senior staff and Management Committee members. As regards the DoI for board members, the ECC was of the view that there is a material difference between the non-resident Board of Directors, the resident Management Committee and senior staff members in their respective relationships with the Bank. Hence, the ECC was of the opinion that this difference should be taken into account in the content of the DoI of board members.

In December 2022, the ECC provided a non-objection decision on the intention of the Bank’s services to submit a proposal to the Management Committee regarding a strategic sponsorship of a not-for-profit foundation. This included specific caveats and clarifications, which were implemented by the Bank following the Management Committee’s decision to set up this sponsorship.

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5 The EIB Complaints Mechanism (for external audience) coordinates complaints received by the European Ombudsman concerning EIB’s actions.