

2020 Annual Report of the Ethics and Compliance Committee



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Mission

The Ethics and Compliance Committee (hereafter, the “ECC” or the “Committee”) rules and makes decisions on any conflict of interest involving current and former members of the Board of Directors and the Management Committee, as well as members of the Audit Committee on a voluntary basis.

The Committee also provides opinions on any ethical matter concerning members of the Board of Directors or the Management Committee, regulated in the Code of Conduct of both bodies or in related relevant provisions during the period of their mandate.

The Operating Rules of the ECC establish that the ECC’s decisions are periodically communicated to the Board of Directors and to 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 Chairman of the Audit Committee, i.e. in 2020:

- Ms Miglè TUSKIENÉ, Chairperson, Board member since December 2007
- Mr Kyriacos KAKOURIS, Chairman until 31 August 2019, Board member since May 2004
- Mr Arsène JACOBY, member, Board member since January 2013
- Mr Konstantin ANDREOPOULOS, member, Board member since May 2013
- Mr László BALOGH, Chairman of the Audit Committee (since June 2020)
- Mr John SUTHERLAND, Chairman of the Audit Committee (until June 2020)

The ECC Chairmanship is assumed in rotation. Every three years, the ECC Chairman, who remains a member of the ECC, is replaced by the next ECC member in line of seniority. Ms Miglè TUSKIENÉ has chaired the ECC since 1 September 2019.

Activity Report in 2020

The Committee met seven times and provided nine reasoned decisions. Three decisions were provided in response to requests for a ruling and guidance received from former members of the Management Committee during their cooling-off periods. One decision concerned an ad personam appointment of a Management Committee member as chairperson of a taskforce in a think tank. The Committee also met to discuss proposed draft amendments to the Operating Rules of the ECC and participated in two meetings with the Board’s Working Groups on Governance and on Tax and Compliance matters to discuss proposed draft revised Codes of Conduct of the Board of Directors and of the Management Committee.

The Committee also acknowledged one employment notification from a former Management Committee member in a public-service capacity, which was therefore not subject to prior ECC clearance¹, as well as two award notifications from the President².

¹ Activities falling within Article 4, paragraph 3 of the Management Committee Code of Conduct are not subject to declaration to the ECC and do not require ECC approval.

² In accordance with Article 1.14 of the Code of Conduct of the Management Committee, Members of the Management Committee shall notify the ECC of any decoration, prize or honour awarded to them. Should a prize include a sum of money or valuables, it should be donated to the charity of their choice.

As regards the members of the Board of Directors, the ECC acknowledged notification from one member ending his appointment as a non-executive member of the Board of Directors and member of the Audit Committee in a national promotional bank. The ECC did not receive any request for a ruling and guidance regarding any conflict of interest from any active or former member of the Board of Directors in 2020.

Consideration and ECC Assessments

The Code of Conduct of the Management Committee is designed, among other considerations, to prevent situations of potential conflicts of interest. To further strengthen this principle during the 12-month cooling-off period, certain activities of former Management Committee members might, depending on their specific nature, require assessment and prior approval from the ECC. In 2020, three ECC decisions concerned activities of former Management Committee members during their respective cooling-off periods. The ECC gave its consent to most remunerated activities subject to standard caveats, or, where relevant, more specific terms and conditions, which were outlined by the ECC to mitigate situations of potential conflicts of interest. In one case, the ECC opined against a former member of the Management Committee assuming a position in a governing body of a Bank counterparty during his cooling-off period.

In accordance with the Code of Conduct of the Management Committee, certain activities not connected to the Bank's work also require assessment and prior approval from the ECC, if said activities are to take place during the period of a member's mandate. In 2020, the ECC received one request for a ruling and guidance on a situation of a possible conflict of interest in relation to the appointment of a Management Committee member as chairperson of a taskforce in a think tank. The ECC had no objection to this appointment subject to standard caveats, which were outlined by the ECC to mitigate situations of potential conflicts of interest during and after the EIB mandate.

The above-mentioned ECC decisions were taken after a comprehensive analysis of the context and the situation of a potential conflict of interest related to each request. Due consideration was given to the information received, the scope of responsibilities of the individual concerned, and all relevant and applicable texts.

In the cases where the ECC agreed to the proposed remunerated activities of former Management Committee members during their cooling-off periods, the text outlining the ECC's opinion made it clear that such consent was subject to the former Management Committee members agreeing to abstain, during their cooling-off periods, from any business relations with the EIB Group and from lobbying EIB Group governing bodies and staff on matters that had fallen within their respective portfolios during their mandates as Management Committee members.

Furthermore, the ECC recommended that no clause in the employment contract to be entered into between a prospective employer and a former Management Committee member during his or her cooling-off period should prevent this former member from declaring to the ECC any situation of a personal conflict of interest arising before the end of the cooling-off period, or from seeking the latter's decision on the appropriate course of action. Former Management Committee members were also reminded that they were strictly bound by the obligation of confidentiality in respect of information received in the course of their duties.

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