

EIB GROUP COMPLIANCE ACTIVITY REPORT 2024

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EIB Group compliance activity report 2024

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European Investment Bank
98-100, boulevard Konrad Adenauer
L-2950 Luxembourg

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STATEMENT BY THE EIB GROUP CHIEF COMPLIANCE OFFICER AND EIF CHIEF COMPLIANCE OFFICER

The EIB Group Compliance Activity Report outlines the activities of the EIB Group Compliance Function and gives an overview of the developments in the Group Compliance Functions over the past year. As part of the second line of defence, we perform risk-based monitoring of the first line of defence controls, provide guidance, set standards, and monitor the ever-evolving regulatory environment.

In all our activities, we meet the highest standards in compliance, in line with the principles of the relevant EU legislation and best banking and market practice.

Ethics is at the core of what the EIB Group does. This commitment was strengthened by the Speak-up and Dignity at Work Action Plan, which was approved in 2024. This plan, together with active awareness raising on integrity matters through training and events, has helped to reinforce our control environment in relation to ethics and integrity.

The Compliance Monitoring Programmes at the EIB and the EIF are another key activity for the Compliance Functions. They make it possible to assess the adequacy of the design of compliance controls and their operating effectiveness. In 2024, one of the priorities of the EIB Compliance Monitoring Programme was to complete a full scope assessment of the AML-CFT and NCJ control framework.

International sanctions regimes have grown in volume and complexity in recent years, and therefore the sanctions landscape that the EIB Group monitors is constantly evolving. Our sanctions compliance programme responds to these challenges, including on matters related to reputational risk in the context of the EIB and EIF's operations.

In 2024, the EIB Compliance Function also further updated the EIB market abuse framework.

The Group Compliance Function continued to support the Group's digital strategy, including working on data management, and also making a considerable contribution to the increased risk ownership of the first line of defence. In the area of data protection, with the European Artificial Intelligence Act entering into force in 2024, the EIB Data Protection Officer will act as the correspondent for this act at Group level.

To effectively work in tandem on the above fields, and to ensure consistency across the Group, the EIB and EIF continue to foster Group alignment in all areas of compliance. In 2025, as we approach the 20th anniversary of the Compliance Function's founding, we are proud to work with dedicated and highly motivated teams to contribute to the EIB Group's strategy and success.



Roberto Garcia Piriz
Group Chief Compliance Officer



Elizabeth Murphy-Dunne
EIF Chief Compliance Officer

EXECUTIVE SUMMARY

The **EIB Group Compliance Functions**, composed of the EIB and EIF Compliance Functions, regularly adapt their policies, practices and systems in line with the EIB and EIF risk appetite frameworks, market trends, the regulatory landscape and best practice. Compliance is considered throughout the lifecycle of operations and acts as a second line of defence on integrity and good governance issues. The EIB Group Compliance Functions have started cooperating more closely to promote Group alignment and synergies, wherever proportionate to do so. There has also been an efficiency project aiming to reduce time to market and align with the digital ambition and digital transformation processes. As part of this effort, the EIB Compliance Function has further clarified its risk-based approach applicable to the existing AML/CFT and tax integrity due diligence processes.

The **EIB Compliance Function** is an independent control function led by the Group Chief Compliance Officer (GCCO). The Office of the Group Chief Compliance Officer (GR&C-OCCO) is part of the Group Risk and Compliance Function of the EIB. The Group Chief Compliance Officer operates under the Group Chief Risk Officer (GCRO) having direct access to the President, the Management Committee, the Audit Committee, and the Ethics and Compliance Committee as well as access to the Board Working Group on Tax and Compliance Matters.

The **EIF Compliance Function** at the EIF individual entity level is headed by the EIF Chief Compliance Officer, under the EIF Chief Risk Officer, and has direct access to the EIF Chief Executive/Deputy Chief Executive and to the statutory bodies of the EIF.

While the **EIB Group** does not fall within the direct scope of EU legislation concerning credit institutions, the EIB Group and its Compliance Functions aim to comply with relevant EU banking legislative acts and guidelines, to the extent determined applicable by the EIB Group's governing bodies in line with its statutory duty to conform to best banking/market practice.

The **EIB Group Compliance Activity Report** provides information about the work of the respective EIB Group Compliance Functions, including the main developments over the course of 2024 and the priorities for 2025.

Overview of the report

The following section will outline the purpose of the EIB Group Compliance Activity Report and the best banking practice/best market practice frameworks under which the EIB Group operates, as well as the EIB Group Compliance Functions' core activities.

Chapter 2 provides an overview of the structure of EIB Group compliance and governance. It includes the main features of the EIB Group Compliance Functions' operational guidelines and processes.

Chapter 3 provides details of the EIB Group's Compliance Risk Assessment and the EIB's and EIF's Compliance Monitoring Programmes.

Chapter 4 outlines risk governance within the remit of the Group Risk and Compliance Function. It describes the EIB Group Compliance Functions' input in operations, including its contribution to anti-money laundering and combating the financing of terrorism (AML/CFT), tax good governance, economic and financial sanctions (hereinafter sanctions) and market integrity topics.

Chapter 5 provides an overview of the EIB Group's activities in promoting a culture of strong compliance and ethics, including preventing and mitigating personal conflicts of interest and applying the EIB Group Staff Code of Conduct, as well as declarations and clearances.

Chapter 6 provides an overview of personal data protection within the EIB Group.

Chapter 7 outlines the EIB Group's cooperation with other national and multilateral development banks and international stakeholders.

Finally, the report will provide a forward-looking overview of the EIB Group's priorities for 2025.

1 INTRODUCTION

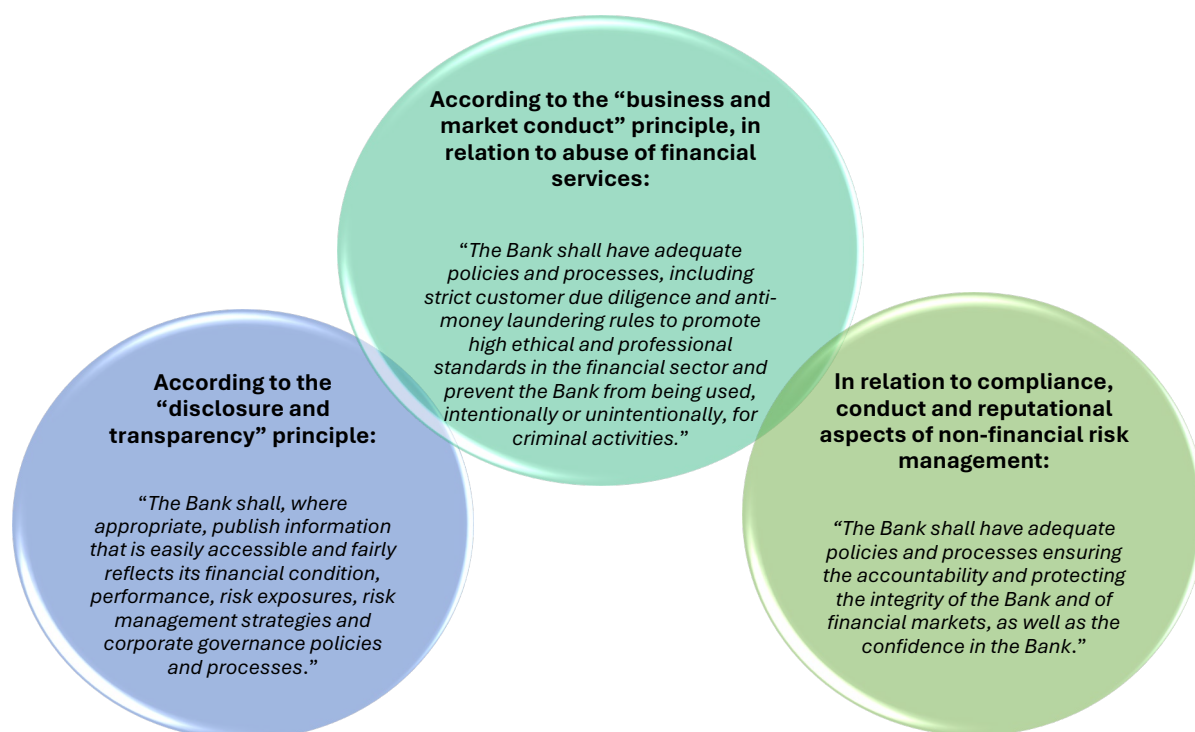
This report provides key information on the approaches and actions taken by the EIB Group to manage risk in the remit of its Compliance Functions. It describes the main developments in the EIB and EIF Compliance Functions in 2024 and their priorities for 2025. The report should be read in conjunction with the 2024 Group Risk Management Disclosure Report, which provides further information on the approach taken by the EIB Group to manage the main non-financial risks to which it is exposed.

Best banking/market practice framework

The Bank is committed through Article 12 of its Statute to conform to best banking practice (BBP), which includes adhering to relevant EU banking legislation and guidelines, according to principles determined by the competent EIB governing bodies. In order to clarify the EIB's best banking practice framework, the EIB Board of Governors approved the Bank's [Best Banking Practice Guiding Principles](#).¹

In line with Article 2.3 of the EIF Statute, its activities "shall be based on sound banking principles and other sound commercial principles and practices as applicable," and pursuant to Article 22.4, the Audit Board verifies adherence to these principles and practices. The EIF Compliance Function is committed to the EIF best market practice framework, as approved by the EIF Board of Directors, which sets out high-level regulatory principles and determines that the EIF must comply with (i) the EIB Best Banking Practice Guiding Principles regarding consolidation requirements, and (ii) additional rules relevant and applicable to the EIF as a standalone entity, together with best market practice for the EIF.

Below are the key elements of the Best Banking Practice Guiding Principles for the EIB Compliance Function:



¹ In line with Article 12.1 of the EIB Statute.

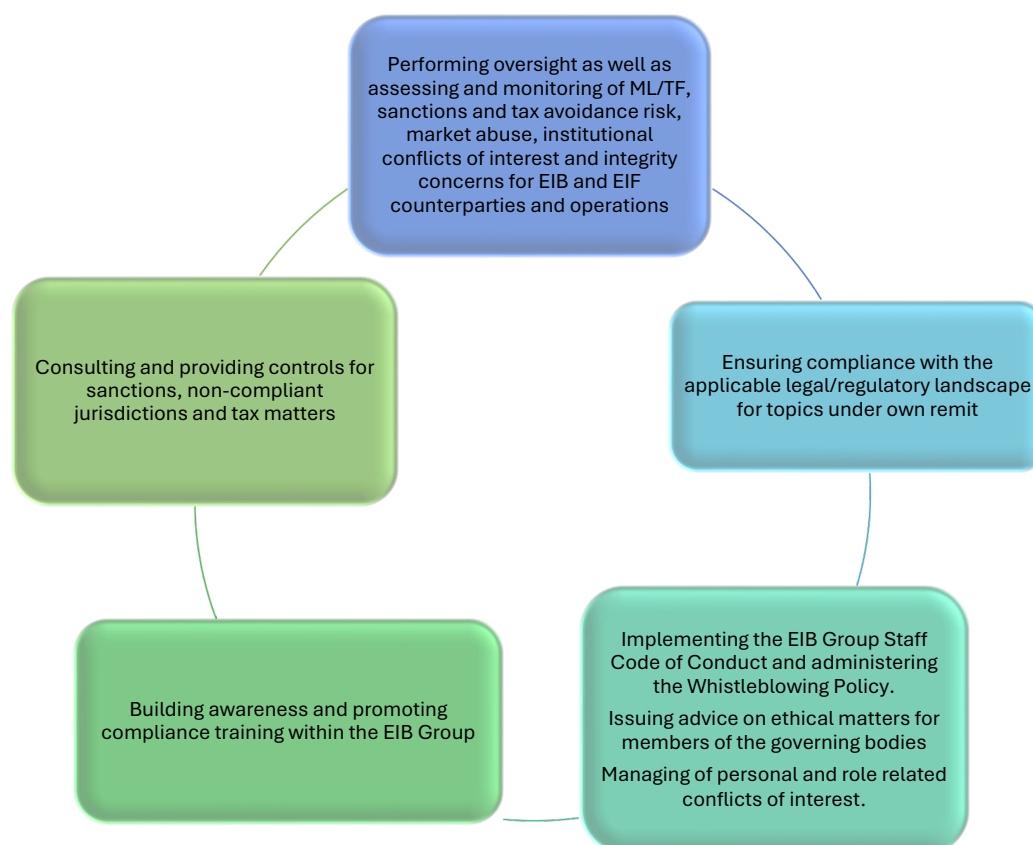
In line with the existing best banking practice framework, the EIB Compliance Function assesses compliance with key EU banking regulatory requirements related to the fields of business and market conduct, such as AML/CFT and market abuse, governance and compliance, and ethics culture. With regard to sanctions, the EIB Compliance Function assesses compliance with EU restrictive measures, including those transposing UN sanctions and, following a risk-based approach, sanctions imposed by third countries.

EIB Group Compliance core activities

The objectives of the EIB Group Compliance Functions are to assess, monitor and report on relevant non-financial risks for the EIB Group, including compliance and conduct. They are responsible for setting up policies and processes to manage compliance risks and for ensuring oversight of the first line of defence in line with those policies. They are involved in operations throughout their lifecycle, providing expert advice and guidance to the governing bodies and other staff in the fields of AML/CFT, tax good governance, market abuse, the Markets in Financial Instruments Directive (MiFID), conflicts of interest and sanctions. The functions also provide advice to the EIB Group's governing bodies on measures to be taken (i) to ensure compliance with legal and regulatory requirements, and (ii) to ensure that risks are managed effectively.

The EIB Group Compliance Functions provide training, raise awareness on compliance matters and implement the EIB Group Staff Code of Conduct and Whistleblowing Policy. They also have an advisory and decision-making role on ethics and integrity issues, providing opinions and recommendations to ensure compliance with the principles of professional ethics. They also actively support the EIB statutory bodies on matters related to ethics and integrity.

Figure 1 — Compliance core activities



2 COMPLIANCE ORGANISATION AND GOVERNANCE

Set up 20 years ago, the EIB Compliance Function – part of a wider Group Risk and Compliance Directorate – is responsible for compliance risk management of non-financial risks on an institutional level. The EIB and EIF Compliance Functions have a framework of cooperation for greater synergies. Alignment initiatives have included Group policies in the areas of AML/CFT, market abuse, sanctions, non-compliant jurisdictions, whistleblowing, code of conduct, conflicts of interest and data protection, among others related to digital ambition, the compliance risk assessment and other matters. The EIB Group is also committed to following the three lines of defence model in its internal management of compliance risks and controls. In this model, the Compliance Function is part of the second line of defence.

The role of the Group Chief Compliance Officer and the EIF Chief Compliance Officer

As part of the Group Risk and Compliance Directorate, the EIB Compliance Function is responsible for:

- developing and implementing EIB Group compliance policies and procedures in consultation with the EIF;
- independently **reviewing/assessing and advising** on non-financial risks of the EIB Group on a consolidated basis – including compliance and conduct risks – and **monitoring** these risks.

The Group Chief Risk Officer (GCRO) has line management responsibility for the Group Chief Compliance Officer. This provides the GCRO with a comprehensive and holistic view of all risks under their remit. The GCRO ensures risk management oversight and provides technical advice to the EIB and EIF governing bodies on Group risk-related matters and the EIB Group's overall risk profile. In turn, the Group Chief Compliance Officer is responsible for independent oversight of compliance risk – ensuring that compliance risk for the EIB Group is identified, assessed and measured – and also for monitoring these risks, under the oversight of the GCRO.

The EIF Compliance Function is part of EIF Risk Management. The EIF Chief Risk Officer has line management responsibility for the EIF Chief Compliance Officer. The EIF Chief Compliance Officer also has direct and unequivocal access to the EIF Chief Executive and the Deputy Chief Executive, the EIF Board of Directors and Audit Board, the Group Chief Compliance Officer, and the Group Chief Risk Officer. The EIF Chief Compliance Officer reports to the EIF's management and governing bodies on EIF Compliance Function activities and holds regular meetings with the EIF Board of Directors and with the EIF Audit Board.

Staffing and resources

The headcount of the EIB Compliance Function has remained stable over recent years – 111 in 2022, 116 in 2023 and 109 in 2024. Following the EIF's reorganisation, the EIF Compliance Function grew to 43 professionals by the end of 2024, an increase of 13 full-time employees compared to the previous year. This growth primarily reflects the transfer of non-financial risk tasks and resources from risk management to the EIF Compliance Function.

The EIB Group Compliance Function's business activities

The EIB Compliance Function is structured around two departments: (i) Group Operational and Regulatory Compliance, and (ii) Group Non-Financial Risk. The EIF Compliance Function has two divisions within the department. These are the Transaction & Mandate Compliance Division and the Internal Control, Regulatory & Corporate Compliance Division. The link to the organigramme of the EIB Group Risk and Compliance Directorate, including the Office of the Chief Compliance Officer, is available [here](#).

Training and awareness raising

The EIB Group is committed to providing dedicated and continuous training on compliance matters and organises awareness raising events, including an ethics Week for staff in October 2024 and a specific training session for management. To minimise compliance, conduct and reputational risks, the EIB Group has continued to promote a sound compliance culture. Staff have access to specific e-learning courses on AML/CFT, conduct and whistleblowing, market abuse, anti-fraud and corruption,² institutional conflicts of interest, sanctions, and personal data protection.

3 EIB GROUP COMPLIANCE RISK ASSESSMENT AND COMPLIANCE MONITORING PROGRAMMES

This chapter outlines the EIB Group Compliance Risk Assessment and the Compliance Monitoring Programmes for the EIB and the EIF.

EIB Group Compliance Risk Assessment

The EIB Group Compliance Functions perform an annual EIB Group Compliance Risk Assessment. This assessment is designed to meet specific regulatory requirements,³ guidance and best banking/market practice. The exercise follows the Group Compliance Risk Assessment methodology. The results of this annual exercise include, among other compliance risk topics, the assessment of money laundering and terrorism financing risk.

Compliance Monitoring Programmes

The Compliance Monitoring Programmes (CMP) at the EIB and the EIF enable the respective EIB Group Compliance Functions to assess the design adequacy and operating effectiveness of identified compliance controls. These programmes are a key element of the integrated EIB Group Compliance Risk Assessment framework. They feed back into the EIB Group Compliance Risk Assessment to provide information on the control design and operating effectiveness assessment, thereby helping to assess respective residual risks. In turn, the outcome of the compliance risk assessment serves as a basis for the (multi)annual risk-based plan for the Compliance Monitoring Programme.

In 2024, CMP priorities were adjusted for the implementation of a new Know Your Customer (KYC) lifecycle platform and sanctions controls. On that basis, the full scope of AML-CFT controls were assessed.

The statutory bodies/executive management of the EIB and the EIF are informed about the results of the EIB Group Compliance Risk Assessment and Compliance Monitoring Programmes.

² The Group Anti-Fraud Policy is under the remit of the Inspectorate General.

³ In particular, Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU; Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC, which Member States were due to transpose into national law in 2017 and 2020, respectively (fourth and fifth EU AML/CFT Directives); FATF Recommendations and the EBA/ESMA/EIOPA Joint Guidelines JC 2017 37 (EBA's Risk Factor Guidelines).

4 OPERATIONS AND REGULATORY COMPLIANCE

4.1 Money laundering and terrorist financing risk

The EIB Compliance Function sets standards and provides guidance to the first line of defence, supports and advises on money laundering and terrorist financing (ML/TF) risks, and performs risk-based monitoring of the first line of defence controls. The EIB Group adheres to an AML/CFT framework through the [EIB Group AML/CFT Policy](#) and supporting documents. At the EIB, AML/CFT matters are followed by a dedicated AML & Tax Compliance Unit within the Tax and Regulatory Compliance Division. At the EIF, AML/CFT second line responsibilities are handled by the Transaction and Mandate Compliance Division.

Anti-money laundering and combating the financing of terrorism procedure and reporting on AML/CFT

The EIB Compliance Function actively monitors the AML/CFT regulatory environment and related market practices, including international guidance and guidelines. The procedure is being updated in 2025 to incorporate regulatory developments and ongoing changes related to the implementation of delineation.

The EIB Compliance Function monitors the evolving AML/CFT regulatory environment and related market practices, assessing their relevance in line with the EIB Best Banking Practice Guiding Principles. In 2024, particular attention was paid to the new EU AML Package, which strengthens and harmonises AML/CFT rules across the European Union. The AML Package will be further supported by newly issued guidelines, Regulatory Technical Standards and Implementing Technical Standards, which are expected to be issued and come into force across 2026 and 2027. The EIB Group continues to actively monitor guidance and guidelines issued by the European Banking Authority (EBA) and the Financial Action Task Force (FATF).

The EIB Group Compliance Functions share the following information with the statutory bodies:

- comprehensive and timely information and data on money laundering and terrorist financing risks and AML/CFT compliance, proportionate to the scale and nature of activities;
- the impact of changes in the legal or regulatory environment on the activities and compliance framework;
- AML/CFT controls to be implemented or strengthened, proposals for improvement and progress reports on significant remedial programmes concerning the institution's money laundering and terrorist financing risk exposure.

The Group's governing bodies are also regularly updated on the evolution of money laundering and terrorist financing risk. In 2024 the Audit committee received a presentation on the new AML Package and an overview of the key changes.

Ex-ante AML/CFT due diligence and compliance assessment of operations

In line with its role as the second line of defence, the EIB Group Compliance Functions provide independent expert advice to the first line of defence and to the decision-making bodies on AML/CFT and integrity aspects of operations at the ex-ante stage.

In accordance with the EIB Group AML/CFT Policy, the Group applies customer due diligence measures to relevant counterparties for all operations on a risk-sensitive basis. When consulted by the first line of defence in higher risk situations, the EIB Group Compliance Functions assess the compliance risk potentially associated with a specific higher risk operation and/or counterparty and may propose measures to mitigate or manage money laundering and terrorist financing and other compliance risks.

The EIB Group Compliance Functions:

- set up the compliance policies, frameworks, methodologies and tools;
- ensure the oversight of the first line of defence services and their adherence to policies and frameworks;
- advise and report to the Bank's governing bodies and other relevant services on compliance risks;
- design and provide training to the first line of defence to enable them to carry out their due diligence tasks.

Figure 2 — Number of EIB Compliance Function consultations and opinions 2022-2024

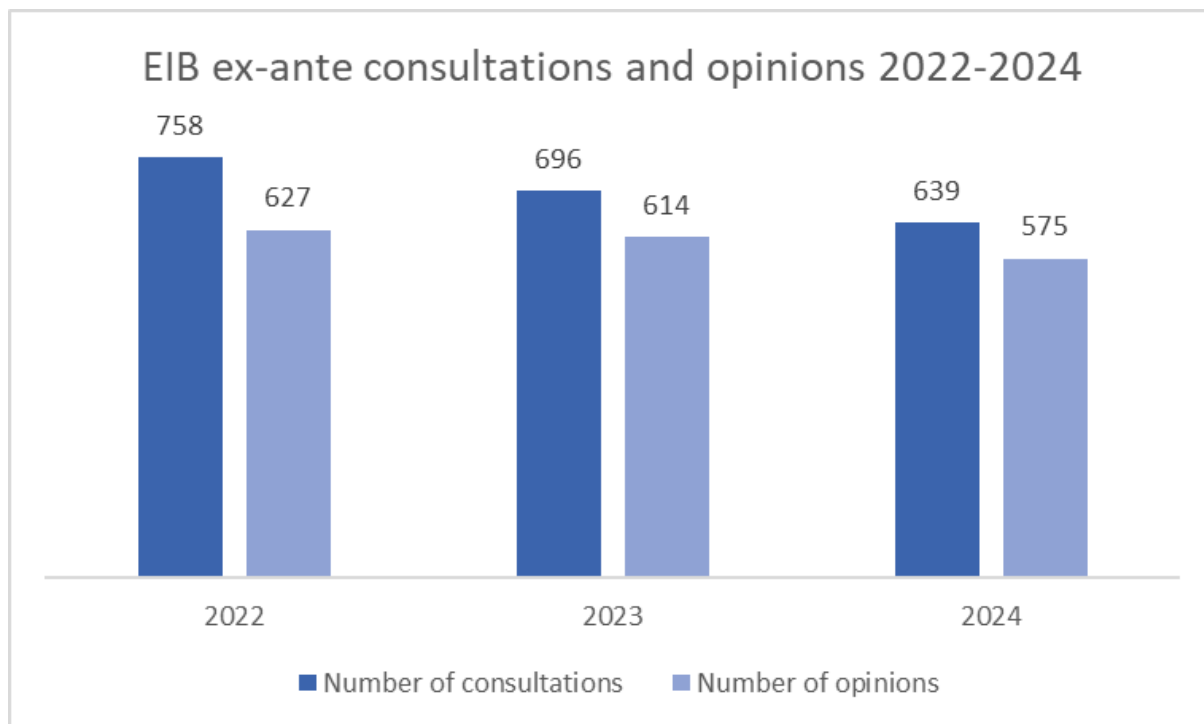
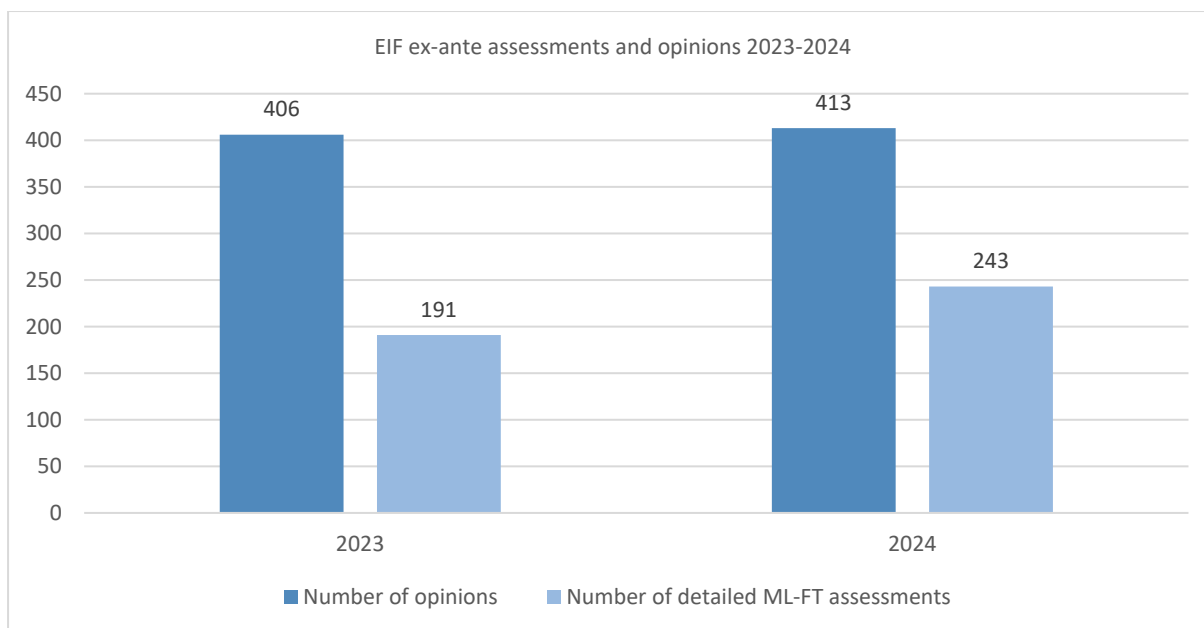


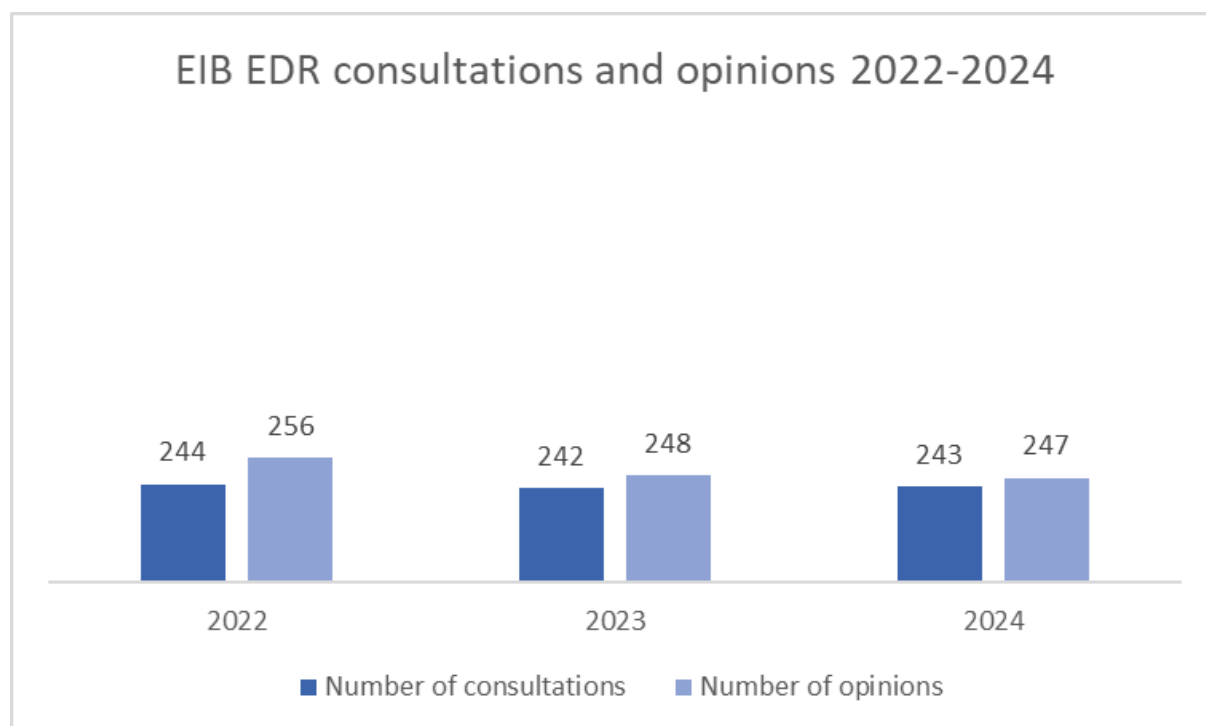
Figure 3 — Number of EIF Compliance Function opinions and detailed ML-FT assessments 2023-2024



Event-driven reviews following board approval

The EU AML/CFT Directive requires information about relevant counterparties and their risk profile to be kept up to date throughout the lifetime of the business relationship. In this context, the EIB Group Compliance Functions are consulted on a risk-based approach.

Figure 4 — EIB event-driven review statistics 2022-2024



Ex-post AML/CFT due diligence other than event-driven reviews

In relation to ex-post counterparty due diligence, the EIB Group Compliance Functions are involved in reviewing potentially unusual transactions, the ongoing monitoring of counterparties, and reporting suspicious activities and transactions. Further information on these activities is provided below.

Review of potentially unusual transactions: The EIB Group's services maintain controls to identify unusual transactions. In accordance with the EIB risk-based approach, the EIB Group Compliance Functions are consulted by the relevant first line of defence services on incoming and outgoing payments in the case of pre-defined money laundering and terrorist financing risk-related triggers. Consultation of the Compliance Function may trigger enhanced customer due diligence measures, and in the event of suspicion of money laundering and terrorist financing, reporting to the Luxembourg Financial Intelligence Unit (FIU).

Ongoing monitoring of counterparties: The Compliance Function guides and advises the first line of defence by applying a risk-based approach to assess money laundering and terrorist financing risk factors identified throughout the duration of business relationships. The EIB Group Compliance Functions may issue recommendations to mitigate money laundering and terrorist financing risks and to ensure that the related risk assessment of the relevant counterparty and/or operation is updated. In 2024, around 1 787 consultations were performed by the EIB Compliance Monitoring Division, which also helped the first line of defence services to conduct the regular customer due diligence periodic reviews of the Bank's counterparties.

In 2024, a total of 353 ad hoc consultations were requested to the EIF Compliance Function from other services. Requests spanned a variety of topics, including general consultations on tax-relevant matters, reviews of tax-

relevant clauses in the legal documentation and of payments to/from entities with non-cooperative jurisdiction (NCJ) links and compliance related clauses.

Reporting suspicious activities and transactions: The EIB and EIF have an agreement in place with the Luxembourg Financial Intelligence Unit (FIU) that provides a framework for exchanging information when reporting suspicious activities and transactions that may constitute money laundering, related underlying offences or terrorist financing.

AML control oversight testing: To supplement the Compliance Monitoring Programme, the EIB and EIF Compliance Functions perform regular control oversight monitoring on the first line of defence controls. Where possible control or data deficiencies are identified, the control framework can be enhanced.

Figure 5 — EIB - Total number of monitoring contributions 2022-2024

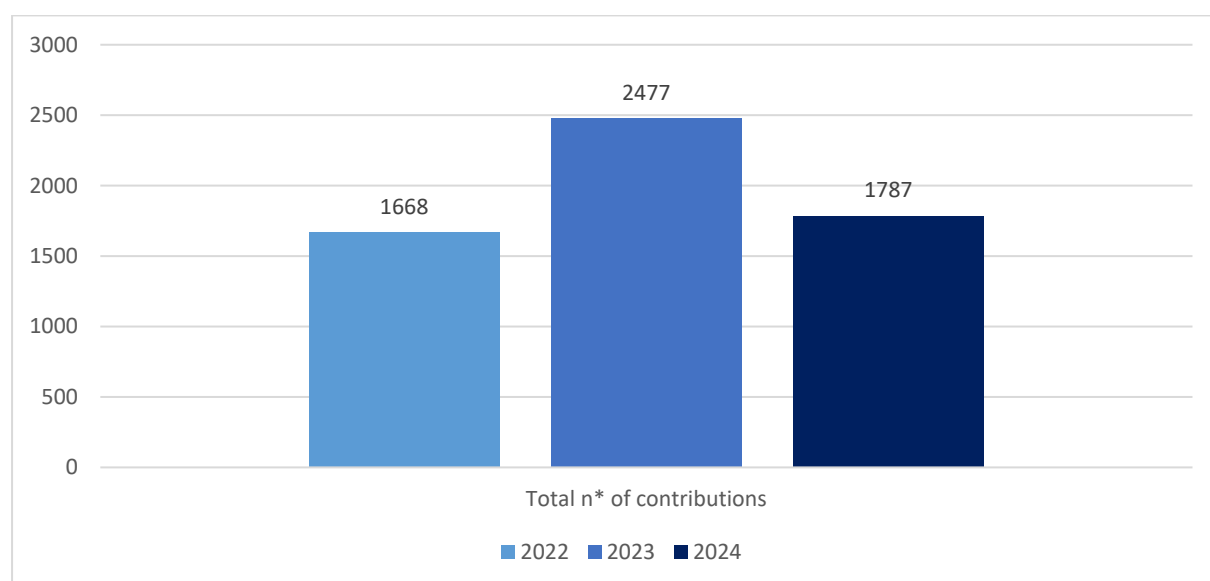
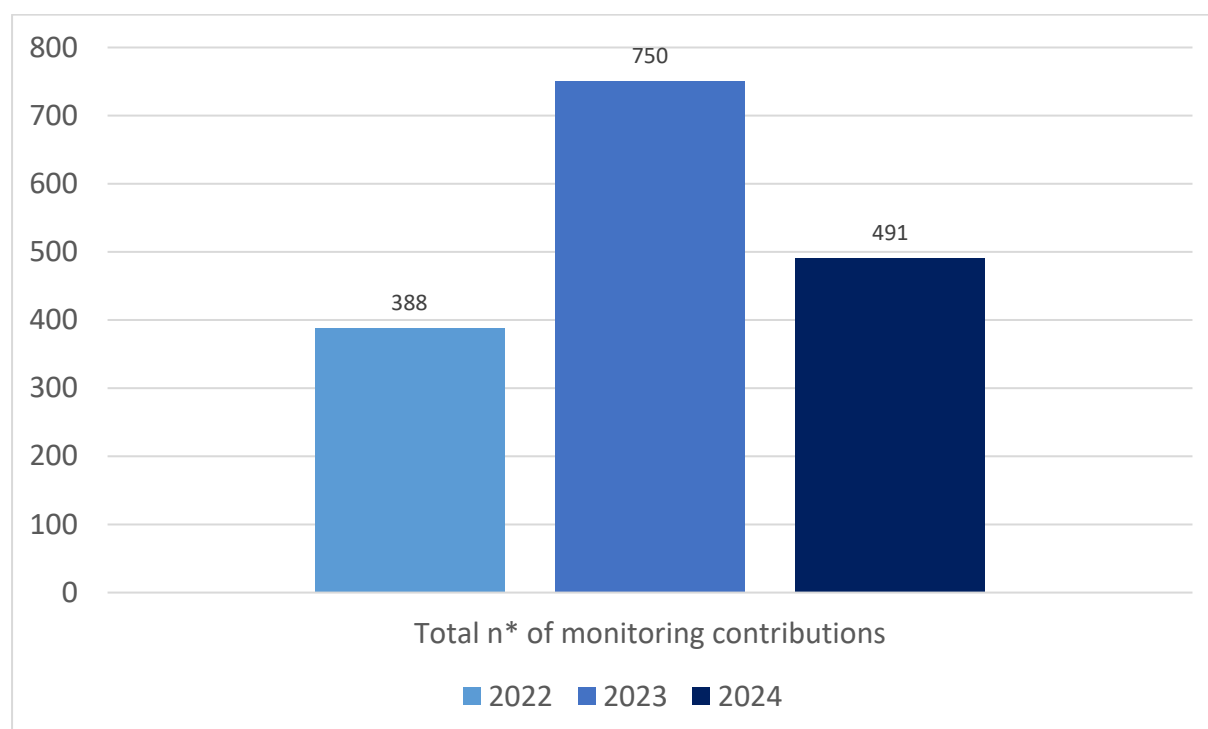


Figure 6 — EIF - Total number of monitoring contributions 2022-2024



4.2 Sanctions risk and exclusions

The sanctions landscape in 2024 and the sanctions compliance programme

Due to the rapidly evolving sanctions landscape, the EIB Group is constantly refining its sanctions compliance programme. In 2024, particular attention was paid to the new sanctions packages adopted in response to the ongoing Russian invasion of Ukraine, ensuring their integration into the EIB Group sanctions compliance programme, taking into account the high level of sanctions and terrorism financing risk and with an increased focus on tackling the circumvention of sanctions. Additionally, the EIB Group has offered the sanctions compliance e-learning since quarter 4 of 2024.

At the end of 2024, the Group's sanctions risk exposure remains stable with adequate controls in place. In line with the EIB Group Sanctions Compliance Policy, the EIB and the EIF are working towards a centralised sanction compliance programme. The respective EIB and EIF services implement synergies and ensure that information is mutually exchanged, while sharing best practices and business knowledge. The EIB's sanctions compliance programme will continue to be improved in line with best banking practice or best market practice and based on recommendations from the competent sanctions authorities, with a particular focus on the guidelines on restrictive measures (sanctions) published in November 2024 by the European Banking Authority. The EBA guidelines contain provisions that are necessary to ensure that financial institutions' governance and risk management systems are sound and sufficient to address the risk that they might breach or evade sanctions. The EIB Group Compliance Functions will assess their relevance to the EIB Group, focusing on the four pillars announced in the EBA guidelines to manage the sanctions risk: (i) the Governance framework, (ii) conducting a restrictive measures exposure assessment, (iii) ensuring the ongoing effectiveness of restrictive measure policies, procedures and controls, and (iv) training.

Figure 7 shows the EIB Compliance Function's activities in the field of sanctions between 2021 and 2024 and Figure 8 shows the EIF Compliance Function's activities in the field of sanctions in 2023 and 2024.

Figure 7 — The EIB Compliance Function’s activities in the field of sanctions (2021-2024)

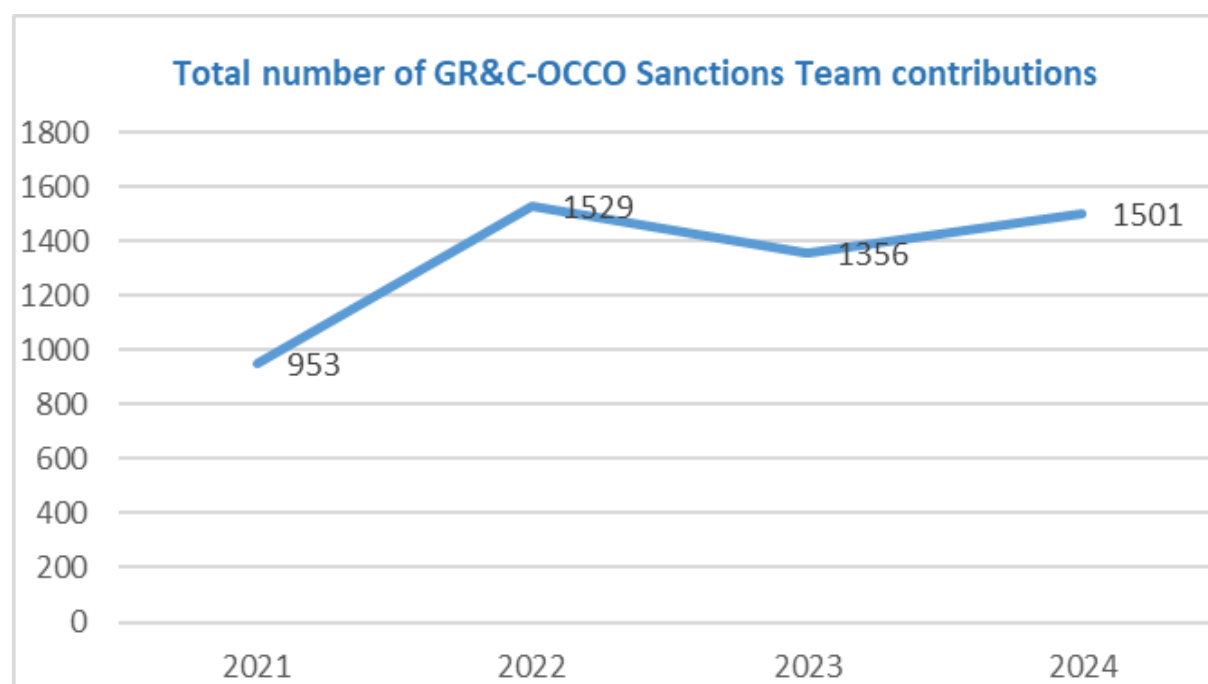
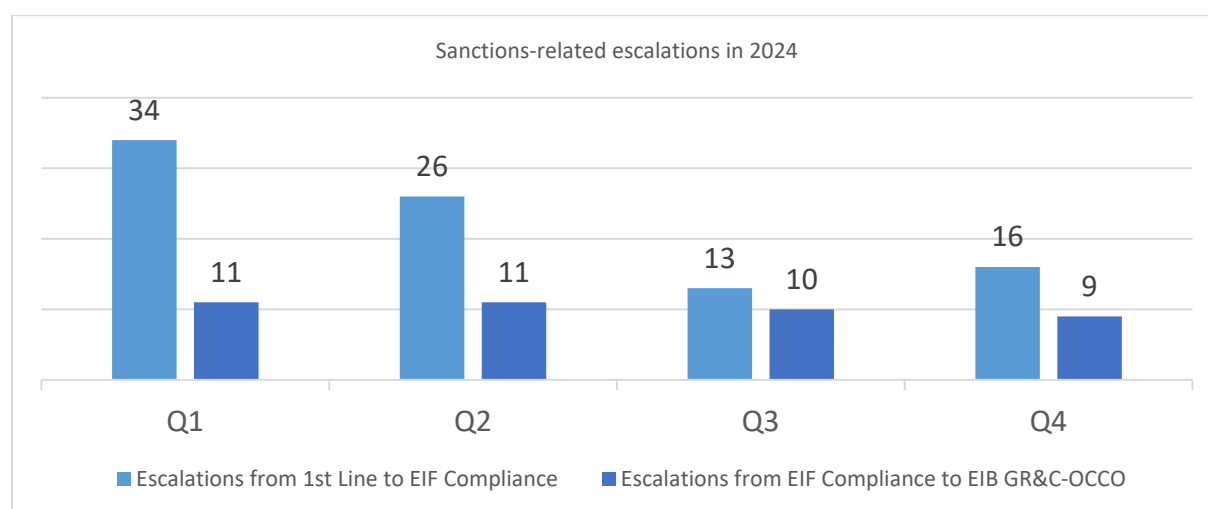


Figure 8 — The EIF Compliance Function’s activities in the field of sanctions in 2024



Exclusion Committee Secretariat

The EIB Compliance Function is responsible for the Secretariat of the Bank’s Exclusion Committee. Established in 2020, it acts in accordance with the Exclusion Policy⁴ and is chaired by the Group Chief Compliance Officer.

4.3 Non-cooperative jurisdictions and tax good governance

The EIB Group is committed to preventing operations from being misused for tax fraud, tax evasion and tax avoidance. The EIB Group’s policy on weakly regulated, non-transparent and non-cooperative jurisdictions and tax good governance ([EIB Group NCJ Policy](#)) considers recent European and international regulatory

⁴ The Exclusion Policy falls under the remit of the Inspectorate General.

developments in tax integrity and tax good governance standards and policies, such as the EU Council conclusions on the European Union's list of non-cooperative jurisdictions for tax purposes, the Organisation for Economic Co-operation and Development's (OECD) base erosion and profit shifting project, and the European Union's anti-tax avoidance package.

The EIB Group continuously works on strengthening its tax good governance framework and in 2023 developed a Tax Integrity Risk Rating tool, which has been piloted and tested throughout 2024, with Group-wide implementation expected in 2025. As part of the EIB Group Compliance Functions' day-to-day activities, opinions and interpretative assistance are provided for regulatory topics linked to non-cooperative jurisdictions, AML/CFT, tax avoidance, market abuse, MiFID and general integrity matters.

Non-cooperative jurisdictions

Non-cooperative jurisdictions (NCJs) under the EIB Group NCJ Policy are designated based on relevant classifications made by one or more lead organisations. The lead organisations include, among others, the European Union, the Financial Action Task Force (FATF), the OECD, the Global Forum and the G20. The EIB Group closely follows and considers updates made to these lead organisations' reference lists. For more information on the reference lists, please see the frequently asked questions about the EIB Group NCJ Policy [here](#).

Tax integrity due diligence

The Anti-Tax Avoidance Toolbox is included in the EIB Group NCJ Policy and sets out general expectations for contracting counterparties as part of the tax integrity due diligence process at the EIB Group.

All EIB and EIF operations are subject to a risk-sensitive assessment in line with the standards of the due diligence process outlined in the EIB Group NCJ Policy and the respective EIB/EIF revised implementing procedures, among other documents. In 2024, the EIB Compliance tax team continued to enhance its risk-based approach in relation to tax integrity due diligence ("Tax IDD"). This led to:

- i) further delineation, with due diligence now concluded within the first line of defence for lower risk operations, and focusing on higher risk indicators at the pre-screening stage;
- ii) the time to market reduction initiative.

This combination resulted in a decrease in the total number of preliminary escalations to EIB Compliance between 2023 and 2024, and a stable number of Tax IDD requests at the approval stage.

Importantly, the EIB Compliance tax team simulated the Tax Integrity Risk Rating tool in its assessments that resulted in more consistent analysis.

Figure 9 — EIB Compliance tax team activities 2022-2024

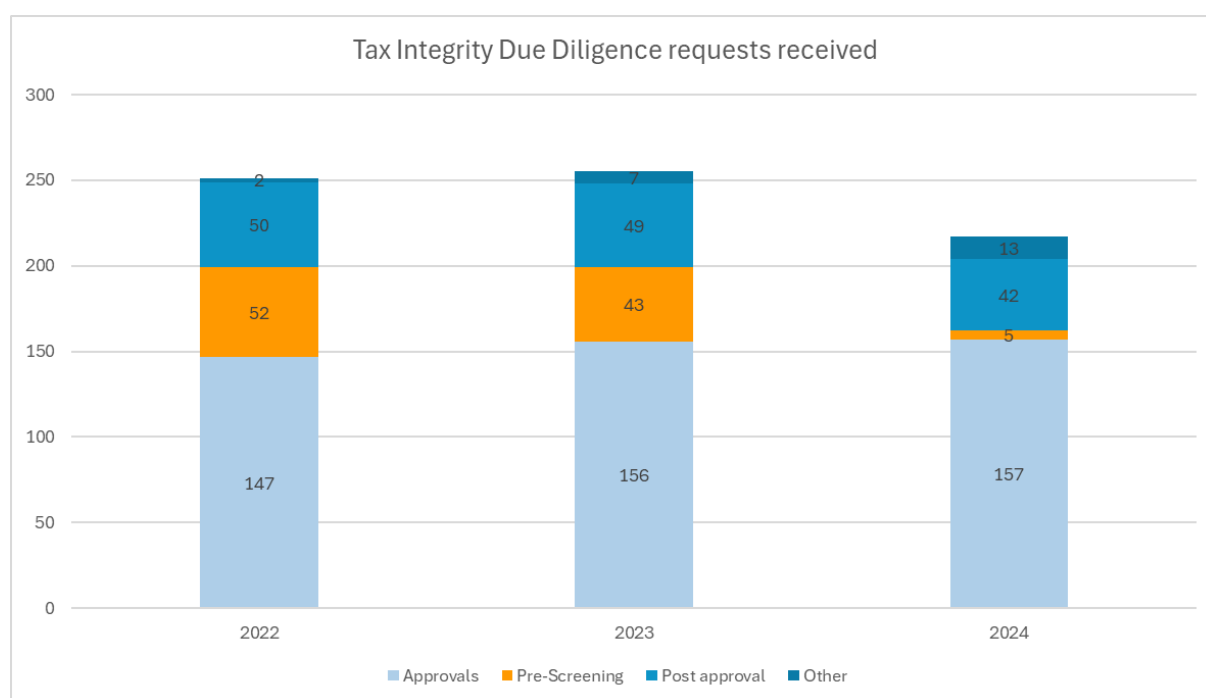
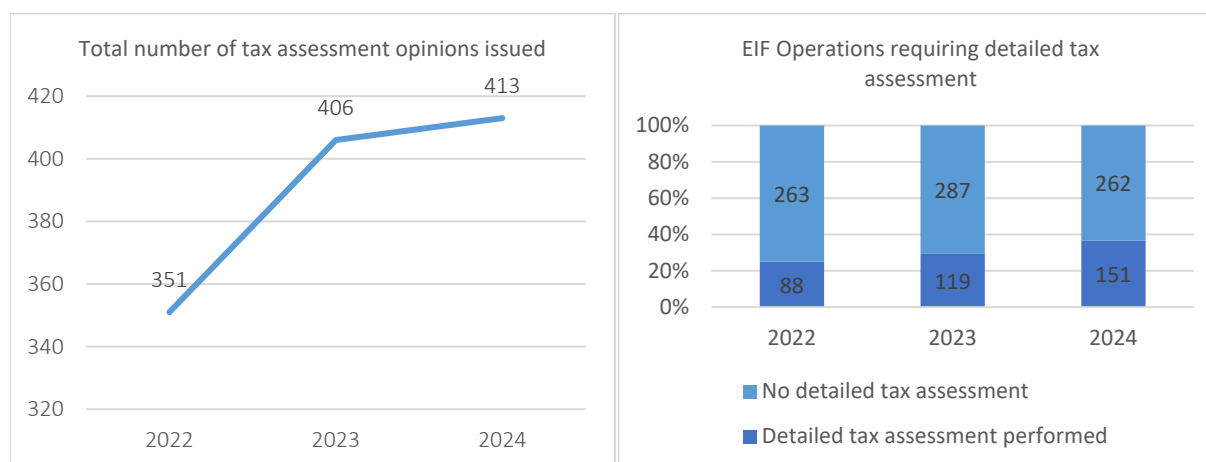


Figure 10 — EIF Compliance Function tax team activities in 2022-2024⁵



Market abuse

To address market abuse risks, the EIB Group has established a comprehensive market abuse framework consisting of the EIB Group Market Abuse Policy and its respective implementing procedures for the EIB and the EIF. This framework outlines specific prohibitions, requirements and responsibilities for both the first and second lines of defence, and also details requirements regarding personal transactions, market sounding and market manipulation, among other areas.

⁵ This includes private equity, Guarantees, Securitisations and Inclusive Finance and mandate opinions.

In 2024, the EIB Compliance Function further strengthened the framework by:

- i) providing guidance on topics such as market sounding, retention and archiving of non-active insider lists;
- ii) performing controls on insider lists;
- iii) training staff on market abuse risk, with 589 employees completing the market abuse online training by the end of 2024 (a 26% increase compared to 2023);
- iv) providing technical advice on MAR-related matters concerning operations and projects.

Institutional conflicts of interest

The new EIB framework for dealing with institutional conflicts of interest entered into force in 2023. The EIB Compliance Function provides advice on institutional conflicts of interest and technical advice to monitor compliance with the respective legal and regulatory requirements in relation to operations and projects. A similar approach was taken by the EIF Compliance Function. The EIF Implementing Procedure for Institutional Conflicts of Interest entered into force in 2023.

New product and mandate approval process

The EIB Compliance Function is a member of both the New Products Committee and the Mandates Management Steering Committee, contributing to Compliance Risk Assessments to support the EIB with designing and executing new products and mandates. The EIF Compliance Function is the chair and coordinator of the EIF New Product Committee, providing compliance risk assessment for new EIF products. In 2024, the EIB Compliance Function participated in the identification, assessment and approval of 12 potential new products or significant changes to existing products. Additionally, the EIB Compliance Function participated in the approval or related activities for 27 new mandates, sub-mandates or amendments to existing ones.

5 CONDUCT RISK

5.1 Staff integrity matters

A strong compliance culture is one of the EIB Group's biggest priorities. To minimise compliance, conduct and reputational risks, the EIB Group promotes a speak-up culture enhanced by a dedicated Speak-up and Dignity at Work Action Plan, which was approved in 2024. The EIB Group also raises awareness on integrity matters through training and events. In October 2024, the EIB and EIF held the Ethics Week and the annual Global Ethics Day to raise awareness on key integrity matters for staff. As highlighted by EIB Group President Nadia Calviño to mark the occasion, these events "celebrate the collective efforts to build a culture where ethics is at the heart of everything we do."

EIB Group Staff Code of Conduct, Conflicts of Interest Policy

The whistleblowing framework, along with other training and awareness initiatives, triggered an increase in the reporting of potential misconduct. This is also likely to be due to the additional protections for whistleblowers that have been incorporated into the policy.

The process for reporting alleged breaches of the EIB Group Staff Code of Conduct concerning EIB staff remains centralised through a single-entry point, the Investigations Division within the Inspectorate General.

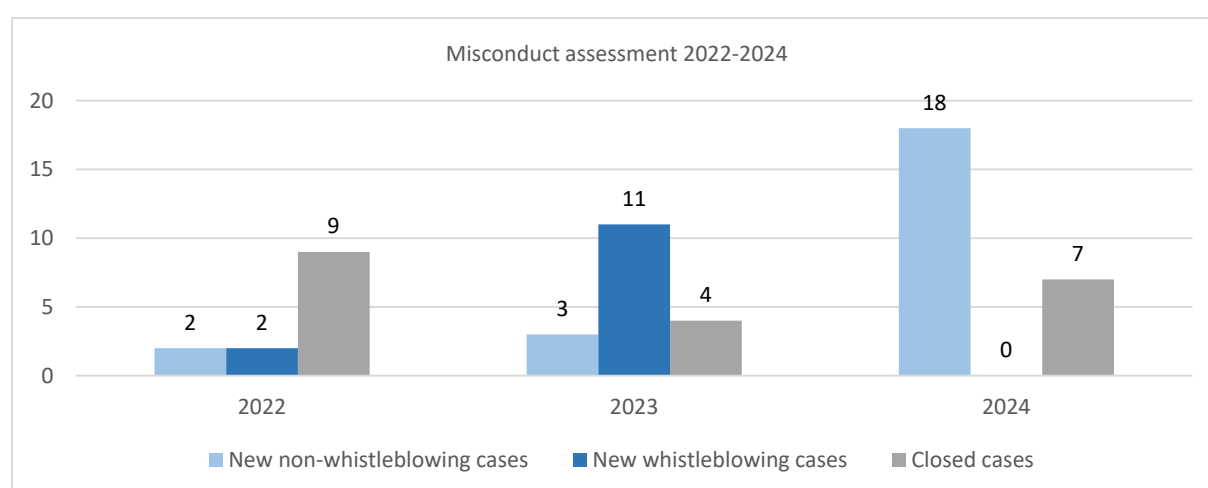
In cooperation with Human Resources, the Inspectorate General and Staff Representatives, OCCO launched a bi-annual Speak-Up and Dignity at Work Action Plan. This plan was endorsed by the Management Committee in

July 2024 and EIF Compliance participates regularly in these meetings. The plan relies on a series of concrete activities to strengthen the speak-up framework in the EIB Group. These are:

- enhancing tone from the top;
- envisaging concrete measures under prevention and awareness;
- putting emphasis on detection and early management of cases;
- ensuring effective follow-up to cases and issues raised.

The figure below shows the evolution of whistleblowing cases between 2022 and 2024. The policy was fully aligned with the principles of the European Whistleblowing Directive.

Figure 11 — EIB misconduct assessment 2022-2024⁶



5.2 Statutory bodies' integrity matters

The EIB Group Compliance Functions continued to support the Secretariat General and the governing bodies in matters of ethics and integrity, primarily by providing opinions to the EIB Ethics and Compliance Committee.

The EIF successfully launched their Ethics and Compliance Committee (ECC) process in 2024 and the EIF Chief Compliance Officer is providing opinions to the newly created ECC.

5.3 Personal conflicts of interest

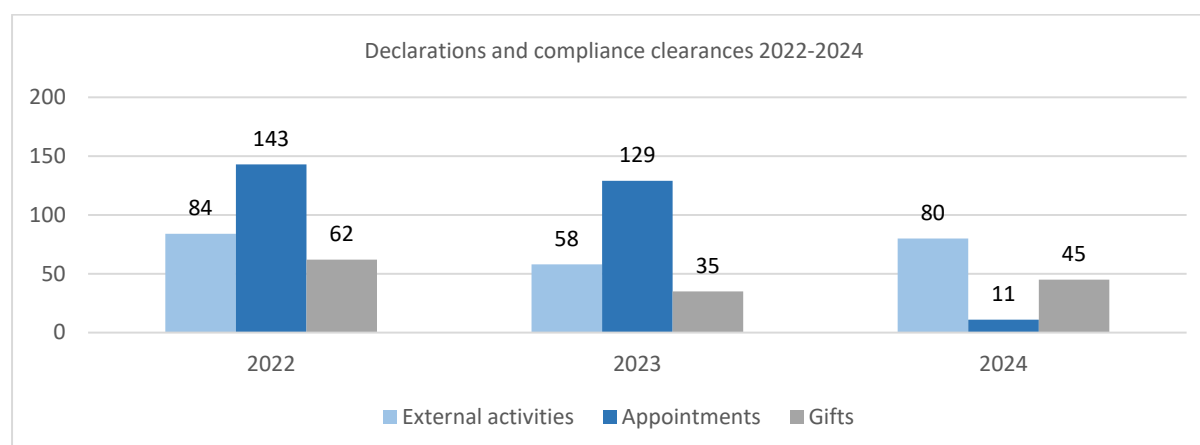
According to the EIB Group Staff Code of Conduct, situations that may give rise to personal conflicts of interest should be declared to the manager and also to the EIB or the EIF Compliance Function for guidance, assessment and recommendations for the appropriate mitigating action.

Declarations and compliance clearances

The EIB and EIF Compliance Functions are responsible for undertaking preliminary assessments, providing informal advice and clearance for conflicts of interest, private investments, gifts, external activities and declarations of interest. In 2024, the annual compliance declarations were updated to reflect the revised policy framework.

⁶ The misconduct assessment numbers for 2022 were modified retroactively due to year-end adjustments.

Figure 12 — EIB declarations and compliance clearances 2022-2024



The declarations of interest of members of the Management Committee are published on the EIB website. Likewise, the declarations of interest of the EIF Chief Executive and Deputy Chief Executive are published on the EIF website.

5.4 Compliance consultations for integrity policy clauses

In 2024, 155 consultations were conducted on integrity policy clauses. Similarly, the EIF Compliance is responsible for compliance consultations for relevant integrity and policy clauses.

6 PERSONAL DATA PROTECTION AT THE EIB GROUP

The EIB Group has appointed Data Protection Officers (DPOs). The EIB made this appointment in 2003 and the EIF in 2007, with each Data Protection Officer serving as a back-up for the other. Their tasks are to advise on issues related to personal data and to strive for compliance with the data protection rules of their respective institution, in line with EU Data Protection Regulation (EUDPR) 2018/1725. In the EIB Compliance Function, the Data Protection Officer reports administratively to the Group Chief Compliance Officer and functionally to the Management Committee, and in the EIF Compliance Function, the Data Protection Officer reports to the EIF Chief Compliance Officer. Both Data Protection Officers act as a liaison with the European Data Protection Supervisor for data protection-related matters. For more information on data protection at the EIB Group, see the [EIB Group Personal Data Protection Policy](#).

The DPO is required to ensure that activities involving the processing of personal data are compliant with the provision of Regulation 2018/1725. In 2024, the DPO has further aligned the DPO risk assessment exercise with the requirements of the EIB Compliance Risk Assessment (CRA). Over the course of the year, the DPO at the EIB has scrutinised the technical security measures and a specific approach has been formalised for contracts foreseeing the transfer of personal data to outside the European Union. The Data Protection Officers operate on the basis of a completed regulatory framework, establishing the policies, procedures, guidelines and implementing acts for the general data protection principles applicable by the EIB and the EIF.

The European Artificial Intelligence Act (AI Act) entered into force in 2024. It clarifies that GDPR/EUDPR always applies when personal data is processed. At EU level, the European Data Protection Supervisor (EDPS) will be the supervisory authority for all European Union institutions (EUIs) regarding the compliance of AI systems with the newly adopted AI Act. As the AI Act supervisory authority of the EUIs, the EDPS has started to create the AI

correspondent network, which involves facilitating communication and information-sharing with the EUIs on AI Act matters. At the EIB Group, the EIB DPO has been nominated the AI Act Correspondent at the Group level.

7 COOPERATION WITH MULTILATERAL DEVELOPMENT BANKS AND OTHER INTERNATIONAL STAKEHOLDERS

The EIB Compliance Function maintains regular contact with peer international financial institutions and national promotional institutions. These include the World Bank, the European Bank for Reconstruction and Development (EBRD), the International Finance Corporation (IFC), the Asian Development Bank (ADB), the African Development Bank, the Nordic Investment Bank (NIB) and Agence Française de Développement (AFD). It also exchanges with EU bodies, standard-setting international organisations and civil society organisations to align compliance activities with relevant international standards and best banking practice. In this context, the Group Chief Compliance Officer participates in various international meetings.

The EIB is also an observer of the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes, and therefore its Compliance Function participated in the 17th plenary meeting, which brought together 400 delegates from 110 jurisdictions and 13 international bodies.

Furthermore, the EIB Group Compliance Functions' tax teams participate in regular meetings with other international financial institutions to share experiences and discuss tax good governance approaches. The EIB Group will continue to have regular contact with international financial institutions and multilateral development banks to discuss trends, policies, strategies and best banking practices with regards to sanctions.

8 PRIORITIES FOR 2025

The EIB Group Compliance Function's priority for 2025 – 20 years since its creation – is to consolidate processes as the second line of defence in Group risk and compliance, to promote Group alignment, and to enhance resilience and business continuity preparedness. These priorities are designed to support the implementation of the EIB's eight new priority areas and to achieve public policy goals as part of the second line of defence. The main priorities for 2025 include:

Governance: To continue the transfer of the responsibilities of the first and second lines of defence in the EIB Group, in line with the agreed framework. Another priority is to enhance the oversight role of the second line of defence, including an advisory role towards the first line of defence. Improvements are to be made to risk scoring methodologies and tools and EIB compliance policy and procedural framework, while contributing to Bank-wide strategic initiatives. The EIB Group Compliance Functions will respond to the evolving sanctions landscape while optimising the Group's sanctions compliance programme, with a particular focus on regulatory developments. Regarding the EIB's strategic priority of security and defence, the EIB Group Compliance Functions will ensure that EIB activities are in line with strategic EU trade control regulations.

Speak-up and Dignity at Work Action Plan: The EIB Group adopted a Speak-up action plan in 2024 with a focus on ethics and integrity matters, highlighting the critical role of ethics in fostering trust, both internally and with external partners, with a view to upholding fairness, inclusion and accountability across all the EIB Group's activities. In 2025, the Compliance Function will oversee this action plan.

Compliance Risk Assessment/Compliance Monitoring Plan: Enhanced assessment role for the CRA/CMP in identifying the inherent compliance risks across the Group's activities and assessing the residual risk level, taking into consideration the design and effectiveness of key mitigating controls.

Best banking and market practices: The main priorities relate to supporting the development of the new EIB Group Compliance Monitoring and Reporting Framework, and to further align the best banking practice and best market practice frameworks, which will involve tracking regulatory developments and performing applicability assessments on a consolidated and standalone basis. The EU AML Package, adopted in 2024, requires assessment and implementation to be conducted in accordance with the Best Banking Practice Guiding Principles.

9 APPENDIX

9.1 Appendix I — Glossary

In this document:

Bank means European Investment Bank (EIB).

Best banking practice (BBP) means best banking practice rules as referred to in the [EIB Best Banking Practice Guiding Principles](#).

Compliance risk means the risk of legal or regulatory sanctions, financial loss, or loss to reputation a member of the EIB Group may suffer because of its failure to comply with all applicable laws, regulations, staff codes of conduct and standards of good practice.

Compliance Risk Assessment (CRA) means a process to systematically identify and validate compliance risks and related existing control measures, aimed at, among other things, supporting a risk-based approach in the annual Compliance Monitoring Programme and to help manage these risks in accordance with the Bank's risk appetite.

EIB Group means European Investment Bank (EIB) and European Investment Fund (EIF).

EIB Group Compliance Functions means EIB and EIF Compliance Functions.

EIB Compliance Function means the independent control function, led by the Group Chief Compliance Officer (GCCO). The Office of the Group Chief Compliance Officer (GR&C-OCCO) is part of the Group Risk and Compliance Function of the EIB. The Group Chief Compliance Officer operates under the Group Chief Risk Officer (GCRO), having direct access to the EIB President, the Management Committee, the Audit Committee, and the Ethics and Compliance Committee as well as access to the Board Working Group on Tax and Compliance Matters.

EIF Compliance Function means the Compliance Function at the EIF individual entity level, headed by the EIF Chief Compliance Officer, under the EIF Chief Risk Officer, and has direct access to the EIF Chief Executive and Deputy Chief Executive and to the statutory bodies of the EIF.

Internal control framework means the set of operating principles designed to help document and assess how effective and efficient its control environment is in the management and mitigation of identified risk exposure, so that they operate within the limits of its risk appetite.

GCCO means Group Chief Compliance Officer as defined in the Group Risk Management Charter Implementing Provisions.

Group entity means either the EIB or the EIF.

Residual risk means the level of remaining compliance risk, taking into account the existence and effectiveness of related risk control measures.

Risk appetite means the level of risk that the Bank it is willing and able to incur in pursuing its activities in the context of its public mission and objectives and in compliance with EIB's governing texts in line with the risk appetite framework.

9.2 Appendix II — Acronyms

AML/CFT	Anti-Money Laundering and Countering the Financing of Terrorism
BBP	Best banking practice
CMP	Compliance Monitoring Programme
CRA	Compliance Risk Assessment
DPO	Data Protection Officer
EBA	European Banking Authority
EIB	European Investment Bank
EIF	European Investment Fund
EU	European Union
FATF	Financial Action Task Force
GCCO	Group Chief Compliance Officer
GCRO	Group Chief Risk Officer
GR&C-OCDO	Office of the Group Chief Compliance Officer
MiFID	Markets in Financial Instruments Directive
ML/TF	Money laundering and terrorist financing
NCJ	Non-cooperative jurisdiction

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