

Climate Awareness Bonds Framework

For the year ended
December 31, 2020

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1. Management Responsibilities

The management of the European Investment Bank (respectively, “Management” and the “Bank”) is responsible for the preparation and content of the Climate Awareness Bonds Framework (hereafter “the CAB Framework”).

Proceeds of CABs are allocated to EIB’s activities contributing substantially to climate change mitigation.

The CAB Framework has been properly prepared to describe, in all material respects, the CAB-related objectives, procedures, responsibilities, and processes, such description being the CAB Internal Criteria of the Bank (hereafter referred to as the “CAB Internal Criteria”), as further detailed in section 2 below. The CAB Framework also entails the reports prepared based on the CAB Internal Criteria.

Management considers that the CAB Internal Criteria are aligned with the Green Bond Principles 2018 issued in June 2018 (hereafter the “GBPs”), which were included in EIB’s list of “Best Banking Practices in the field of Financial Activities” in 2018. CABs are “Standard Green Use of Proceeds Bonds” as per Appendix I to the GBPs.

In June 2019, under the aegis of the European Commission (EC), the Technical Expert Group on sustainable finance (TEG) proposed:

- a) an EU Taxonomy for climate change mitigation and adaptation¹ (hereafter the “TEG Taxonomy Proposal”), finalizing such proposal in March 2020².
- b) a new “European Union Green Bond Standard” (hereafter the “TEG EUGBS Proposal”)³, complementing such proposal with a Usability Guide in March 2020⁴.

The TEG Taxonomy Proposal is the core reference for the EU Sustainability Taxonomy (“EUST”) the EC is bound to establish in the context of the *Regulation on the establishment of a framework to facilitate sustainable investment* (“EU Taxonomy Regulation” or “EUTR”) ⁵ that entered into force in July 2020.

The TEG EUGBS Proposal is the core reference for the EUGBS the EC is bound to establish in the context of an EUGBS Regulation the EC proposed on 6th July 2021⁶. The TEG EUGBS Proposal requires alignment of the use of proceeds with the EUST, or, in absence of the EUST, with the logic of the EUST.

In line with the Climate Bank Roadmap 2021-2025, Management plans to gradually align:

1. EIB’s tracking methodology for climate action and environmental (“CA&ES”) sustainability (“green”) finance with the framework defined by the EU Taxonomy Regulation, as this develops over time;

¹ https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/190618-sustainable-finance-teg-report-taxonomy_en.pdf

² https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy-annexes_en.pdf

³ https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/190618-sustainable-finance-teg-report-green-bond-standard_en.pdf

⁴ https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-green-bond-standard-usability-guide_en.pdf

⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R0852>

⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021PC0391>

2. the CAB Internal Criteria with the EUGBS as retained and over time amended by the EC, notably to progressively align the CAB Project Eligibility Criteria with EUTR-aligned CA&ES eligibility criteria.

For this purpose, the Bank explicitly tuned CAB documentation to evolving EU legislation on sustainable finance in April 2019 (as further described under 2.3.1.3 below) and the Finance and Project Directorates have jointly developed an *Initial plan for CAB product development and alignment with the EUGBS in the context of the Climate Bank Roadmap*. This plan has already led to a first extension of CAB eligibilities in 2020 (as further described under 2.1 below).

Until adoption of a final EU Taxonomy and EU Green Bond Standard, EIB takes the TEG Proposals as reference.

Management considers that:

- (a) the CAB Internal Criteria are aligned with the Technical Expert Group's EU Green Bond Standard Proposal of June 2019/March 2020 in the areas of "Green Bond Framework", "Reporting", and "Verification";
- (b) in the remaining area of the EU Green Bond Standard Proposal, "Green Projects", the CAB Project Eligibility Criteria are:
 - in the fields of "Electric rail infrastructure and vehicles and other electric public land transport vehicles" as well as "Research, development and deployment of innovative low carbon technologies", aligned with the logic of the EU Sustainability Taxonomy⁷ and aligned with the technical screening criteria (as described in Annex 1) for substantial contribution as per the Technical Expert Group's Taxonomy Proposal of March 2020;
 - in the field of "Renewable Energy and Energy Efficiency", aligned with the logic of the EU Sustainability Taxonomy, and aligned with a selection of technical screening criteria (as described in Annex 1) for substantial contribution as per the Technical Expert Group's Taxonomy Proposal of March 2020;

as detailed in sections 2.3.1.1 and 2.3.2.3 as well as in Annex 1 and Annex 2 of this CAB Framework.

As of 31/12/2020, the European Commission is yet to adopt a final version of the EU Sustainability Taxonomy for climate change mitigation. To avoid operational uncertainty, Management plans to consider eligible for CAB-allocation in 2021, in all activities covered by the TEG Taxonomy Proposal, only disbursements to projects that are aligned with the technical screening criteria for substantial contribution of the TEG Taxonomy Proposal, including in the field of Renewable Energy and Energy Efficiency.

Management is responsible for establishing and maintaining effective internal control over its CABs related activities in conformity with the CAB Internal Criteria. As outlined in section 2 below, the Bank has implemented a process of segregation of responsibilities in respect of the process for project evaluation and selection carried out by the Projects Directorate, and the management of proceeds carried out by the Finance Directorate.

KPMG Luxembourg, Société Coopérative, the Bank's independent auditor, has issued a reasonable assurance report, including a tailored version of the GBPs' recommended Green Bond External Review Form, which accompanies this CAB Framework.

⁷ "aligned with the logic of the EU Sustainability Taxonomy" means "structured to include criteria or processes for the assessment of "substantial contribution", "no significant harm", "minimum social safeguards".

The external auditor has been given unrestricted access to all financial records and expected impact records and related data. Management believes that all representations made to the external auditor during its assurance engagement were valid and appropriate.

Luxembourg, 8 September 2021



Bertrand de Mazières
Director General of Finance



Christopher Hurst
Director General of Projects

2. CAB Internal Criteria

The Management of the Bank has prepared the CAB Framework in accordance with the Green Bond Principles supported by internally developed guidelines (together referred to as the “CAB Internal Criteria”) as further outlined below.

2.1. Objectives

“Accountability in the future disbursement in the fields of renewable energy and energy efficiency and precise definition of the types of projects to be included in this category” was proposed by the Director General of Finance and approved by the Management Committee of the EIB as the key objective of the first CAB issued in 2007.

In 2014, in response to increasing investor interest in this product and changed market conditions, EIB’s Capital Markets Department performed a thorough due diligence of EIB’s CAB Internal Criteria involving all relevant services (16 divisions in 7 directorates). Based on its findings, the Capital Markets Department proposed and the Finance Directorate approved an upgrade of the CAB Internal Criteria agreed and supported by all involved services. Implementation took place in the first quarter of 2015.

The due diligence, its findings, the upgrade proposal, its approval and implementation as well as the resulting guidelines were described in detail in an internal note (the “first CAB note”), which was signed by the Directors of the Finance Directorate and circulated to the Directors General of the Finance, Projects and Corporate Services Directorates as well as to all EIB officers involved in the due diligence.

The first CAB note explicitly reiterated the aforementioned CAB-objectives established in 2007.

The EC Action Plan on Financing Sustainable Growth of March 2018⁸ - notably the EU Taxonomy Regulation which entered into force in July 2020 - is redefining the framework of the Bank’s sustainability lending and funding.

This plan aims to establish a unified EU classification system – or taxonomy – for sustainable activities. Once this framework will enter into force, the Bank expects that the market will consider that the Bank’s loans and its other investments are EU-sustainable only if the funds are deployed in economic activities

⁸ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52018DC0097&from=EN>

that live up to the requirements of the EU Sustainability Taxonomy. Equally, the EU Green Bond Standard proposal released on 18 June 2019, explicitly requires that EU Green Bonds are allocated to economic activities that live up to the requirements of the EU Sustainability Taxonomy. The Bank believes that this principle would therefore directly apply to CABs, whose allocation should be to EU-sustainable disbursements.

In the field of Climate Change Mitigation, the Taxonomy Regulation states that “the Commission shall adopt the delegated act referred to in paragraph 3 by 31 December 2020, with a view to ensuring its application from 1 January 2022”. The adoption of the delegated act has been postponed. In absence thereof, EIB has taken the TEG Taxonomy Proposal and the TEG EUGBS Proposal as reference.

The TEG Taxonomy Proposal considers a broad range of eligible activities in addition to renewable energy and energy efficiency projects that substantially contribute to climate change mitigation. The Bank believes that this highlights the relevance of a gradual extension of CAB allocations beyond these two activities in the context of the EC Action Plan on Financing Sustainable Growth. This can be achieved via: progressive extension of CAB eligibilities; alignment - in all activities covered by the EUST - of CAB Project Eligibility Criteria with EUST technical screening criteria; alignment - in all activities not covered by the EUST - of CAB Project Eligibility Criteria with the logic of the EUST⁹; and establishment of the required procedures and IT-infrastructure.

In this context, EIB's Management Committee and Board of Directors have approved the following policy documents in November 2020:

1. *Climate Bank Roadmap 2021-2025*¹⁰, which states that EIB will:

- increase its level of support to climate action and environmental sustainability to exceed 50% of its overall lending activity by 2025 and beyond (item 6 p.vi);
- align its tracking methodology for green finance with the EU Taxonomy Regulation. (item 5.3);
- reflect such alignment via extension of the eligibilities of EIB's green and sustainable bonds (item 2.49), i.e. CABs and Sustainability Awareness Bonds (“SABs”);
- gradually align CABs/SABs with the proposed EU Green Bond Standard (item 2.49).

2. *Climate Strategy*¹¹, which states that the EIB will:

- continue to extend the scope of its CABs and SABs to cover additional activities, in line with the proposal for an EUGBS;
- support the Green Bond Market in quantity and quality.

In anticipation of these developments, the Finance Directorate created a “Sustainability Funding” team in its Capital Markets Department entirely dedicated to the development and issuance of CABs and SABs in 09/2018. This team has, in close cooperation with the relevant services:

- adopted new CAB/SAB documentation (09/2018), as described in 2.3.1.2 below, that foresees allocation of proceeds to EIB's lending activities aligned with the EU Taxonomy Regulation and

⁹ As per footnote 7 above.

¹⁰ https://www.eib.org/attachments/thematic/eib_group_climate_bank_roadmap_en.pdf

¹¹ https://www.eib.org/attachments/strategies/eib_climate_strategy_en.pdf

therefore permits a gradual extension of loan eligibilities in line with evolving EU legislation on sustainable finance;

- developed jointly with the Projects Directorate “*Initial Plans for CAB/SAB Product Development and Alignment with the EU Green Bond Standard in the Context of the Climate Bank Roadmap*” (30/04/2020).

The Projects Directorate collaborates closely with the Finance Directorate on CAB/SAB since inception. The Projects Directorate has developed an EU Taxonomy Alignment Transition Plan for the alignment of CA&ES definitions with the EU Sustainability Taxonomy. This plan is described in table 5.3 of chapter 5 of the Climate Bank Roadmap. This will enable the identification of EUTR-aligned green loans and other lending products – at a moment when the demand for these products is growing – and thereby also facilitate extension of CAB/SAB eligibilities. This table is reported here-below:

Table 5.3 – Climate Action and Environmental Sustainability definitions - EU Taxonomy alignment transition plan

By January 2021	<ul style="list-style-type: none"> • EIB Group <u>climate action</u> definitions to align with the EU Taxonomy Substantial Contribution criteria as per the related Delegated Act • Interim <u>environmental sustainability</u> definitions in line with the EU Taxonomy logic and principles
By January 2022	<ul style="list-style-type: none"> • Refine interim <u>environmental sustainability</u> definitions to align with the EU Taxonomy Substantial Contribution criteria as per the related Delegated Act • Refine internal documentation to ensure alignment with Do No Significant Harm criteria for activities substantially contributing to <u>climate objectives</u>
By June 2022	<ul style="list-style-type: none"> • Refine internal documentation to ensure alignment with Do No Significant Harm criteria for activities substantially contributing to the remaining four <u>environmental objectives</u> <u>and</u> all other EIB Group investments • Refine internal documentation to ensure alignment with Minimum Social Safeguards requirements for climate action and environmental sustainability <u>and</u> all other EIB Group investments
Beyond January 2022	<ul style="list-style-type: none"> • Continue updating the definitions on a regular basis taking account of the ongoing work of the EU Sustainable Finance Platform

Source: Climate Bank Roadmap 2021-2025, p. 59.

In March 2020, the Projects Directorate established CAB and SAB Coordination Groups, which support the Projects Directorate’s dedicated dialogue with the Finance Directorate further. Supported by the Sustainability Funding Team, both coordination groups prepared first extensions of CAB/SAB eligibilities during 2020 and at the beginning of 2021– in line with aforementioned product development plans. These 2020-2021 extensions are highlighted in bold in the following diagram, which describes the *status quo* regarding the complementary CAB/SAB eligibilities.

Table 1: CAB/SAB eligible objectives and activities

	Climate Awareness Bonds	Sustainability Awareness Bonds	
	Environmental	Environmental (other than climate change mitigation)	Social
Objectives	<ul style="list-style-type: none"> Climate Change Mitigation (2007) 	<p>So far:</p> <ul style="list-style-type: none"> Sustainable Use and Protection of Water and Marine Resources (2018) Pollution Prevention and Control (2018) Protection and Restoration of Biodiversity and Ecosystems (2021) 	<p>So far:</p> <ul style="list-style-type: none"> Access to Water and Sanitation (2018) Natural Disaster Risk Management (2018) Access to Equitable and Inclusive Education (end 2019) Universal Access to Affordable Health Services (end 2019) Health Emergencies Response & Preparedness Capacity (2020)
Activities	<p><u>Eligible activities:</u></p> <ul style="list-style-type: none"> Renewable Energy (2007) Energy Efficiency (2007) Electric rail infrastructure and vehicles and other electric public land transport vehicles (2020) Research, development and deployment of innovative low carbon technologies (2020) 	<p><u>Eligible activities:</u></p> <ul style="list-style-type: none"> Water Supply and Management (2018) Wastewater Collection and Treatment (2018) Sustainable Forest Management (2021) 	<p><u>Eligible activities:</u></p> <ul style="list-style-type: none"> Water Supply and Management (2018) Wastewater Collection and Treatment (2018) Flood Protection (2018) Education (2019), including higher education (2020) Health (2019), including COVID-related activities (2020)

In 12/2020:

- the Evaluation Operations' independent report on "Evaluation of EIB's Climate Awareness Bond" (the "EV CAB-Report")¹² recommended that:
 - "The EIB should continue to play a key role in further shaping the green bond market and fostering its development", notably "through regular reference sized issuance" – as "market participants expect the EIB to increase the overall volume of CAB and SAB issuance"; and
 - "The EIB should continue to lead the way in demonstrating the application of the EU Green Bond Standard and the EU Taxonomy and championing EU standards globally."
- the Finance Directorate adopted a formal Policy on CABs and described it in a second CAB Note (the "FI CAB Policy Note"), which reiterates the CAB-objectives of 2007 and extends them to SABs, illustrates the progress already made with regard to both CABs and SABs and delineates the intended course of EIB's strategy for both instruments in the context of the EU Taxonomy Regulation and the Climate Bank Roadmap.

In March 2021, EIB's Board of Directors has approved the EV CAB-Report, which extends the CAB-recommendations to SABs, and in July 2021, EIB's Management Committee has retained "Sustainability Funding" (i.e. CAB/SAB-funding) as Sub Action Plan 4 in Action Plan 2 "Strategic business development" of the Climate Bank Roadmap.

2.2. Procedures and responsibilities

With regard to the CAB programme, the Bank has implemented a segregation of responsibilities between the Projects Directorate and the Finance Directorate.

In 2020, such responsibilities were carried out as follows:

¹² https://www.eib.org/attachments/ev/ev_report_evaluation_eib_climate_awareness_bonds_en.pdf

2.2.1. The Projects Directorate

- i) defines the CAB-eligibility criteria;
- ii) on a monthly basis, reviews the loans approved by the Board of Directors in the preceding month and enters a CAB-eligibility percentage in the IT-systems, if applicable, for each such loan;
- iii) on a quarterly basis,
 - generates and reviews a list with all eligible disbursements;
 - checks and resolves any inconsistencies in the related CAB eligibility percentages or CAB reporting indicators stored in the IT-systems of the Bank;
 - submits the checked list to the Finance Directorate to permit the Finance Directorate to reconcile the data provided by the Projects Directorate with the data separately provided by the dedicated IT-tool operated by the Finance Directorate and to investigate any discrepancy with the Projects Directorate;
 - enters any change of the CAB eligibility percentage in the Bank's IT-systems on a timely basis, permitting in particular the Finance Directorate to re-run the IT-tool based on the amended CAB eligibility percentages prior to the semiannual CAB data freeze, book the CAB data into the CAB portfolios and publish the final CAB allocation report in accordance with the requirements of the Finance Directorate;
- iv) on an annual basis, provides to the independent external auditor and the Finance Directorate the validated (GHG and non-GHG) impact report on the CAB-recipient projects, in line with the latest "CAB eligibility percentages and reporting indicators – PJ Data Working Procedure" and in the format required by the Finance Directorate for publication in the CAB Framework.

2.2.2. The Finance Directorate

- i) whenever needed, retrieves all the CAB-relevant cash-flows (issues/disbursements), converts them into EUR where applicable¹³, matches them on a first-in-first out basis that is appropriate with CAB use-of-proceeds documentation (see 2.3.1.2), and calculates the daily balance of unallocated CAB-proceeds;
- ii) on a quarterly basis:
 - reconciles the disbursement list provided by the Projects Directorate with the data separately provided by the dedicated IT-tool operated by the Finance Directorate and investigates any discrepancy with the Projects Directorate;
 - re-runs the IT-tool based on any change of the CAB eligibility percentages in the Bank's IT-systems by the Projects Directorate;
 - provides:
 - the total volume of CAB issuance during the quarter and since the beginning of the year,
 - the total volume of CAB-eligible disbursements during the quarter and since the beginning of the year,

¹³ All unswapped non-EUR cashflows are converted into EUR by the dedicated IT-tool using the last available end-of-month ECB exchange rate.

- the total volume of CAB-proceeds allocated to such disbursements during the quarter and since the beginning of the year,
- the balance of the CAB-portfolios at the beginning of the year, at the beginning of the quarter and at the end of the quarter, and
- the list of recipient projects (project identification, project name, project location and the CAB allocation made to the project during the quarter) during the quarter and since the beginning of the year.

iii) on a semi-annual basis¹⁴:

- re-runs the IT-tool based on any change of the CAB eligibility percentages in the Bank's IT systems by the Projects Directorate prior to the CAB data freeze,
- books the balance of the unallocated CAB-proceeds into the CAB-portfolios,
- calculates, for each day of the preceding six months, the daily interest on the daily outstanding balance of the unallocated CAB-proceeds, adding the total interest (i.e. the sum of the daily interest amounts) accumulated since the previous booking to the balance of the unallocated CAB-proceeds.

iv) at the end of the year, provides all the relevant information for inclusion in the annual financial report of the Bank via the following standard *passus*:

“During [relevant year], EIB issued EUR xxx of Climate Awareness Bonds. In the course of the year, EUR xxx of disbursements were found eligible for allocation of proceeds from CAB issuance and EUR xxx of CAB proceeds were allocated to such disbursements following EIB's allocation procedures. The balance of unallocated CAB-proceeds in the treasury CAB-portfolio amounted to EUR xxx at the beginning of the year and to EUR xxx at the end of the year.”

2.3. Processes

In line with the GBPs, CAB-related processes have four core components (use of proceeds, process for project evaluation and selection, management of proceeds and reporting), which are described hereafter and summarized in Annex 3.

2.3.1. Use of proceeds

§ 1 “Use of Proceeds” of the GBPs states that **“the cornerstone of a Green Bond is the utilization of the proceeds of the bond for Green Projects, which should be appropriately described in the legal documentation for the security. All designated Green Projects should provide clear environmental benefits...it is recommended that issuers provide an estimate of the share of financing vs. re-financing...”**

In this area, EIB's CABs align with the GBPs as follows:

2.3.1.1. Utilization of the proceeds

¹⁴ Due to extraordinary circumstances linked to the enhancement of the IT-tool required by the extension of CAB-eligibilities, these actions were undertaken on a yearly basis in 2020

Proceeds from CABs are allocated to eligible disbursements which take place only following the value date of the issuance of the bonds.

The EIB is in the process of aligning its CAB Project Eligibility Criteria with the EU Taxonomy Regulation in a stepwise manner. According to Article 3 of the EU Taxonomy Regulation, an economic activity shall qualify as environmentally sustainable where that economic activity:

- a) contributes substantially to one or more of the environmental objectives set out in the EU Taxonomy Regulation;
- b) does not significantly harm any of the environmental objectives set out in the EU Taxonomy Regulation;
- c) is carried out in compliance with the minimum safeguards laid down in the EU Taxonomy Regulation; and
- d) complies with technical screening criteria that have been established by the Commission in accordance with the EU Taxonomy Regulation¹⁵.

The CAB Project Eligibility Criteria applied in 2020 are detailed in Annex 1.

2.3.1.2. List of activities allocated in 2020¹⁶

- electricity and heat production from renewable energy sources (such as wind, solar, geothermal, hydropower, biomass, the organic portion of municipal waste incineration, sewage treatment plant gas and biogases), infrastructure associated with the supply of renewable energy (such as substations and transmission lines), and investments in distribution systems to enable the penetration of small scale renewable energy generation;
- energy efficiency projects such as high efficiency combined heat and power (CHP) plants (excluding coal), refurbishment and extension of district heating and cooling systems, substantial energy savings in commercial and industrial facilities, public lighting, building refurbishments achieving cost-optimal refurbishment levels, and the construction of near-zero energy buildings (from 2016 to 2020);
- transport projects such as electric public land transport vehicles (e.g. rail, freight rail, light rail transit, metro, tram, trolleybus, electric bus and electric urban rail) and electric rail infrastructure;
- deployment of innovative low-carbon technologies (such as manufacture of equipment and their key components that are essential for renewable energy and zero direct emission transport) as well as Research, Development and Innovation (RDI) projects concerning these low-carbon technologies.

2.3.1.3. Documentation

2.3.1.3.1. The Prospectus/Final Terms of issue for each CAB line issued prior to April 2019 explicitly refer to:

“disbursements made (...) to (...) lending projects within the fields of renewable energy and energy efficiency”, and specify that

¹⁵ During the transition period until the EU Taxonomy and Technical Screening Criteria are fully available, “compliance with technical screening criteria” means compliance with the “logic of the EU Sustainability Taxonomy” as defined in footnote 7. This includes activities not yet covered by the TEG Taxonomy Proposal or the EU Sustainability Taxonomy as per section 2.3.2.3.1 below.

¹⁶ Note: the predominant nature of CAB-eligible expenditure is capex (with the exception of RDI projects) and the predominant nature of CAB-eligible assets is tangible (with the exception of RDI projects)

“lending projects in the fields of renewable energy and energy efficiency include, but are not limited to, renewable energy projects such as wind, hydro, solar and geothermal production; and energy efficiency projects such as district heating, co-generation, building insulation, energy loss reduction in transmission and distribution and equipment replacement”.

2.3.1.3.2. The Prospectus/Final Terms of issue for each CAB line issued **in or after April 2019** states that:

“In July 2007, in congruence with the EU Energy Action Plan, the EIB issued the first Climate Awareness Bond (CAB) with a focus on renewable energy and energy efficiency. (...)

With this CAB, EIB extends the same approach to include renewable energy, energy efficiency and other activities contributing substantially to climate change mitigation. (...)

The proceeds of this CAB will be allocated to activities that contribute to this purpose by avoiding or reducing greenhouse gas emissions or enhancing greenhouse gas removals through means, including through process or product innovation, in line with evolving EU sustainable finance legislation and the related technical expert group conclusions”¹⁷,

and specify that such:

“activities and means (...) are subject to revision in the context of EU legislative developments, which include the establishment by the European Commission of the technical screening criteria to determine the conditions for their consideration.”

The Projects Directorate extended CAB eligibilities beyond renewable energy and energy efficiency for the first time in 2020. In line with their documentation,

- a) CAB-lines issued before 04/2019 may only be allocated to disbursements in the fields of renewable energy and energy efficiency and may not be allocated in the new areas of eligibility, whereas
- b) CAB-lines issued after 04/2019 may be allocated in all areas of eligibility.

In the fields of renewable energy and energy efficiency, the same Project Eligibility Criteria apply to all CABs, independently of their documentation and date of issuance.

2.3.1.4. Clear environmental benefits

The Project Eligibility Criteria defined in Annex 1 are:

2.3.1.4.1. a sub-set of EIB's loan eligibility criteria in the field of Climate Action¹⁸;

2.3.1.4.2. defined by the Project Directorate;

2.3.1.4.3. coherent with the list of activities eligible for classification as climate mitigation finance included in the MDB/IDFC Common Principles for Climate Finance Tracking Version 2 published on 15 June 2015¹⁹, as revised from time to time;

¹⁷ The Prospectus/Final Terms for each CAB line issued on or after 23 September 2020 also specifies that “EU sustainable finance legislation” includes the EU Taxonomy Regulation.

¹⁸ https://www.eib.org/attachments/strategies/eib_climate_strategy_en.pdf

¹⁹ http://www.eib.org/attachments/documents/mdb_idfc_mitigation_common_principles_en.pdf

The EIB is in a process of aligning its CAB Project Eligibility Criteria with the EU Taxonomy Regulation in a stepwise manner, notably using the technical screening criteria of the TEG Taxonomy Proposal as reference. In this context, “clear environmental benefits” means “substantial contribution to climate change mitigation” as per Article 10 of this regulation, which states that:

“an economic activity shall qualify as contributing substantially to climate change mitigation where that activity contributes substantially to the stabilisation of greenhouse gas concentrations in the atmosphere at a level which prevents dangerous anthropogenic interference with the climate system consistent with the long-term temperature goal of the Paris Agreement”.

The identification and allocation of this type of activities is therefore the objective of the CAB Project Eligibility Criteria stepwise alignment process with the technical screening criteria of the TEG Taxonomy Proposal.

In line with the EU Taxonomy Regulation, not only “low carbon” but also “transition” and “enabling” activities are considered functional to the delivery of clear environmental benefits and therefore suitable for allocation of CAB-proceeds.

2.3.1.5. Share of financing versus refinancing

There is no refinancing of previously allocated project disbursements with new CAB issues.

2.3.2. Process for project evaluation and selection

§ 2 “Process for project evaluation and selection” of the GBPs states that **“the issuer of a Green Bond should clearly communicate to investors: the environmental sustainability objectives; the process by which the issuer determines how the projects fit within the eligible Green Projects categories ...; the related eligibility criteria, including, if applicable, exclusion criteria or any other process applied to identify and manage material environmental and social risks associated with the Projects.”**

In this area, EIB’s CABs align with the GBPs as follows:

2.3.2.1. Environmental sustainability objective

- 2.3.2.1.1.** Art. 3 (3) of the Treaty on the European Union states that: “The Union shall establish an internal market. It shall work for the sustainable development of Europe ... aiming at ... social progress and a high level of protection and improvement of the quality of the environment..”
- 2.3.2.1.2.** Art. 309 of the Treaty on the Functioning of the European Union states that: “The task of the European Investment Bank shall be to contribute, by having recourse to the capital market..., to the balanced and steady development of the internal market in the interest of the Union.”
- 2.3.2.1.3.** Art. 7 (2) of the Statute of the European Investment Bank states that: “The Board of Governors shall lay down general directives for the credit policy of the Bank, in accordance with the Union’s objectives”.

The EIB is in a process of aligning its CAB Project Eligibility Criteria with the EU Taxonomy Regulation in a stepwise manner, notably using the technical screening criteria of TEG Taxonomy Proposal as reference. In this context, “environmental sustainability objective” means “climate change mitigation” as per Article 9 of this regulation, i.e.:

“the process of holding the increase in the global average temperature to well below 2 °C and pursuing efforts to limit it to 1,5 °C above pre-industrial levels, as laid down in the Paris Agreement”.

The stepwise alignment of the CAB Project Eligibility Criteria with the technical screening criteria of the TEG Taxonomy Proposal aims to identify and allocate activities that contribute substantially to this objective.

2.3.2.2. **Process to determine how the projects fit within the eligible Green Projects categories**

As per procedures 2.2.1. i) and ii) above, following approval of a loan by EIB's Board of Directors²⁰, the Projects Directorate assesses its eligibility for CAB purposes. Loan CAB-eligibility is based on the applicable CAB Project Eligibility Criteria, a review and assessment of the Projects Directorate's appraisal documentation and, if applicable, additional information from Projects Directorate' appraisal teams. Eligibility is expressed in % terms of project investment costs, based on the recipient project's CAB-eligible components, and then recorded by the Projects Directorate in EIB's IT systems.



2.3.2.3. **Eligibility criteria**

The EIB is in a process of aligning its CAB Project Eligibility Criteria with the EU Taxonomy Regulation in a stepwise manner, notably using the technical screening criteria of the TEG Taxonomy Proposal as reference. This process includes the gradual convergence of CAB eligibilities with the EUTR-aligned CA&ES definitions.

In a first step of such alignment, the Projects Directorate defined the 2020 CAB Project Eligibility Criteria in Annex 1. On the basis of a comparison between such criteria and the technical screening criteria of the TEG Taxonomy Proposal, two types of CAB-eligible activities can be identified:

2.3.2.3.1. **Eligible activities not yet covered by the TEG Taxonomy Proposal (see tables A and C in Annex 1).** For these activities, EIB used its own definitions in line with the logic of the EU Taxonomy Regulation and in line with the joint MDB/IDFC Common Principles as per item 2.3.1.3.3.

²⁰ Loan approvals are based on EIB's environmental and social due diligence, which conforms with two publicly available documents. These documents are not part of the CAB Internal Criteria:

- EIB Statement of Environmental and Social Principles and Standards, which sets forth the key policies, principles, scope, mitigation hierarchy and organising framework of the Bank's approach to potential environmental and social impacts and risks arising out of its activities.
- EIB Environmental and Social Handbook, which lists operational requirements for different types of financial products and circumstances. The relevant EIB Environmental and Social Standards (vol. I of the Handbook) are mandatory in their application to borrowers and promoters. Standard no. 4, in particular, prescribes full alignment of EIB's approach to climate action with the climate policy of the European Union.

These documents can be accessed at, respectively:

<http://www.eib.org/infocentre/publications/all/environmental-and-social-principles-and-standards.htm>

http://www.eib.org/attachments/strategies/environmental_and_social_practices_handbook_en.pdf

2.3.2.3.2. Eligible activities already covered by the TEG Taxonomy Proposal in the following three areas:

1. Renewable Energy and Energy Efficiency (eligible since 2007). For these activities, the Project Eligibility Criteria are:

- a) aligned with the logic of the EU Sustainability Taxonomy as described in tables A1-14 in Annex 1;
- b) aligned with a selection of technical screening criteria for substantial contribution of the TEG Taxonomy Proposal as described in table A in Annex 1.

2. Electric rail infrastructure and vehicles and other electric public land transport vehicles (eligible since 2020). For these activities, the Project Eligibility Criteria are:

- a) aligned with the logic of the EU Sustainability Taxonomy as described in tables B1-4 in Annex 1;
- b) aligned with the technical screening criteria for substantial contribution of the TEG Taxonomy Proposal as described in table B in Annex 1.

3. Research, development and deployment of innovative low carbon technologies (eligible since 2020). For these activities, the Project Eligibility Criteria are:

- a) aligned with the logic of the EU Sustainability Taxonomy as described in tables C1-2 in Annex 1;
- b) aligned with the technical screening criteria for substantial contribution of the TEG Taxonomy Proposal as described in table C in Annex 1.

2.3.3. Management of proceeds

§ 3 “Management of proceeds” of the GBPs states that **“the net proceeds of Green Bonds ... should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the issuer in an appropriate manner, and attested to by the issuer in a formal internal process linked to the issuer’s lending and investment operations for Green Projects.**

So long as the Green Bond is outstanding, the balance of the tracked net proceeds should be periodically adjusted to match allocations to eligible Green Projects made during that period. The issuer should make known to investors the intended types of temporary placement for the balance of unallocated net proceeds”.

In this area, EIB’s CABs align with the GBPs as described in technical specifications annexed to the FI CAB Policy Note.

2.3.3.1. Sub-portfolio

The Prospectus/Final Terms for each CAB state that:

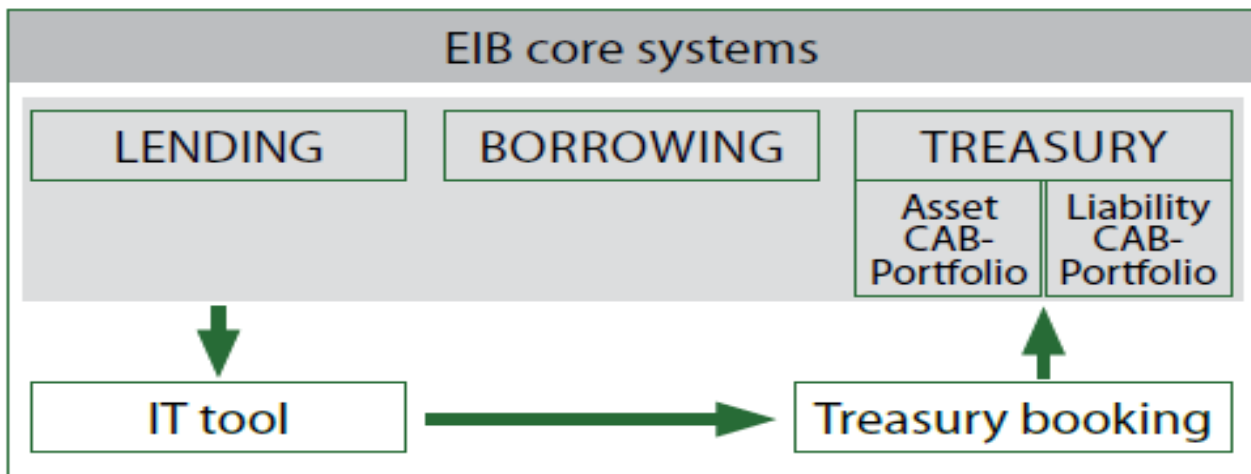
“The net proceeds of the issue of the Bonds will be allocated within EIB’s treasury to a sub-portfolio of the operational money market portfolio.”

One CAB-dedicated liability sub-portfolio of the general liquidity portfolio has been created in EIB’s Treasury for the separate booking of the unallocated CAB-proceeds.

2.3.3.2. *Tracking of proceeds*

A dedicated IT-tool has been designed for the automated tracking of CAB-data (retrieval/processing/matching of: eligible loans, eligibility percentages, disbursement and new issue flows, unallocated balance of the CAB-proceeds).

Data flows are as follows:



2.3.3.3. *Temporary investment*

The Prospectus/Final Terms for each CAB state that:

“Pending such disbursement, the sub-portfolio will be invested in money market instruments.”

One CAB-dedicated asset sub-portfolio of the general liquidity portfolio has been created in EIB’s Treasury for the separate booking of the investment of the unallocated CAB-proceeds.

The unallocated balance of the CAB-proceeds is invested in EIB’s general liquidity portfolio and remunerated at 3MEuribid realized semi-annually with no floor.

2.3.3.4. *Formal internal process linked to the lending and investment operations for green projects*

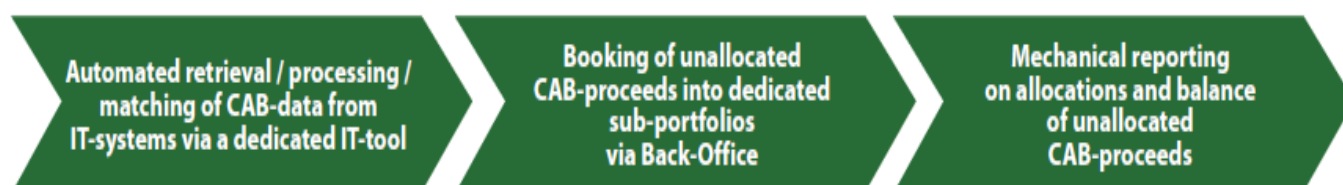
The Prospectus/Final Terms of issue for each CAB line issued **prior to April 2019** states that:

“So long as the Bonds are outstanding, the balance of the sub-portfolio will be reduced ... by amounts matching disbursements made ... to lending projects within the fields of renewable energy and energy efficiency.”

The Prospectus/Final Terms of issue for each CAB line issued **in or after April 2019** states that:

“So long as the Bonds are outstanding, the balance of the sub-portfolio will be reduced by amounts matching disbursements made to eligible lending projects.”

The process for project evaluation and selection described in 2.3.2.2. above permits the retrieval in real time, by Back Office Treasury in the Finance Directorate, of all the eligible disbursements that take place under the umbrella of the eligible loans as per procedures 2.2.2. i), ii) and iii) above. CAB-proceeds are allocated automatically by the IT-tool to new disbursements that take place after issue date only (no refinancing), on a first-in-first-out basis. The IT-tool was enhanced in 2020 to permit the efficient allocation of CABs issued **prior to April 2019** (allocations to renewable energy & energy efficiency activities only) and CABs issued **in or after April 2019** (allocations to all CAB-eligible activities). The daily balances of unallocated CAB-proceeds can be determined by the IT-tool at any time, permitting track-record of CAB eligible disbursements via daily matched reductions of the CAB-portfolios, which are booked semi-annually into the CAB-portfolios.



2.3.4. Reporting

§ 4 “Reporting” of the GBPs states that “**issuers should make, and keep, readily available up to date information on the use of proceeds to be renewed annually until full allocation, and on a timely basis in case of material developments. This should include a list of the projects to which Green Bond proceeds have been allocated, as well as a brief description of the projects and the amounts allocated, and their expected impact. ...**

Transparency is of particular value in communicating the expected impact of projects. The GBP recommend the use of qualitative performance indicators and, where feasible, quantitative performance measures ... and disclosure of the key underlying methodology and/or assumptions used in the quantitative determination. Issuers with the ability to monitor achieved impacts are encouraged to include those in their regular reporting.

Voluntary guidelines aiming at a harmonized framework for impact reporting exist for energy efficiency, renewable energy ... (see guidance documents in the Resource Centre at <https://www.icmagroup.org/green-social-and-sustainability-bonds/resource-centre/>). ...

The use of a summary reflecting the main characteristics of a Green Bond or a Green Bond programme, and illustrating its key features in alignment with the four core components of the GBP may help inform market participants...”

In this area, EIB’s CABs align with the GBPs as follows:

2.3.4.1. *Availability of information on the use of proceeds and their expected impact*

EIB publishes:

- 2.3.4.1.1. with regard to projects with significant emissions directly financed by the EIB, in accordance with EIB’s general policy in this field:

2.3.4.1.1.a. “Environmental and Social Data Sheets (ESDS)” which are unaudited and summarize the environmental and social evaluation of individual projects at appraisal stage (including absolute and relative GHG emissions), in a Public Register²¹ for projects approved since 2013;

2.3.4.1.1.b. aggregate results of the Carbon Footprint Exercise, annually in the Sustainability Report, which is assured with limited assurance by an independent external auditor.

2.3.4.1.2. With specific regard to CAB-recipient projects:

2.3.4.1.2.a. preliminary unaudited reports on the use of proceeds, annually (aggregate data) in the Financial Report and semiannually (project-by-project and bond-by-bond data) in CAB Newsletters.

2.3.4.1.2.b. final reports on use of proceeds and impact, annually in the assured CAB Framework (See section 3. below).

All of aforementioned information is publicly available on EIB’s website²².

2.3.4.2. *Renewal of information in case of new developments*

All CAB-reports are subject to quarterly quality checks by the Projects and Finance Directorates as per 2.2.1.iii) and 2.2.2.ii) above. Every six months, the allocations in the IT tool are frozen for booking into the CAB-portfolios as well as external publication, and are not modified *ex post*.²³

CAB eligibility percentages at loan approval may change over time. In order to minimize any divergence between allocations and eligible disbursements, EIB performs quality-checks via the procedure in the Projects Directorate as per 2.2.1. above. The procedure prescribes that the Projects Directorate enter any change of the CAB eligibility percentage in the Bank’s IT-systems on a timely basis, permitting in particular the Finance Directorate to re-run the IT-tool based on the amended CAB eligibility percentages prior to the semiannual CAB data freeze, book the CAB data into the CAB portfolios and publish the final CAB allocation report in accordance with the requirements of the Finance Directorate.

After the freeze, changes (e.g. if a project needs to be removed from the CAB-report because of a modification of the project scope) are commented in a transparent manner, with no reinjection of funds into the CAB-portfolios.

2.3.4.3. *Transparency in communication of expected impact*

The publication of the expected impact of projects is part of EIB’s broader communication with regard to the environment²⁴.

²¹ <http://www.eib.org/infocentre/register/index.htm>

²² http://www.eib.org/investor_relations/cab/index.htm

²³ Due to extraordinary circumstances linked to the enhancement of the IT-tool required by the extension of CAB-eligibilities, this action was undertaken on a yearly basis in 2020

²⁴ Regulation (EC) 1367/2006 of September 6, 2006 prescribes the application to Community institutions and bodies (thereunder the EIB) of the Aarhus Convention, which sets out the rights of the public with regard to the environment: information, public participation in decision-making and access to justice. This regulation is not part of the CAB Internal Criteria.

2.3.4.4. Quantitative performance measures

The CAB-impact report indicates EIB's share in the total project cost and provides quantitative information on the following impact indicators:

Renewable Energy and Energy Efficiency:

Renewable electricity capacity added (MW-e), Renewable electricity capacity rehabilitated (MW-e), Renewable heat capacity added (MW-th), Renewable electricity produced (GWh-e/y), Renewable heat produced (GWh-th/y), Primary energy savings (GWh/y), Total transmission lines (km), Smart energy meters installed, Absolute GHG emissions (ktCO₂e/y) and GHG emissions reduced/avoided (ktCO₂e/y).

Electric rail infrastructure and vehicles and other electric public land transport vehicles:

Number of vehicles, Number of passengers, Volume of cargo handled, Length of infrastructure built or rehabilitated (km of track, road, etc.), Number of stations, Absolute GHG emissions (ktCO₂e/y) and GHG emissions reduced/avoided (ktCO₂e/y).

Research, development and deployment of innovative low carbon technologies:

Installed manufacturing capacity for low carbon technologies (unit depending on type of technology), RDI investment mobilised for low carbon technologies (mEUR), Number of patents filed, Absolute GHG emissions (ktCO₂e/y) and GHG emissions reduced/avoided (ktCO₂e/y).

Annual impact indicators typically represent expected long-term average values over a project's economic lifetime which is also reported.

2.3.4.5. Key underlying methodology and / or assumptions used in the quantitative determination

The CAB-impact report below relies on background information collected, verified, validated and loaded onto EIB's IT-systems by the Projects Directorate.

GHG emissions calculations are made in accordance with the methodologies defined in "Carbon Footprint of the projects financed by the European Investment Bank - Methodologies for the Assessment of Project GHG Emissions and Emission Variations", which is publicly available²⁵ and regularly updated.

For intermediated operations, quantitative impact indicators are only reported at completion, once allocation of CAB proceeds to sub-projects is known.

2.3.4.6. Reference framework for impact reporting

The Bank has aligned its related processes and procedures with recommendations in the document "Working towards a harmonized framework for Green Bond impact reporting" jointly published by AFD,

²⁵ <http://www.eib.org/about/documents/footprint-methodologies.htm>

AfDB, ADB, EBRD, EIB, IBRD, IDB, IFC, KfW, FMO, NIB on December 2, 2015²⁶, and referenced in the GBP Resource Centre²⁷, when preparing the CAB impact report.

2.3.4.7. Summary of main characteristics

See Annexes 3 and 4.

²⁶ <http://www.eib.org/attachments/fi/informationonimpactreporting.pdf>

²⁷ <https://www.icmagroup.org/green-social-and-sustainability-bonds/resource-centre/>

3. Reports

3.1. Use of proceeds reports

3.1.1. 2020 CAB-issuance report

ISIN	Launch date	Maturity date	Coupon	Bond currency	Nominal amount issued in currency (m)	Net proceeds in EUR (m)
US29878TDH41	08/01/2020	22/01/2025	1.90%	CAD	500	341.53
XS1757428088	14/01/2020	30/01/2025	0.88%	SEK	1,200	114.87
XS2036242803	15/01/2020	15/11/2024	0.75%	GBP	200	235.07
XS2022314467	16/01/2020	14/11/2031	0%	DKK	1,500	200.74
AU3CB0245884	21/01/2020	03/02/2028	3.30%	AUD	150	93.16
XS2115119666	10/03/2020	23/03/2023	5.18%	MXN	40.5	1.70
XS2115120912	10/03/2020	23/03/2023	3.05%	BRL	20	3.83
XS2115119583	11/03/2020	23/03/2023	4.13%	INR	1,078	12.87
XS1980857319	27/03/2020	14/11/2042	1%	EUR	250	281.86
XS2159970065	15/04/2020	24/04/2023	0.63%	NOK	1,500	130.32
XS2159970065	17/04/2020	24/04/2023	0.63%	NOK	500	43.44
XS1980857319	23/04/2020	14/11/2042	1%	EUR	500	524.31
XS1828046570	18/05/2020	15/11/2032	1.13%	EUR	500	578.06
XS2036242803	03/06/2020	15/11/2024	0.75%	GBP	400	444.01
XS2194790262	18/06/2020	15/11/2035	0.01%	EUR	1,000	996.00
XS2194790262	30/07/2020	15/11/2035	0.01%	EUR	300	305.04
XS2230650405	08/09/2020	17/09/2030	0.38%	SEK	1,600	155.51
US298785JH03	15/09/2020	23/09/2030	0.75%	USD	1,500	1254.45
XS2230650405	16/09/2020	17/09/2030	0.38%	SEK	450	43.74
XS2236008913	16/09/2020	25/09/2022	0.32%	HKD	300	32.42
XS2230650405	22/09/2020	17/09/2030	0.38%	SEK	950	92.33
XS2194790262	30/09/2020	15/11/2035	0.01%	EUR	500	504.02
XS1980857319	06/10/2020	14/11/2042	1%	EUR	500	553.57
XS2231174140	19/10/2020	27/10/2023	3.25%	BRL	21.65	3.28
XS2231175469	20/10/2020	27/10/2023	3.76%	INR	342	3.96
Total						6950.09

3.1.2. Report on unallocated balances, aggregate issuance and aggregate allocations²⁸

	EUR million
Balance at 1 January 2020	1,933.81
CAB issues	6,950.09
CAB allocations	8,523.33
CAB portfolio interest	7.36
Balance at 31 December 2020	353.20

3.1.3. Project-by-project report

See 2020 CAB allocation report at https://www.eib.org/en/investor_relations/documents/eib-cab-projects.htm

3.1.4. Bond-by-bond report

See 2020 CAB allocation report at https://www.eib.org/en/investor_relations/documents/eib-cab-projects.htm

3.2. Impact report

See 2020 CAB impact report at https://www.eib.org/en/investor_relations/documents/eib-cab-impact-report.htm

²⁸ Core CAB-related information was publicly reported under the headline “Green Bonds” in the section on borrowing activities of EIB’s 2020 Financial Report and is based on the net proceeds from CABs: “During 2020, the EIB issued EUR 7bn of CABs. In the course of the year, EUR 8.8bn of disbursements were found eligible for allocation of proceeds from CAB issuance and EUR 8.6bn of CAB proceeds were allocated to such disbursements following the EIB’s allocation procedures. The balance of unallocated CAB-proceeds in the treasury CAB-portfolio amounted to EUR 1.9bn at the beginning of the year and to EUR 0.36bn at the end of the year.”

4. Annexes

Annex 1: CAB Project Eligibility Criteria (technical screening criteria)

Annex 2: Alignment of CAB Framework with the TEG EUGBS Proposal

Annex 3: Summary table of CAB-alignments with the GBPs

Annex 4: Summary table of CAB-alignments with the TEG EUGBS Proposal

EU Taxonomy alignment & CAB eligibility in 2020

PJ CAB Coordination Group, PJ/SQM/EC SO

31 December 2020

EU Taxonomy alignment of CAB:

Proceeds from Climate Awareness Bonds (CAB), shall be allocated only to finance projects which contribute substantially to climate change mitigation objectives.

The EIB is in a process of aligning its CABs with the EU Taxonomy in a stepwise manner. “Alignment with the EU Taxonomy” can, in some cases, mean that EIB has selected criteria for substantial contribution to climate change mitigation that are more stringent than the EU Taxonomy criteria (but not less so). However, the EU Taxonomy as proposed by the EU Technical Expert Group (TEG) on sustainable finance does not yet cover all sectors of operation where CAB eligible activities may be found (e.g. brownfield energy efficiency projects in industry and SMEs, high-efficiency cogeneration). In those sectors, the EIB uses its own definitions within the spirit and logic of the EU Taxonomy, and in line with the joint-MDB harmonised methodology on climate finance tracking.

For all CAB-eligible operations in 2020, EIB applies the following approach for “Substantial Contribution” (“SC”), “Do No Significant Harm” (DNSH) and “Minimum Social Safeguards” (MSS):

i. Substantial Contribution (SC):

For CAB-eligible activities in the renewable energy and energy efficiency sectors, first adjustments towards alignment were made in 2020. This means that some projects, which used to be CAB-eligible in preceding years, have become non-eligible in 2020. This alignment process is not yet finalised and needs to be continued in 2021.

The EIB decided that all direct, i.e. non-intermediated activities relating to power generation and combined heat and power generation projects shall comply with the 100 g CO₂-e/kWh threshold, proposed by TEG in final report on Taxonomy²⁹, to be CAB-eligible in 2020. Compliance to this threshold is verified with absolute GHG emission data that is determined through EIB’s Carbon Footprint methodology. For CHP plants, GHG emissions are allocated between heat and power using the heat bonus approach. For intermediated investments, in contrast, to be CAB eligible, the emissions performance threshold will not be adjusted in 2020 for underlying investments, and the threshold applied will be that as required by the Bank’s Energy Lending Policy at the time of appraisal³⁰. Emission thresholds do generally do not apply to building-integrated installations as part of energy efficiency activities. This differentiation is supported by the TEG proposal.

For CAB-eligible activities in sectors introduced into the CAB for the first time in 2020, technical screening criteria are already aligned with the TEG proposal (or its logic, in the case of RDI).

In 2020, the EIB’s technical screening criteria (SC) are presented in a structure that is aligned with the EU Taxonomy.

ii. “Do no significant harm” (DNSH) and “Minimum Social Safeguards” (MSS)

The EIB has a well-established set of Environment and Social (“E&S”) Standards aimed at safeguarding the environmental and social sustainability of all its operations. The EIB E&S Standards

²⁹ https://ec.europa.eu/knowledge4policy/publication/sustainable-finance-teg-final-report-eu-taxonomy_en

³⁰ 250 gCO₂e/kWh for projects with Board of Directors’ approval on 14 November 2019 or later (new Energy Lending Policy), 550 gCO₂e/kWh for projects approved before that date.

Annex 1 CAB Project Eligibility Criteria (“technical screening criteria”)

have been developed in line with international best practice and in regular coordination with the other Multilateral Development Banks. The E&S Standards are aimed at ensuring that any EIB-financed operation does not cause significant environmental and/or social adverse impacts. This purpose is in line with the logic of the “do no significant harm” (“DNSH”) and “minimum social safeguards” (“MSS”) requirements contained within the EU Taxonomy. Specifically, the E&S Standards impose minimum requirements to project promoters requesting EIB funding, both inside and outside of the EU. The Bank’s due diligence process at appraisal stage includes verifying that these requirements will be met. Where needed, it also consists of defining any further contractual conditions that will need to be met by project promoters during project implementation. Further due diligence is conducted during the project monitoring phase to verify that all requirements are fully met throughout project cycle.

In the context of the EU Taxonomy Regulation, the Bank is reviewing its E&S due diligence process to ensure it properly reflects the relevant DNSH and MSS requirements so that it will be able to demonstrate in the future that these requirements are met for the projects contributing substantially to climate change mitigation objective which are CAB eligible. Upon completion of this review process and following the implementation of any changes required, any project included for financing via Climate Awareness Bond proceeds will be fully aligned to the DNSH and MSS requirements of the EU Taxonomy (in addition to being aligned to the substantial contribution requirements). This review and change process is currently on-going and is expected to be completed by the end of 2021.

Eligibility criteria (all sectors):

Investments financed by the EIB in the following sectors are eligible for Climate Awareness Bonds (CAB) allocations, provided that the corresponding technical screening criteria (SC) are met and the general conditions and exclusions are complied with:

- Renewable Energy,
- Energy Efficiency,
- Electric rail infrastructure and vehicles and other electric public land transport vehicles,
- Research, development and deployment of innovative low carbon technologies.

General conditions and exclusions:

- An investment’s CAB-eligibility is expressed in % of its Project Investment Cost (PIC);
- Intermediated investments (global loans, framework loans and intermediated investment loans) are eligible only if 100% of the loan is dedicated to CAB-eligible activities;
- Non-intermediated investments may be eligible for less than 100% of the total amount when only certain components or a share of the investment meet the eligibility criteria;
- Equity and intermediated equity investments are not eligible;
- Investments in nuclear energy are not eligible;
- Only investments under the Bank’s own resources are eligible;

Annex 1 CAB Project Eligibility Criteria (“technical screening criteria”)

- For activities requiring demonstration of net GHG emissions reduction, relative emissions are calculated in accordance with the Bank’s applicable methodologies at the time of appraisal³¹;
- For activities requiring demonstration of specific GHG emissions per unit of output being below a threshold, absolute GHG emissions are calculated in accordance with the Bank’s applicable methodologies at the time of appraisal;
- Any single project component or respective share of investment can only be either CAB-eligible, or SAB-eligible, or not for both. A combined CAB and SAB eligibility is not possible for any single project component or respective share of investment.

Technical screening criteria (SC):

Table A: Renewable Energy and Energy Efficiency

Activity	A similar activity is also covered by TEG Report from March 2020	CAB technical screening criteria (SC) are identical to or more stringent than those proposed by TEG Report from March 2020
Production of Electricity and/or Heat/Cool from Renewable Energy	YES ³²	YES (Solar PV, Concentrated solar power, Wind power, Ocean energy), NO (bioenergy, geothermal energy, hydropower)
High-efficiency Cogeneration of Heat/Cool and Power	NO ³³	N/A
Manufacture of Biomass, Biogas or Biofuels	YES	NO
Anaerobic digestion of sewage sludge	YES	NO
Anaerobic digestion of bio-waste	YES	NO
Transmission and Distribution of Electricity	YES	YES
Storage of Electricity	YES	YES
Retrofit of Gas Transmission and Distribution	YES	YES
District Heating/Cooling Distribution	YES	NO
Construction of new buildings	YES	N/A ³⁴
Building renovation	YES	YES (inside the EU), NO (outside the EU)
Individual measures and professional services in buildings	YES	YES

³¹ GHG emissions calculations are made in accordance with the methodologies defined in “Carbon Footprint of the projects financed by the European Investment Bank – Methodologies for the Assessment of Project GHG Emissions and Emission Variations”: <http://www.eib.org/about/documents/footprint-methodologies.htm>

³² This activity combines all activities of the TEG Report that relate to the “production of electricity”, “cogeneration of electricity and heat/cool” and “production of heat/cool” from renewable energy sources

³³ This activity goes beyond the TEG Report’s activity “Cogeneration of power and heat/cool from gases”.

³⁴ The TEG Proposal’s technical screening criteria for new buildings are not applicable for 2020

Annex 1 CAB Project Eligibility Criteria (“technical screening criteria”)

Energy efficiency in Industry and SMEs	NO ³⁵	N/A
Public lighting	NO	N/A

Table B: Electric rail infrastructure and vehicles and other electric public land transport vehicles

Activity	Same activity is also covered by TEG Report from March 2020	CAB technical screening criteria are identical to or more stringent than those proposed by TEG Report from March 2020
Passenger rail transport (interurban)	YES	YES
Freight rail transport	YES	YES
Public transport	YES	YES
Infrastructure for low carbon transport (land transport)	YES	YES

Table C: Research, development and deployment of innovative low carbon technologies

Activity	Same activity is also covered by TEG Report from March 2020	CAB technical screening criteria are identical to or more stringent than those proposed by TEG Report from March 2020
Manufacture of Low carbon technologies	YES	YES
RDI on low carbon technologies	NO ³⁶	N/A

Details about the EIBG’s technical screening criteria (as applied to CAB eligible projects in 2020) are provided further below. This also includes the identification of impact indicators per activity, that the 2020 CAB framework reports on.

³⁵ As of today, there are no “energy efficiency” activities defined in the TEG Report outside buildings

³⁶ Research and Development (R&D) plays a crucial role in the transition to a more sustainable economy, and the proposed EU GBS by the TEG explicitly includes such expenditure as eligible use of proceeds.

Annex 1 CAB Project Eligibility Criteria (“technical screening criteria”)

List of technical screening criteria and impact reporting indicators, per activity

Substantial contribution (SC) technical screening criteria apply to both, projects inside and outside of the EU, unless specified otherwise for individual activities. They are established in the Bank’s internal Climate Action guidance documents, as amended from time to time. Only the 100g CO₂e/kWh threshold for power generation is CAB-specific and applied on-top. For the purpose of the 2020 CAB framework, all technical screening criteria are presented in a structure that is aligned with the TEG proposal.

If an investment consists of several activities, the CAB-eligibility is determined for each activity individually, as a proportion of Project Investment Cost, and as established in the Bank’s internal Climate Action guidance documents.

Table A1	
Activity name	Production of Electricity and/or Heat/Cool from Renewable Energy
TECHNICAL SCREENING CRITERIA FOR CAB ELIGIBILITY	
Description	Construction and operation of electricity generation facilities that produce electricity from renewable energy, including all related components. Construction and operation of a facility used for cogeneration of heat/cooling and power from renewable energy, including all related components. Production of heating and cooling from renewable energy, including all related components
Macro-Sector	SECTION D : ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY
Environmental objective/	Climate change mitigation
Type of activity	Low-carbon (if relevant absolute GHG emissions as per EIB’s methodology equal zero), Transition (non-zero absolute GHG emissions)
Rationale of substantial contribution (“Principle”)	<ul style="list-style-type: none"> Support a transition to a net-zero emissions economy Ensure that economic activities meet best practice standards Avoidance of lock-in to technologies which do not support the transition to a net-zero emissions economy
Method of measurement (“Metric”)	GHG emissions
Condition for sustainability (“Significance threshold”)	<p>Solar PV, Concentrated solar power, Solar thermal, Ocean energy, Wind power, Run-of-river hydropower: No specific criteria</p> <p>For Hydropower with storage, Geothermal energy, Bioenergy:</p> <ul style="list-style-type: none"> Net GHG emission savings is demonstrated; Electricity generation does not exceed the emission threshold of 100 gCO₂-e/kWh for non-intermediated investments, 250 gCO₂-e/kWh for intermediated investments with Board of Directors' approval on 14 November 2019 or later (new Energy Lending Policy), 550 gCO₂-e/kWh for intermediated investments with Board of Directors' approval prior to 14 November 2019. In case of cogeneration, GHG emissions are allocated between heat and power using the heat bonus approach. There is no emission threshold applying to heat generation. <p>Guidance for the joint use of renewable energy and fossil fuels: Where renewable energy and fossil fuels is used and separation of financing is possible (such as solar energy backed up by diesel generation), only that for renewable energy shall be eligible. Where separation of financing is not possible, financing shall be apportioned accordingly to the renewable energy part of the project. Where natural gas or fuel oil consumption is an integral part of renewable</p>

Annex 1 CAB Project Eligibility Criteria (“technical screening criteria”)

	energy production (concentrated solar, solid biomass combustion), and separation of financing is not possible, the whole project is eligible, provided the applicable GHG emissions threshold is met by combined production.
Do No Significant Harm (DNSH)	See general clarifications For Bioenergy, in addition to the above criteria: <ul style="list-style-type: none"> Compliance with EIB’s criteria for the sustainable supply of biomass (as applicable at the time of appraisal).
Financing types	See general clarifications
Impact monitoring indicators	<ul style="list-style-type: none"> Renewable electricity capacity added (MWe) Renewable electricity capacity rehabilitated (MWe) Renewable electricity produced (GWh-e/y) Renewable heat capacity added (MW-th) Renewable heat produced (GWh-th/y) Absolute GHG emissions (kt CO₂ e/y) GHG emissions reduced/avoided (kt CO₂ e/y)

Table A2

Activity name		High-efficiency Cogeneration of Heat/Cool and Power
TECHNICAL SCREENING CRITERIA FOR CAB ELIGIBILITY		
Description	Construction and operation of a facility used for cogeneration of heat/cooling and power, featuring high efficiency and minimum primary energy savings, including all related components	
Macro-Sector	SECTION D : ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	
Environmental objective	Climate change mitigation	
Type of activity	Transition	
Rationale of substantial contribution (“Principle”)	<ul style="list-style-type: none"> Increasing energy efficiency Ensure that economic activities meet best practice standards Avoidance of lock-in to technologies which do not support the transition to a net-zero emissions economy. 	
Method of measurement (“Metric”)	GHG emissions, Primary energy savings	
Condition for sustainability (“Significance threshold”)	<ul style="list-style-type: none"> Calculations shall be made using the methodology for high-efficient cogeneration as provided by the EED (2012/27/EU) and its related Decisions 2011/877/EU and 2008/952/EC : <ul style="list-style-type: none"> At least 50% of generated electricity comes from high-efficiency cogeneration, i.e. at least 50% of generated electricity is cogenerated and Primary Energy Savings (PES) for this cogenerated electricity and useful heat reaches at least 10% (principal condition); At least 5% net PES is achieved on an annual basis for the entire generated electricity and useful heat (additional safeguarding criterion). Electricity generation does not exceed the emission threshold of 100 gCO₂-e/kWh for non-intermediated investments, 250 gCO₂-e/kWh for intermediated investments with Board of Directors' approval on 14 November 2019 or later (new Energy Lending Policy), 550 gCO₂-e/kWh for intermediated investments with Board of Directors' approval prior to 14 November 2019. GHG emissions are allocated between heat and power using the heat bonus approach. No coal in the fuel mix. <p>General remarks applicable to non-intermediated and intermediated investments:</p>	

Annex 1 CAB Project Eligibility Criteria (“technical screening criteria”)

	<p>Recovery of waste gas or heat is considered to be energy efficient and therefore not subject to the minimum efficiency requirements of the Directive.</p> <p>Guidance for the joint use of renewable energy and fossil fuels: This activity is limited to selected low carbon sources. It comprises facilities for the joint use of renewable energy and fossil fuels, such as natural gas and biomethane, or organic and non-organic fractions of waste, respectively. Provided that the emissions threshold for substantial contribution is met by combined production, the whole project is eligible.</p> <p>Building-integrated cogeneration facilities are covered separately by technical screening criteria for building construction, refurbishment, and other energy efficiency activities.</p>
Do No Significant Harm (DNSH)	See general clarifications
Financing types	See general clarifications. Mixed waste: Non-intermediated investments only.
Impact monitoring indicators	<ul style="list-style-type: none"> • Primary Energy Savings (GWh/yr) • Absolute GHG emissions (kt CO₂ e/y) • GHG emissions reduced/avoided (kt CO₂ e/y)

Table A3

Activity name		Manufacture of Biomass, Biogas or Biofuels
TECHNICAL SCREENING CRITERIA FOR CAB ELIGIBILITY		
Description	Production of solid, liquid or gaseous fuels from biomass	
Macro-Sector	SECTION D : ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	
Environmental objective	Climate change mitigation	
Type of activity	Low-carbon (if relevant absolute GHG emissions as per EIB’s methodology equal zero), Transition (non-zero absolute GHG emissions)	
Rationale of substantial contribution (“Principle”)	<ul style="list-style-type: none"> • Support a transition to a net-zero emissions economy • Ensure that economic activities meet best practice standards • Avoidance of lock-in to technologies which do not support the transition to a net-zero emissions economy 	
Method of measurement (“Metric”)	GHG emissions	
Condition for sustainability (“Significance threshold”)	<p>Manufacture of solid or gaseous fuels from biomass:</p> <ul style="list-style-type: none"> • The technologies considered should demonstrate acceptable energy conversion efficiency. • No coal in the feedstock mix. <p>The anaerobic digestion of bio-waste and sewage sludge are covered by separate activities.</p> <p>Liquid biofuels, including biodiesel and bioethanol:</p> <ul style="list-style-type: none"> • Production in line with Directive 2018/2001/EC, specifically Article 17 “Sustainability criteria for biofuels and bioliquids” relating to GHG emissions and land use criteria. • For the demonstration of purpose of key technologies exception to the above criteria may apply on a case by case. (e.g. biomaterials from sugar, etc.). 	
Do No Significant Harm (DNSH)	See general clarifications	

Annex 1 CAB Project Eligibility Criteria (“technical screening criteria”)

	Compliance with EIB’s criteria for the sustainable supply of biomass (as applicable at the time of appraisal).
Financing types	See general clarifications
Impact monitoring indicators	<ul style="list-style-type: none"> Absolute GHG emissions (kt CO₂ e/y) GHG emissions reduced/avoided (kt CO₂ e/y)

Table A4

Activity name		Anaerobic digestion of sewage sludge
TECHNICAL SCREENING CRITERIA FOR CAB ELIGIBILITY		
Description	Treatment of sewage sludge in wastewater treatment plants or in other dedicated installation with the resulting production and utilisation of biogas	
Macro-Sector	SECTION E : WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	
Environmental objective	Climate change mitigation	
Type of activity	Low-carbon	
Rationale of substantial contribution (“Principle”)	<ul style="list-style-type: none"> Support a transition to a net-zero emissions economy 	
Method of measurement (“Metric”)	N/A	
Condition for sustainability (“Significance threshold”)	Energy must be recovered from the biogas produced in the AD.	
Do No Significant Harm (DNSH)	See general clarifications	
Financing types	See general clarifications	
Impact monitoring indicators	<ul style="list-style-type: none"> Renewable electricity capacity added (MWe) Renewable electricity capacity rehabilitated (MWe) Renewable electricity produced (GWh-e/y) Renewable heat capacity added (MW-th) Renewable heat produced (GWh-th/y) Absolute GHG emissions (kt CO₂ e/y) GHG emissions reduced/avoided (kt CO₂ e/y) 	

Table A5

Activity name		Anaerobic digestion of bio-waste
TECHNICAL SCREENING CRITERIA FOR CAB ELIGIBILITY		
Description	Treatment of bio-waste through anaerobic digestion in dedicated plants with the resulting production and utilisation of biogas.	
Macro-Sector	SECTION E : WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	
Environmental objective	Climate change mitigation	
Type of activity	Low-carbon	
Rationale of substantial contribution (“Principle”)	Support a transition to a net-zero emissions economy	
Method of measurement (“Metric”)	N/A	
Condition for sustainability (“Significance threshold”)	Energy must be recovered from the biogas produced in the AD.	
Do No Significant Harm (DNSH)	See general clarifications	
Financing types	See general clarifications	

Annex 1 CAB Project Eligibility Criteria (“technical screening criteria”)

Impact monitoring indicators	<ul style="list-style-type: none"> Renewable electricity capacity added (MWe) Renewable electricity capacity rehabilitated (MWe) Renewable electricity produced (GWh-e/y) Renewable heat capacity added (MW-th) Renewable heat produced (GWh-th/y) Absolute GHG emissions (kt CO₂ e/y) GHG emissions reduced/avoided (kt CO₂ e/y)
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Table A6

Activity name		Transmission and Distribution of Electricity
TECHNICAL SCREENING CRITERIA FOR CAB ELIGIBILITY		
Description	Construction and operation of transmission systems that transport the electricity on the extra high-voltage and high-voltage interconnected system. Construction and operation of distribution systems that transport electricity on high-voltage, medium-voltage and low-voltage distribution systems. Construction and operation of interconnections that transport electricity between separate systems. Construction and operation of supporting infrastructure such system control, dispatch and control systems.	
Macro-Sector	SECTION D : ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	
Environmental objective	Climate change mitigation	
Type of activity	Enabling	
Rationale of substantial contribution (“Principle”)	<ul style="list-style-type: none"> Support the integration of renewable energy into the power grid Support the transition from carbon-intensive energy supply, via electrification and parallel development of low carbon power generation capacity Support of grid management technology used for integrating low carbon emission generation and demand side energy savings Decrease of direct emissions from transmission and distribution (T&D) infrastructure 	
Method of measurement (“Metric”)	Increase in renewable energy generation, primary energy savings; Reduction of GHG emissions	
Condition for sustainability (“Significance threshold”)	<p>New, expanded or upgraded transmission or distribution systems (lines, substations) to facilitate integration of new renewable power or improved uptake of existing renewable power:</p> <ul style="list-style-type: none"> Capacity of associated infrastructure is justified by an expected increase in renewable energy generation, from new or existing renewable capacity; Net GHG emission savings is demonstrated; <p>[Eligibility is 100% for direct connection projects if criteria met. Otherwise, eligibility is determined by the ratio of net economic climate benefits to overall project costs.]</p> <p>New, expanded or upgraded transmission or distribution systems (lines, substations) which result in significant energy efficiency gains or reductions in primary energy consumption in the electricity system:</p> <ul style="list-style-type: none"> Net present value of primary energy savings, including environmental externalities, is at least equal 50% of the net present value of the project cost over its life; Net GHG emission savings is demonstrated. <p>Use of transmission or distribution infrastructure or processes which avoid the use of SF6 in transformer switchgear:</p> <ul style="list-style-type: none"> Net GHG emission savings is demonstrated. <p>New information and communication technology, smart-grid and mini-grid that support renewable energy:</p>	

Annex 1 CAB Project Eligibility Criteria (“technical screening criteria”)

	<ul style="list-style-type: none"> Capacity of associated infrastructure is justified by an expected increase in renewable energy generation, from new or existing capacity; Capacity of associated infrastructure justified by connection of new renewable energy capacity, or increased utilisation of existing capacity; Net GHG emission savings is demonstrated; <p>[Eligibility is determined by the ratio of net economic climate benefits to overall project costs.]</p> <p>Installation of Smart Meters:</p> <ul style="list-style-type: none"> Smart Meters must show demonstrable energy savings to be counted, in the form of detailed market studies, pilot schemes or past experience with similar technology. Smart Meters which are designed to interface with home automation systems to result in energy savings without human interaction are fully eligible.
Do No Significant Harm (DNSH)	See general clarifications
Financing types	See general clarifications
Impact monitoring indicators	<ul style="list-style-type: none"> Total transmission lines (km)³⁷ Number of smart energy meters installed Absolute GHG emissions (kt CO₂ e/y) GHG emissions reduced/avoided (kt CO₂ e/y)

Table A7

Activity name		Storage of Electricity
TECHNICAL SCREENING CRITERIA FOR CAB ELIGIBILITY		
Description	Construction and operation of facilities that store electricity and return it at a later time, in the form of electricity.	
Macro-Sector	SECTION D : ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	
Environmental objective	Climate change mitigation	
Type of activity	Enabling	
Rationale of substantial contribution (“Principle”)	Support the integration of renewable energy into the power grid	
Method of measurement (“Metric”)	Facilitate integration of renewables, increase in renewable energy generation	
Condition for sustainability (“Significance threshold”)	<ul style="list-style-type: none"> Capacity of associated infrastructure is justified by an expected increase in renewable energy generation, from new or existing renewable capacity; Capacity of associated infrastructure is justified by connection of new renewable energy capacity, or increased utilisation of existing renewable capacity; Net GHG emission savings is demonstrated. 	
Do No Significant Harm (DNSH)	See general clarifications	
Financing types	See general clarifications	
Impact monitoring indicators	<ul style="list-style-type: none"> Absolute GHG emissions (kt CO₂ e/y) GHG emissions reduced/avoided (kt CO₂ e/y) 	

Table A8

Activity name		Retrofit of Gas Transmission and Distribution
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³⁷ Total transmission lines for the projects are reported, although the projects might be only partially CAB eligible

Annex 1 CAB Project Eligibility Criteria (“technical screening criteria”)

TECHNICAL SCREENING CRITERIA FOR CAB ELIGIBILITY	
Description	Retrofit of gas networks for the distribution of low-carbon gaseous fuels through a system of mains. Retrofit of gas networks for long-distance transportation of low-carbon gases by pipelines.
Macro-Sector	SECTION D : ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY
Environmental objective	Climate change mitigation
Type of activity	Enabling
Rationale of substantial contribution (“Principle”)	<ul style="list-style-type: none"> Support the integration of renewable energy into the gas grid Support the transition from carbon-intensive energy supply, via development of low carbon gas production capacity Support of grid management technology used for integrating low carbon gases
Method of measurement (“Metric”)	N/A
Condition for sustainability (“Significance threshold”)	<ul style="list-style-type: none"> New infrastructure to facilitate integration of low-carbon gas into the grid; Does not facilitate increased use of natural gas; Net GHG emission savings is demonstrated.
Do No Significant Harm (DNSH)	See general clarifications
Financing types	See general clarifications
Impact monitoring indicators	<ul style="list-style-type: none"> Absolute GHG emissions (kt CO₂ e/y) GHG emissions reduced/avoided (kt CO₂ e/y)

Table A9

Activity name		District Heating/Cooling Distribution
TECHNICAL SCREENING CRITERIA FOR CAB ELIGIBILITY		
Description	Construction and operation of pipelines and associated infrastructure for distribution of heating and cooling, including thermal storage facilities, ending at the sub-station or heat exchanger. For the avoidance of doubt, production of heat/cool is not included in this activity.	
Macro-Sector	SECTION D : ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	
Environmental objective	Climate change mitigation	
Type of activity	Low carbon (network refurbishment, if relevant absolute GHG emissions as per EIB’s methodology equal zero), Enabling (network extension, new network, network refurbishment at non-zero absolute emissions)	
Rationale of substantial contribution (“Principle”)	Providing energy services in a low-carbon manner	
Method of measurement (“Metric”)	GHG emissions	
Condition for sustainability (“Significance threshold”)	<p>Construction of a new district heating/cooling network, refurbishment or expansion of an existing DH/DC network with Board of Directors’ approval on 14 November 2019 or later:</p> <ul style="list-style-type: none"> the system complies with the definition of efficient DH/DC in the EU Energy Efficiency Directive, i.e. a system using at least 50% renewable energy or 50% waste heat or 75% cogenerated heat or 50% of a combination of such energy and heat, as a result of the project, there will be no net increase in GHG emissions from coal, peat, oil or non-organic waste on an annual basis. 	

Annex 1 CAB Project Eligibility Criteria (“technical screening criteria”)

	Construction of a new district heating/cooling network, refurbishment or expansion of an existing DH/DC network with Board of Directors’ approval prior to 14 November 2019: <ul style="list-style-type: none"> No supply of heat from coal to the DH/DC network.
Do No Significant Harm (DNSH)	See general clarifications
Financing types	See general clarifications
Impact monitoring indicators	<ul style="list-style-type: none"> Primary Energy Savings (GWh/yr)³⁸ Absolute GHG emissions (kt CO₂ e/y) GHG emissions reduced/avoided (kt CO₂ e/y)

Table A10

Activity name		Construction of new buildings
TECHNICAL SCREENING CRITERIA FOR CAB ELIGIBILITY		
Description	Construction of new buildings	
Macro-Sector	SECTION F : CONSTRUCTION	
Environmental objective	Climate change mitigation	
Type of activity	Low-carbon	
Rationale of substantial contribution (“Principle”)	<ul style="list-style-type: none"> Support a transition to a net-zero emissions economy Reduce energy use and carbon emissions for the operational phase of buildings Ensure that economic activities meet best practice standards 	
Method of measurement (“Metric”)	Energy performance of the building will exceed minimum regulatory requirements with the aim of achieving best market standards.	
Condition for sustainability (“Significance threshold”)	<p>New buildings inside the EU:</p> <ul style="list-style-type: none"> New buildings are eligible if classified as nearly-zero energy buildings (NZEB) as defined by the Member States under Article 9(1) of the EPBD, the cost per m² is below an NZEB benchmark level, which will be assessed at country or regional level, <u>and</u> their building permit has been issued: <ul style="list-style-type: none"> For public buildings before the end of 2018; For private buildings before the end of 2020, <p>New buildings outside the EU:</p> <ul style="list-style-type: none"> New buildings are 20% better than standard national energy performance. This can be demonstrated by meeting the Edge Tool certification standards or equivalent. 	
Do No Significant Harm (DNSH)	See general clarifications	
Financing types	See general clarifications	
Impact monitoring indicators	<ul style="list-style-type: none"> Primary Energy Savings (GWh/yr) Absolute GHG emissions (kt CO₂ e/y) GHG emissions reduced/avoided (kt CO₂ e/y) 	

Table A11

Activity name		Building renovation
TECHNICAL SCREENING CRITERIA FOR CAB ELIGIBILITY		
Description	Energy Efficiency renovation of existing buildings	

³⁸ Only for network refurbishment projects, not for new built and/or network extensions

Annex 1 CAB Project Eligibility Criteria (“technical screening criteria”)

Macro-Sector	SECTION F : CONSTRUCTION
Environmental objective	Climate change mitigation
Type of activity	Low-carbon (if relevant absolute GHG emissions as per EIB’s methodology equal zero); Transition (otherwise)
Rationale of substantial contribution (“Principle”)	<ul style="list-style-type: none"> Reduce energy use and carbon emissions for the operational phase of buildings Ensure that economic activities meet best practice standards
Method of measurement (“Metric”)	The renovation rely on either the respective metrics set in the applicable building energy performance regulation for ‘major renovation’ transposing the EPBD, or, in the case of relative improvement, on Primary Energy Demand (PED).
Condition for sustainability (“Significance threshold”)	<p>Energy savings/energy efficiency in existing buildings inside the EU</p> <ul style="list-style-type: none"> Renovation measures are compliant with national energy performance standards. National energy performance standards for buildings comply with the EPBD, i.e. are in line with the cost optimum level. <p>Energy savings/energy efficiency in existing buildings outside of the EU:</p> <ul style="list-style-type: none"> Projects are required to adopt best energy standards as compared to a baseline which will be defined on a case-by-case basis by the Bank’s services through a transparent, practical method, such as the IFC’s EDGE tool. The Bank will also consider partial energy efficiency eligibility for less ambitious buildings, based on evidence of energy related individual measures. <p>[Eligibility is 100% of project investment cost linked to energy efficiency related improvements. In cases of wider building renovations including both energy efficiency and non-energy efficiency improvements, if it is economically detrimental to complete all of them in different phases, all expenditures can be eligible as long as the energy efficiency components amount to more than 50% of the total investment costs.]</p>
Do No Significant Harm (DNSH)	See general clarifications
Financing types	See general clarifications
Impact monitoring indicators	<ul style="list-style-type: none"> Primary Energy Savings (GWh/yr). Absolute GHG emissions (kt CO₂ e/y) GHG emissions reduced/avoided (kt CO₂ e/y)

Table A12

Activity name	Individual measures and professional services in Buildings
TECHNICAL SCREENING CRITERIA FOR CAB ELIGIBILITY	
Description	Individual energy efficiency measures and professional services relating to building renovation ³⁹
Macro-Sector	SECTION F : CONSTRUCTION
Environmental objective	Climate change mitigation
Type of activity	Low-carbon
Rationale of substantial contribution (“Principle”)	Reduce energy use and carbon emissions for the operational phase of buildings

³⁹ EIB list is equivalent to the list under activity 8.3 in TEG Taxonomy Report (Technical Annex):

https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy-annexes_en.pdf

Annex 1 CAB Project Eligibility Criteria (“technical screening criteria”)

Method of measurement (“Metric”)	Primary energy savings
Condition for sustainability (“Significance threshold”)	<p>Eligible energy efficiency measures in buildings must be defined on the basis of either:</p> <ul style="list-style-type: none"> • an energy audit (in line with the European Standard EN 16247 Energy or equivalent) or • a building energy performance certificate (equivalent to EPBD) or • a list of measures set up by the EIB (as applicable at the time of appraisal). <p>Boiler conversion projects for heating, from a more GHG-intensive fuel to natural gas or low carbon:</p> <ul style="list-style-type: none"> • Gas-fired boilers defined as A-rated boilers in the EU or boilers with efficiencies of 90% or better outside of the EU
Do No Significant Harm (DNSH)	See general clarifications
Financing types	See general clarifications
Impact monitoring indicators	<ul style="list-style-type: none"> • Primary Energy Savings (GWh/yr) • Absolute GHG emissions (kt CO₂ e/y) • GHG emissions reduced/avoided (kt CO₂ e/y)

Table A13

Activity name		Energy efficiency in Industry and SMEs
TECHNICAL SCREENING CRITERIA FOR CAB ELIGIBILITY		
Description	Energy efficiency measures in industrial facilities and Small and Medium Enterprises (SMEs).	
Macro-Sector	Various	
Environmental objective	Climate change mitigation	
Type of activity	Low-carbon (if relevant absolute GHG emissions as per EIB’s methodology equal zero); Transition (otherwise)	
Rationale of substantial contribution (“Principle”)	Reduce energy use and carbon emissions through energy efficiency in Industry and SMEs	
Method of measurement (“Metric”)	Primary energy savings	
Condition for sustainability (“Significance threshold”)	<ul style="list-style-type: none"> • The investment is primarily motivated by energy savings and will not increase the capacity of the facility significantly. • Energy savings must be defined on the basis of either: an energy audit (in line with the European Standard EN 16247 Energy or equivalent) energy management certification system, or compliance with a white certificate scheme, or a list of measures set up by the EIB or any other transparent and proportionate method acceptable to the Bank that shows the improvement in energy performance. 	
Do No Significant Harm (DNSH)	See general clarifications	
Financing types	See general clarifications	
Impact monitoring indicators	<ul style="list-style-type: none"> • Primary Energy Savings in MWh/y • Absolute GHG emissions (kt CO₂ e/y) • GHG emissions reduced/avoided (kt CO₂ e/y) 	

Annex 1 CAB Project Eligibility Criteria (“technical screening criteria”)

Table A14

Activity name		Public Lighting
TECHNICAL SCREENING CRITERIA FOR CAB ELIGIBILITY		
Description	Energy efficiency measures in public lighting systems.	
Macro-Sector	SECTION D : ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	
Environmental objective	Climate change mitigation	
Type of activity	Low-carbon	
Rationale of substantial contribution (“Principle”)	Reduce energy use and carbon emissions through energy efficiency in public lighting	
Method of measurement (“Metric”)	Primary energy savings	
Condition for sustainability (“Significance threshold”)	<ul style="list-style-type: none"> Only measures identified by an energy audit carried out in line with EN 16247 (or another equivalent standard) are eligible. Extension or construction of new public lighting systems is generally excluded. 	
Do No Significant Harm (DNSH)	See general clarifications	
Financing types	See general clarifications	
Impact monitoring indicators	<ul style="list-style-type: none"> Primary Energy Savings (MWh/yr) Absolute GHG emissions (kt CO₂ e/y) GHG emissions reduced/avoided (kt CO₂ e/y) 	

Table B1

Activity name		Passenger rail transport (interurban)
TECHNICAL SCREENING CRITERIA FOR CAB ELIGIBILITY		
Description	Electric trains for passenger rail transport (Interurban)	
Macro-Sector	SECTION H : TRANSPORTATION AND STORAGE	
Environmental objective	Climate change mitigation	
Type of activity	Low-carbon	
Rationale of substantial contribution (“Principle”)	Demonstrate substantial GHG emission reduction by: <ul style="list-style-type: none"> Increasing the number of low- and zero emission fleets, and improving fleet efficiency Improving efficiency of the overall transport/mobility system 	
Method of measurement (“Metric”)	<ul style="list-style-type: none"> Direct GHG emissions 	
Condition for sustainability (“Significance threshold”)	<ul style="list-style-type: none"> Zero direct GHG emissions Only electric trains are eligible. 	
Do No Significant Harm (DNSH)	<ul style="list-style-type: none"> See general clarifications 	
Financing types	<ul style="list-style-type: none"> See general clarifications 	
Impact monitoring indicators	<ul style="list-style-type: none"> Number of vehicles Number of passengers Absolute GHG emissions (kt CO₂ e/y) GHG emissions reduced/avoided (kt CO₂ e/y) 	

Annex 1 CAB Project Eligibility Criteria (“technical screening criteria”)

Table B2

Activity name		Freight rail transport
TECHNICAL SCREENING CRITERIA FOR CAB ELIGIBILITY		
Description	Electric trains for freight rail transport	
Macro-Sector	SECTION H : TRANSPORTATION AND STORAGE	
Environmental objective	Climate change mitigation	
Type of activity	Low-carbon	
Rationale of substantial contribution (“Principle”)	Demonstrate substantial GHG emission reduction by: <ul style="list-style-type: none"> Increasing the number of zero direct emission fleets, and improving fleet efficiency Improving efficiency of the overall transport/mobility system 	
Method of measurement (“Metric”)	<ul style="list-style-type: none"> Direct GHG emissions 	
Condition for sustainability (“Significance threshold”)	<ul style="list-style-type: none"> Zero direct GHG emissions Only electric trains are eligible. 	
Do No Significant Harm (DNSH)	<ul style="list-style-type: none"> See general clarifications 	
Financing types	<ul style="list-style-type: none"> See general clarifications 	
Impact monitoring indicators	<ul style="list-style-type: none"> Number of vehicles Volume of cargo handled (tonnes) Absolute GHG emissions (kt CO₂ e/y) GHG emissions reduced/avoided (kt CO₂ e/y) 	

Table B3

Activity name		Public transport
TECHNICAL SCREENING CRITERIA FOR CAB ELIGIBILITY		
Description	Electric vehicles for public transport	
Macro-Sector	SECTION H : TRANSPORTATION AND STORAGE	
Environmental objective	Climate change mitigation	
Type of activity	Low-carbon	
Rationale of substantial contribution (“Principle”)	Demonstrate substantial GHG emission reduction by: <ul style="list-style-type: none"> Increasing the number of zero direct emission fleets, and improving fleet efficiency Improving efficiency of the overall transport/mobility system 	
Method of measurement (“Metric”)	<ul style="list-style-type: none"> Direct GHG emissions 	
Condition for sustainability (“Significance threshold”)	<ul style="list-style-type: none"> Zero direct GHG emissions Only electric land transport vehicles (e.g. light rail transit, metro, tram, trolleybus, electric bus and electric urban rail) are eligible. 	
Do No Significant Harm (DNSH)	<ul style="list-style-type: none"> See general clarifications 	
Financing types	<ul style="list-style-type: none"> See general clarifications 	
Impact monitoring indicators	<ul style="list-style-type: none"> Number of vehicles Number of passengers Absolute GHG emissions (kt CO₂ e/y) GHG emissions reduced/avoided (kt CO₂ e/y) 	

Annex 1 CAB Project Eligibility Criteria (“technical screening criteria”)

Table B4	
Activity name	Infrastructure for low carbon transport (land transport)
TECHNICAL SCREENING CRITERIA FOR CAB ELIGIBILITY	
Description	Infrastructure for electric public transport (land transport)
Macro-Sector	SECTION H : TRANSPORTATION AND STORAGE
Environmental objective	Climate change mitigation
Type of activity	Enabling
Rationale of substantial contribution (“Principle”)	Demonstrate substantial GHG emission reduction by: <ul style="list-style-type: none"> Increasing the number of zero direct emission fleets, and improving fleet efficiency Improving efficiency of the overall transport/mobility system
Method of measurement (“Metric”)	<ul style="list-style-type: none"> Direct GHG emissions
Condition for sustainability (“Significance threshold”)	<ul style="list-style-type: none"> Zero direct GHG emissions Infrastructure that is required for electric public transport (e.g. metro, LRT, electric rail infrastructure) and dedicated to electric public transport.
Do No Significant Harm (DNSH)	<ul style="list-style-type: none"> See general clarifications
Financing types	<ul style="list-style-type: none"> See general clarifications
Impact monitoring indicators	<ul style="list-style-type: none"> Length of infrastructure built or rehabilitated (km of track, road, etc.) Number of stations Number of passengers or volume of cargo Absolute GHG emissions (kt CO₂ e/y) GHG emissions reduced/avoided (kt CO₂ e/y)

Table C1	
Activity name	Manufacture of Low carbon technologies
TECHNICAL SCREENING CRITERIA FOR CAB ELIGIBILITY	
Description	Manufacture of low carbon technologies
Macro-Sector	SECTION C : MANUFACTURING
Environmental objective	Climate change mitigation
Type of activity	Enabling
Rationale of substantial contribution (“Principle”)	Manufacturing of low carbon technology is an enabling activity in the decarbonisation of the economy (energy, transport, construction, industry).
Method of measurement (“Metric”)	N/A
Condition for sustainability (“Significance threshold”)	Manufacturing of one or more of the following products: <ul style="list-style-type: none"> Components and machinery for renewable energy; Zero direct emission transport vehicles and their respective key components, fleets and vessels;
Do No Significant Harm (DNSH)	<ul style="list-style-type: none"> See general clarifications
Financing types	<ul style="list-style-type: none"> See general clarifications
Impact monitoring indicators	<ul style="list-style-type: none"> Installed manufacturing capacity for low carbon technologies⁴⁰ Absolute GHG emissions (kt CO₂ e/y) GHG emissions reduced/avoided (kt CO₂ e/y)

⁴⁰ Where confidentiality agreements, competitive considerations limit the amount of detail that can be made available, information shall be presented on aggregated portfolio basis or in generic terms

Annex 1 CAB Project Eligibility Criteria (“technical screening criteria”)

Table C2	
Activity name	RDI on low carbon technologies
TECHNICAL SCREENING CRITERIA FOR CAB ELIGIBILITY	
Description	RDI on low carbon technology
Macro-Sector	Various
Environmental objective	Climate change mitigation
Type of activity	Enabling
Rationale of substantial contribution (“Principle”)	Research activities dedicated to the development of low carbon technology will support the commercialisation and deployment of these products, components, technology, solutions – enable at bringing these technologies faster to the market.
Method of measurement (“Metric”)	N/A
Condition for sustainability (“Significance threshold”)	<p>The RDI activities/sub-component directly supports the development of one/or more of the following technologies, solutions, products or components:</p> <ul style="list-style-type: none"> • Products, key components and machinery that are essential for renewable energy technologies; • Zero direct emission transport vehicles and their respective key components, fleets and vessel ;
Do No Significant Harm (DNSH)	<ul style="list-style-type: none"> • See general clarifications
Financing types	<ul style="list-style-type: none"> • Investment loans (100% eligible operations only)
Impact monitoring indicators	<ul style="list-style-type: none"> • RDI investment mobilised for low-carbon technologies ⁴¹ • Number of patents filed⁴²

⁴¹ Where confidentiality agreements, competitive considerations limit the amount of detail that can be made available, information shall be presented on aggregated portfolio basis or in generic terms

⁴² Where confidentiality agreements, competitive considerations limit the amount of detail that can be made available, information shall be presented on aggregated portfolio basis or in generic terms

Annex 2 Alignment of CAB Framework with the TEG EUGBS Proposal

The EIB Group Climate Bank Roadmap 2021-2025 approved by EIB's Board of Directors in November 2020 states that the "EIB plans to gradually align CABs/SABs with the proposed EU Green Bond Standard" (item 2.49 p. 19). In line with its Management Plan 2021 of January 2021⁴³, the European Commission presented a proposal for an EU Green Bond Standard Regulation on 6th July 2021.⁴⁴

In anticipation of the upcoming regulatory framework, EIB's Finance and Project Directorates have jointly developed a 2020-2025 "Initial plan for CAB product development and **alignment with the EU Green Bond Standard in the context of the Climate Bank Roadmap**" (hereafter the "FIPJ CAB Initial Action Plan", dated 30/04/2020). In July 2021, the EIB's Management Committee has retained this plan⁴⁵ as Sub Action Plan 4 "Sustainability Funding" of Action Plan 2 "Strategic Business development" under the Climate Bank Roadmap.

This FIPJ CAB Initial Action Plan has three sub-sections:

- A. Alignment with the EU Taxonomy
- B. Upgrade of CAB-Administration
- C. Alignment of the CAB Framework with the EU Green Bond Standard**

The last sub-section of the plan is summarized by the following table:

		LD	CBR	2020: 2019 CAB Framework	2021: 2020 CAB Framework	2022: 2021 CAB Framework	2023: 2022 CAB Framework
C. Alignment of CAB Framework with EU Green Bond Standard (EUGBS)	C.1						

As a first and intermediate step in this direction, which presently aims at full alignment of the **2022** CAB Framework with the EU Green Bond Standard (assurance exercise 2023), this annex:

- describes how relevant information in the text of the present CAB Framework can be rearranged to fit the "EU Green Bond Framework Template" in Annex 2 of the TEG's *Usability Guide for an EU Green Bond Standard* of March 2020⁴⁶ (hereafter the "TEG Usability Guide"), and
- concludes that the CAB Internal Criteria:

⁴³ https://ec.europa.eu/info/system/files/management-plan-fisma-2021_en.pdf

⁴⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021PC0391>

⁴⁵ The plan aims to establish a shared understanding of core aspects of relevance for further action. It is based on presently available information and will be integrated and refined as more information becomes available.

⁴⁶ As per "Annex 2: EU Green Bond Framework Template" of the TEG's *Usability Guide for an EU Green Bond Standard* of March 2020: https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-green-bond-standard-usability-guide_en.pdf

Annex 2 Alignment of CAB Framework with the TEG EUGBS Proposal

a) align with the requirements of the TEG EU Green Bond Standard Proposal for the following components:

“Green Bond Framework”,

“Reporting”

“Verification”

b) align with the logic of the EU Sustainability Taxonomy for the following component:

“Green Projects” (technical screening criteria, for both the activity areas covered and those not covered by the TEG Taxonomy Proposal, as detailed in Annex 1);

and, in addition to this alignment with the logic of the EUST,

c) the CAB Project Eligibility Criteria align with the technical screening criteria of the TEG Taxonomy Proposal as follows:

- i) in the fields of “Electric rail infrastructure and vehicles and other electric public land transport vehicles” and “Development and deployment of innovative low carbon technologies” (eligible since 2020) – as detailed in tables B and C of Annex 1, respectively;
- ii) in the field of “Renewable Efficiency and Energy Efficiency” (eligible since 2007) with a selection of technical screening criteria - as detailed in table A of Annex 1.

On this basis, the following diagram provides a high-level comparison of the core features The Green Bond Principles, the TEG EU Green Bond Standard Proposal and CAB Frameworks, which share the same logic. A more detailed description is provided in the table at the end of this Annex.

	Green/Social Bond Principles	Proposal for EU Green Bond Standard	EIB CAB/SAB
Green projects	<ul style="list-style-type: none"> Alignment with the GBP/SBP objectives/project categories 	<ul style="list-style-type: none"> Alignment with the EU Sustainability Taxonomy (EUST) 	<ul style="list-style-type: none"> EUST Transition Plan (CBR-Table 5.3 on p.7) CAB/SAB documentation already aligned (since 09/2018) Gradual extension of CAB/SAB eligibilities (Table 1 on p.8)
Green bond framework	<ul style="list-style-type: none"> Description of issuer’s approach regarding process for project evaluation and selection and management of proceeds 	<ul style="list-style-type: none"> Disclosure of issuer’s alignment with: the EU taxonomy; overall green bond strategy; project selection; methodologies and processes for allocation and impact reporting 	<ul style="list-style-type: none"> CAB Framework since 2016 SAB Framework since 2020 <p>(including both allocation and impact reports)</p>
Reporting	<ul style="list-style-type: none"> Allocation and Impact reporting recommended 	<ul style="list-style-type: none"> Allocation and Impact reporting mandatory 	
Verification	<ul style="list-style-type: none"> Appointment of an external reviewer recommended 	<ul style="list-style-type: none"> Issuers shall appoint an accredited external verifier Verification applies: (i) to the Green Bond Framework and at least (ii) to the Allocation Reporting 	<ul style="list-style-type: none"> KPMG’s Reasonable Assurance (ISAE 3000) on CAB/SAB Framework covering framework, allocation and impact reports

As of 31/12/2020, the European Commission was yet to adopt a final version of the EU Taxonomy for climate. The related Delegated Act was published on 21st April and adopted on 4th June. It is still subject to a three- to six-month scrutiny by the EU Council and the EU Parliament before final adoption.

In 2021, therefore, to avoid operational uncertainty, Management plans to consider eligible for CAB-allocation only disbursements to projects that are aligned with the technical screening criteria for

substantial contribution of the TEG Taxonomy Proposal, including in the field of Renewable Energy and Energy Efficiency. The EIB presently plans to align CAB Project Eligibility Criteria with the final EU Taxonomy for Climate as feasible from its planned entry into force in 2022.

CAB-proceeds are only allocated to new disbursements that follow the issue date of the bonds; in the course of the disbursements, CAB eligibility percentages are regularly reassessed by the Project Directorate. After alignment of the CAB Project Eligibility Criteria with the final EU Taxonomy for climate, all subsequent CAB-allocations will therefore live up to the EU Taxonomy requirements.

EU Green Bond Framework Template

Date: 08/09/2021

Issuer name: European Investment Bank

Green Bond Framework name: Climate Awareness Bond Framework

External Verification provider name: KPMG Luxembourg

Section 1: Strategy and rationale

NB: the use-of proceeds needs to be specified in the legal documentation

1.1 Please describe your Environmental Objectives as part of your overall strategy and the reasoning for issuing a green bond

See the following sections:

1 Management Responsibilities

2.1 Objectives

2.3.1.2 Documentation

1.2 Which environmental objectives do your Green Projects contribute to (as specified in the EU Taxonomy Regulation)? Select all those that apply.

- ☒ Climate Change Mitigation
- ☐ Climate Change Adaptation
- ☐ Sustainable use and protection of water and marine resources
- ☐ Transition to a circular economy
- ☐ Pollution prevention and control
- ☐ Protection and restoration of biodiversity and ecosystems

1.3 [Voluntary section] In the section below, you have the opportunity to describe whether and where (sources and/or documents) you have already reported on how your environmental objective(s) and/or strategy relate(s) to international commitments:

EIB Group Climate Bank Roadmap 2021-2025

Climate Strategy

1.4 Please record any additional information that may be relevant to this section:

See the following sections:

2.3.1.1 Utilization of the proceeds

2.3.1.3 Clear environmental benefits

2.3.2.1 Environmental sustainability objective

Section 2: Process for selection of Green Projects

This section generally aligns with the “Process for project evaluation and selection” component of the GBP promoted by ICMA.

2.1 Please describe the governance process to ensure alignment of each Green Project with the EU Taxonomy: (1) substantial contribution to environmental objectives, (2) do-no significant harm to environmental objectives, (3) minimum safeguards and where developed (4) meeting the technical screening criteria (TSC).

See Annex 1 CAB Project Eligibility Criteria (“technical screening criteria”)

The following sections detail the governance for processes :

2.2.1 The Projects Directorate

2.3.2.2 Process to determine how the projects fit within the eligible Green Projects categories

2.3.4.2 Renewal of information in case of new developments

2.2 Please record any additional information that may be relevant to this section:

See the following section:

2.3.3.4 Formal internal process linked to the lending and investment operations for green projects

Section 3: Green Projects

This section generally aligns with the “use-of-proceeds” component of the GBP promoted by ICMA. Please provide in this section the description of your Green Projects and how they align with the EU Taxonomy.

3.1 Please describe the projects / project categories financed by the green bond proceeds, the relevant economic activity under the Taxonomy, and NACE code if available. Please refer to the EU Taxonomy for further details.

See the following sections:

2.3.1.1 Utilization of the proceeds

Annex 2 Alignment of CAB Framework with the TEG EUGBS Proposal

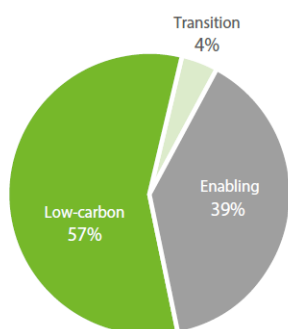
2.3.2.3 Eligibility criteria

3.2 If available, please record the indicative list of Green Projects /activities allocated from the green bond proceeds. If available, please supplement this information with the relative estimated proceeds allocation per Green Project category or asset class.

See the following sections:

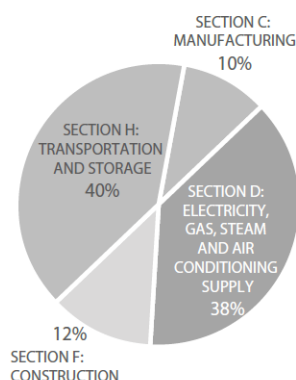
2.3.1.1.1 List of activities allocated in 2020

CAB allocation by type of contribution* to climate change mitigation

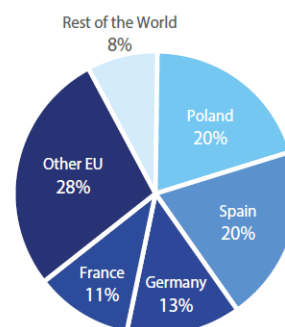


* the Technical Expert Group's proposal for an EU Green Bond Standard requires a breakdown of allocations into the "low carbon," "transition" and "enabling" categories

CAB allocation by NACE macro sector



CAB allocation by geography



[Voluntary section] In the section below, you have the opportunity to describe whether the Green Projects substantially contributes directly or whether the Green Project enables others (to be expanded when other environmental objectives are covered)

Climate Change Mitigation

☒ low carbon ☒ transition ☒ enabling

Climate Change Adaptation

☐ adapting ☐ enabling

3.4 Please record any additional information that may be relevant to this section:

Section 4: Management of Use-of-Proceeds

This section generally aligns with the "Management of Proceeds" component of the GBP promoted by ICMA.

[*Management of use-of-proceeds generally aligns with the approach to Management of Proceeds articulated in the Green Bond Principles. It thus entails ensuring allocations to Green Projects for an amount equivalent to the net proceeds and documenting such allocations. Furthermore, the approach should fulfil the reporting and verification requirements set out elsewhere in the EU GBS.]

See the following sections:

2.2.2 The Finance Directorate

2.3.3 Management of proceeds

Section 5: Reporting

. This section generally aligns with the “Reporting” component of the GBP promoted by ICMA.

5.1 Please record the indicative name of the report, its publication location, and your reporting frequency.

See the following section:

3. Reports

5.2 Allocation reports will be published...

- ☒ Until full allocation of the proceeds of the relevant green bond
- ☐ Until maturity of the relevant green bond

5.3 When and at which frequency impact reports will be published...

See the following section:

2.3.4.1 Availability of information on the use of proceeds and their expected impact

5.4 Please explain the qualitative and quantitative impact metrics that will be used to demonstrate substantial contribution to Environmental Objectives per project category related to the criteria for the relevant taxonomy activity.

See Annex 1

5.5 Please explain the qualitative and quantitative impact metrics that will be used to demonstrate no-significant-harm alignment per project category as defined in the relevant taxonomy activity (including any material changes).

See Annex 1

5.6 Please explain any quantitative or qualitative metrics you will use in your impact report that are supplemental to the metrics described in the EU Taxonomy and provide embedded links to relevant guidance documentation

See the following sections:

2.3.4.4 Quantitative performance measures

2.3.4.5 Key underlying methodology and / or assumptions used in the quantitative determination

2.3.4.6 Reference framework for impact reporting

5.7 If available, please provide an environmental impact estimation for the project(s) allocated from the proceeds of your green bond(s).

See the following section:

3.2 Impact report

5.8 External verification will be provided for

- ☒ each annual allocation report (voluntary)
- ☒ the final allocation report (required)

5.9 Please record any additional information that may be relevant to this section:

See the following sections:

2.3.4.2 Renewal of information in case of new developments

2.3.4.3 Transparency in communication of expected impact

Reporting Template

REPORTING FORM

1. Basic Information

Issuer name: European Investment Bank

Related Green Bond ISIN(s): AU3CB0245884; US298785JA59; US298785JH03; US29878TDH41; XS1280834992; XS1572222526; XS1757428088; XS1828046570; XS1980857319; XS2022314467; XS2036242803; XS2115119583; XS2115119666; XS2115120912; XS2159970065; XS2194790262; XS2230650405; XS2236008913

Approved External Verification provider's name for the final allocation report: KPMG Luxembourg, S.A.

Reporting period: the year ended December 31, 2020

Publication date of reporting: 8 September 2021

Frequency of reporting: Annual

Next reporting planned for: the year ended December 31 2021, reporting publication will be in 2022

Reference to the Green Bond Framework applied: Climate Awareness Bonds Framework for the year ended December 31, 2020

Is the Green Bond/Are the Green Bonds still in alignment with the EU Green Bond Standard?

☒ Yes

☐ No

2. Scope and Approach of Reporting

The reporting contains the following elements [templates below to be included in the reporting accordingly]:

☒ Allocation Reporting

☒ Impact Reporting

☐ Combined Allocation and Impact Reporting

Approach for impact reporting:

☒ Project-by-project reporting

☐ Portfolio-based reporting

3. Allocation Reporting Templates

3.1. Allocation to Green Project Sectors

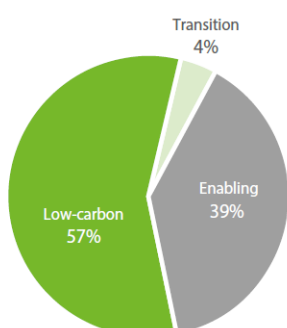
See the following section:

3.1.4 Bond-by-bond report

3.2. Additional information

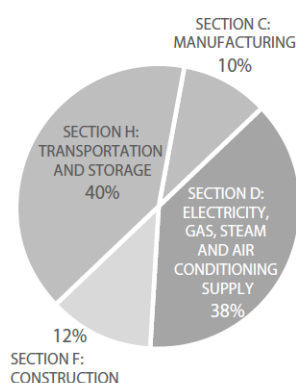
Regional distribution of Green Projects is recommended on country level. Issuers shall provide relevant information in an appropriate manner, e.g. a pie chart with % numbers or in absolute terms]

CAB allocation by type of contribution*
to climate change mitigation

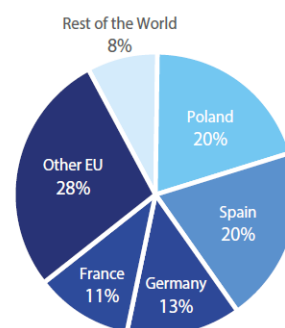


* the Technical Expert Group's proposal for an EU Green Bond Standard requires a breakdown of allocations into the "low carbon," "transition" and "enabling" categories

CAB allocation by NACE macro sector



CAB allocation by geography



See the following section:

3.1.4 Bond-by-bond report

4. Impact Reporting Templates

Please select and fill out one of the templates below, as applicable. If the impact report relates to more than one Green Bond, please fill out one template per Green Bond and state the respective ISIN.

4.1 Project-by-project Reporting

See the following section:

3.2 Impact report

Annex 3 Summary table of CAB-alignments with the GBPs

Use of proceeds (§ 1 of GBP)	Process for project evaluation and selection (§ 2 of GBP)	Management of proceeds (§ 3 of GBP)	Reporting (§ 4 of GBP)	External Reviews (GBP Recommendation)
<p>LOAN ELIGIBILITY</p> <ul style="list-style-type: none"> - activities contributing substantially to Climate Change Mitigation - Technical Screening Criteria determined by Projects Directorate in full alignment with logic of EU Sustainability Taxonomy and partial alignment with the TEG Taxonomy Proposal <p>DISBURSEMENT ELIGIBILITY</p> <ul style="list-style-type: none"> - Allocations are only once and to new disbursements that take place after bond issuance date (no refinancing) 	<p>COMPETENCE OF PROJECTS DIRECTORATE</p> <ul style="list-style-type: none"> - Selection of eligible financings, assignment of eligibility percentages and their input into IT systems upon Board approval* - Quarterly quality checks of eligibility percentages <p>* Approvals are based on EIB's environmental and social due diligence, which conforms with two publicly available documents:</p> <ul style="list-style-type: none"> - Environmental and Social Principles and Standards** (ESPS), which reflect the institutional and legal framework of the EU - Environmental and Social Practices Handbook**, ruling EIB's due diligence <p>** Documents not part of the CAB internal criteria</p>	<p>COMPETENCE OF FINANCE DIRECTORATE</p> <ul style="list-style-type: none"> - Retrieval of daily CAB-eligible disbursements (automated) - Allocation of CAB proceeds on a daily first-in first-out basis (automated) - Semiannual booking of the daily balances of unallocated CAB proceeds in dedicated Treasury portfolios 	<p>EIB-FINANCED PROJECTS</p> <p>Ex ante</p> <ul style="list-style-type: none"> - Environmental and Social Data Sheets on Public Register (unaudited) <p>Ex post</p> <ul style="list-style-type: none"> - Environmental and Social Completion Sheets on Public Register (unaudited) - Aggregate results of Carbon Footprint Exercise in the annual Sustainability report (limited assurance) <p>CAB-PROJECTS</p> <p>Use of proceeds</p> <ul style="list-style-type: none"> - Annual Financial Report (aggregated), unaudited - Semiannual CAB-Newsletters (project-by-project and bond-by-bond), unaudited - Annual CAB Framework (project-by-project and bond-by-bond), assured <p>Expected impact</p> <ul style="list-style-type: none"> - Annual CAB Framework (assured) 	<p>VERIFICATION</p> <p>Annual external Reasonable Assurance (ISAE 3000) of the CAB Framework in accordance with the CAB internal criteria (objectives, procedures, responsibilities, processes and reports)</p> <p>BOND RATING AND LABEL</p> <ul style="list-style-type: none"> - Sustainability bond rating by oekom research AG (B+) - Green Bond label by LuxFLAG <p>COMPLEMENTARY ASPECTS</p> <p>EU Law</p> <p>Regulation (EC 1367/2006)** prescribes that Aarhus Convention applies to the transparency policy and public disclosure rules of the EIB</p> <p>Governance control</p> <ul style="list-style-type: none"> - Art. 12 of EIB Statute prescribes that a Committee appointed by the BoD 'shall verify that the activities of the Bank conform to best banking practice' - GBP have been included in EIB's list of 'best banking practices'

Annex 4 Summary table of CAB-alignments with the TEG EUGBS Proposal

Strategy and Rationale (Section 1 of EUGBS)	Process for selection of Green Projects (Section 2 of EUGBS)	Green Projects (Section 3 of EUGBS)	Management of Proceeds (Section 4 of EUGBS)	Reporting (Section 5 of EUGBS)	External Verification (EUGBS requirement)
<p>The EIB Group Climate Bank Roadmap 2021-2025 states that:</p> <p>1. “The EIB will increase its level of support to climate action and environmental sustainability to exceed 50% of its overall lending activity by 2025 and beyond” (item 6 p.vi)</p> <p>2. “The EIB Group, as the EU Climate Bank, will align its tracking methodology for climate action and environmental sustainability (“green”) finance with the framework defined by the EU Taxonomy Regulation, as this develops over time.” (item 5.3 p.55)</p> <p>3. “The EIB will reflect such alignment to the capital markets via progressive extension of CAB and SAB eligibilities...” (item 2.49 p.20)</p> <p>4. “The EIB plans to gradually align CABs/SABs with the proposed EU Green Bond Standard” (item 2.49 p.20)</p>	<p>COMPETENCE OF PROJECTS DIRECTORATE</p> <ul style="list-style-type: none"> - Selection of eligible financings, assignment of eligibility percentages and their input into IT systems upon Board approval* - Quarterly quality checks of eligibility percentages <p>* Approvals are based on EIB’s environmental and social due diligence, which conforms with two publicly available documents:</p> <ul style="list-style-type: none"> - Environmental and Social Principles and Standards** (ESPS), which reflect the institutional and legal framework of the EU - Environmental and Social Practices Handbook**, ruling EIB’s due diligence <p>** Documents not part of the CAB internal criteria</p>	<p>LOAN ELIGIBILITY</p> <ul style="list-style-type: none"> - Climate Change Mitigation (CCM) - activities contributing substantially to CCM - Technical Screening Criteria determined by Projects Directorate in full alignment with logic of EUST and partial alignment with TEG Taxonomy Proposal <p>DISBURSEMENT ELIGIBILITY</p> <ul style="list-style-type: none"> - Allocations are only once and to new disbursements that take place after bond issuance date (no refinancing) 	<p>COMPETENCE OF FINANCE DIRECTORATE</p> <ul style="list-style-type: none"> - Retrieval of daily CAB-eligible disbursements (automated) - Allocation of CAB proceeds on a daily first-in first-out basis (automated) - Semiannual booking of the daily balances of unallocated CAB proceeds in dedicated Treasury portfolios 	<p>EIB-FINANCED PROJECTS</p> <p>Ex ante</p> <ul style="list-style-type: none"> - Environmental and Social Data Sheets on Public Register (unaudited) <p>Ex post</p> <ul style="list-style-type: none"> - Environmental and Social Completion Sheets on Public Register (unaudited) - Aggregate results of Carbon Footprint Exercise in the annual Sustainability report (limited assurance) <p>CAB-PROJECTS Use of proceeds</p> <ul style="list-style-type: none"> - Annual Financial Report (aggregated), unaudited - Semiannual CAB-Newsletters (project-by-project and bond-by-bond), unaudited - Annual CAB Framework (project-by-project and bond-by-bond), assured <p>Expected impact</p> <ul style="list-style-type: none"> - Annual CAB Framework (assured) 	<p>VERIFICATION</p> <p>Annual external Reasonable Assurance (ISAE 3000) of the CAB Framework in accordance with the CAB internal criteria (objectives, procedures, responsibilities, processes and reports)</p> <p>COMPLEMENTARY ASPECTS</p> <p>EU Law</p> <p>Regulation (EC 1367/2006)** prescribes that Aarhus Convention applies to the transparency policy and public disclosure rules of the EIB</p> <p>Governance control</p> <ul style="list-style-type: none"> - Art. 12 of EIB Statute prescribes that a Committee appointed by the BoD ‘shall verify that the activities of the Bank conform to best banking practice’ - GBP have been included in EIB’s list of ‘best banking practices’

5. Appendix 1: KPMG Independent Reasonable Assurance Report



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To the Management of the
European Investment Bank
98-100, Boulevard Konrad Adenauer
L-2950 Luxembourg

Independent Reasonable Assurance Report to European Investment Bank on the Climate Awareness Bond Framework

We were engaged by the Management of the European Investment Bank (hereafter “EIB” or “the Bank”), to conduct an assurance engagement on European Investment Bank’s Climate Awareness Bond Framework (the “CAB Framework”), previously named “CAB Statement”, for the year ended 31 December 2020 about whether:

- The CAB Framework as at and for the year ended 31 December 2020, prepared by Management in accordance with the CAB Internal Criteria (described in section 2 of the CAB Framework), describes fairly, in all material respects, the activities undertaken during the year ended 31 December 2020; and
- The Management’s statement in section 1 of the CAB Framework stating that “Management considers that the CAB Internal Criteria are aligned with the Green Bond Principles 2018 issued in June 2018” is, in all material respects, fairly stated; and
- the EIB’s 2020 Reports as at and for the year ended 31 December 2020 included in section 3 of the CAB Framework, are properly prepared, in all material respects, based on the CAB Internal Criteria; and
- the Management’s statement in section 1 of the CAB Framework stating that “Management considers that:
(a) the CAB Internal Criteria are aligned with the Technical Expert Group’s EU Green Bond Standard Proposal of June 2019/March 2020 in the areas of “Green Bond Framework”, “Reporting”, and “Verification”;
(b) in the remaining area of the EU Green Bond Standard Proposal, “Green Projects”, the CAB Project Eligibility Criteria are:
 - in the fields of “Electric rail infrastructure and vehicles and other electric public land transport vehicles” as well as “Research, development and deployment of innovative low carbon technologies”, aligned with the logic of the EU Sustainability Taxonomy¹, and aligned with the technical screening criteria (as described in Annex 1) for substantial contribution as per the Technical Expert Group’s Taxonomy Proposal of March 2020;
 - in the field of “Renewable Energy and Energy Efficiency”, aligned with the logic of the EU Sustainability Taxonomy, and aligned with a selection of technical screening criteria (as described in Annex 1) for substantial contribution as per the Technical Expert Group’s Taxonomy Proposal of March 2020as detailed in sections 2.3.1.1 and 2.3.2.3 as well as Annex 1 and Annex 2 of this CAB Framework”
is in all material respects, fairly stated.

Management’s responsibility for the CAB Framework

The Management of EIB is responsible for preparing the CAB Framework that is free from material misstatement in accordance with the CAB Internal Criteria and for the information contained therein.

This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the CAB Framework that is free from material misstatement, whether due to fraud or error. It also includes determining and implementing the Bank’s objectives and related activities in respect of the Climate Awareness Bonds Programme, including Use of Proceeds, Project Selection, Management of Proceeds and Impact Reporting; and defining and disclosing the CAB Internal Criteria.

¹ “aligned with the logic of the EU Sustainability Taxonomy means, here and elsewhere in the text of this independent reasonable assurance report, “structured to include criteria or processes for the assessment of “substantial contribution”, “no significant harm”, “minimum safeguards”.



Responsibility of the Réviseur d'Entreprises agréé

Our responsibility is to examine the CAB Framework prepared by EIB and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. 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 plan and perform our procedures to obtain reasonable assurance about whether the CAB Framework is prepared, in all material respects, on the basis of the CAB Internal Criteria.

We have complied with the independence and other ethical requirements of the Code of Ethics as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier.

We implement quality control procedures that are applicable to the individual engagement in accordance with the requirements of International Standard on Quality Control 1 Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements (ISQC 1).

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the CAB Framework whether due to fraud or error.

In making those risk assessments, we have considered internal controls relevant to the preparation of the CAB Framework in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of EIB's internal controls over the preparation of the CAB Framework. Our engagement also included: assessing the appropriateness of the CAB Framework, the suitability of the criteria used by EIB in preparing the CAB Framework in the circumstances of the engagement, evaluating the appropriateness of the methods, policies and procedures used in the preparation of the CAB Framework and the reasonableness of estimates made by EIB. Reasonable assurance is less than absolute assurance.

Such an engagement involves performing procedures to obtain evidence about the amounts and disclosures in the CAB Framework. These procedures included:

- Conducting interviews with Management and key staff responsible for the CAB Programme to obtain an understanding of the processes, systems and controls in place for the Use of proceeds, Project evaluation and selection, Management of proceeds and Reporting of the CABs;
- Checking documentation which supports processes, systems and controls in place for the Use of proceeds and Project evaluation and selection of the CABs;
- Examining the processes, systems and controls in place to Manage the proceeds of the CABs;
- Checking booking of the unallocated balance of the CAB proceeds into the CAB portfolio;
- Comparing the total funds raised by the EIB CAB Programme with those disbursed to recipient projects;
- Performing sample testing to source documentation to support the funds raised from CAB issuances;
- Performing sample testing to source documentation to support the CAB allocations to recipient projects;
- Assessing the controls in place to ensure correct, complete and consistent application of the Green House Gas Emissions ("GHG") methodology and other impact reporting indicators;
- Conducting interviews with sector experts to cross-check approach and assumption used for GHG calculations and other impact reporting indicators of assessed projects, and verify consistency with EIB's methodology;
- Reading the CAB Framework with regard to the CAB Internal Criteria and the Green Bond Principles 2018, and ensuring consistency with our findings;
- Checking that the CAB Internal Criteria are aligned with the Technical Expert Group's EU Green Bond Standard Proposal of June 2019/March 2020 in the areas of "Green Bond Framework", "Reporting", and "Verification";
- Checking that the CAB Project Eligibility Criteria are, in the fields of "Electric rail infrastructure and vehicles and other electric public land transport vehicles" as well as "Research, development and deployment of innovative low carbon technologies" and "Renewable Energy and Energy Efficiency", aligned with the logic of the EU Sustainability



Taxonomy, and aligned with the technical screening criteria as described in Annex 1 for substantial contribution as per the Technical Expert Group's Taxonomy Proposal of March 2020.

Characteristics and Limitations of the CAB Framework

Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and may not be detected. Our reasonable assurance engagement is not designed to detect all weaknesses and errors in the CAB Framework in meeting the requirements of the CAB Internal Criteria as the evidence has been obtained on a sample basis.

Further, the internal control structure within which the control procedures which are the subject of our engagement are designed to operate, has not been subject to any reasonable assurance procedures and no opinion is expressed as to its effectiveness.

Any projection of the suitability of design and implementation of controls and their meeting the requirements of the CAB Internal Criteria to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

The reasonable assurance opinion expressed in this report has been formed on the above basis.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion:

- The CAB Framework as at and for the year ended 31 December 2020, prepared by Management in accordance with the CAB Internal Criteria (described in section 2 of the CAB Framework), describes fairly, in all material respects, the activities undertaken during the year ended 31 December 2020; and
- The Management's statement in section 1 of the CAB Framework stating that "Management considers that the CAB Internal Criteria are aligned with the Green Bond Principles 2018 issued in June 2018" is, in all material respects, fairly stated; and
- the EIB's 2020 Reports as at and for the year ended 31 December 2020 included in section 3 of the CAB Framework, are properly prepared, in all material respects, based on the CAB Internal Criteria; and
- the Management's statement in section 1 of the CAB Framework stating that "Management considers that:
(a) the CAB Internal Criteria are aligned with the Technical Expert Group's EU Green Bond Standard Proposal of June 2019/March 2020 in the areas of "Green Bond Framework", "Reporting", and "Verification";
(b) in the remaining area of the EU Green Bond Standard Proposal, "Green Projects", the CAB Project Eligibility Criteria are:
 - in the fields of "Electric rail infrastructure and vehicles and other electric public land transport vehicles" as well as "Research, development and deployment of innovative low carbon technologies", aligned with the logic of the EU Sustainability Taxonomy, and aligned with the technical screening criteria (as described in Annex 1) for substantial contribution as per the Technical Expert Group's Taxonomy Proposal of March 2020;
 - in the field of "Renewable Energy and Energy Efficiency", aligned with the logic of the EU Sustainability Taxonomy, and aligned with a selection of technical screening criteria (as described in Annex 1) for substantial contribution as per the Technical Expert Group's Taxonomy Proposal of March 2020

as detailed in sections 2.3.1.1 and 2.3.2.3 as well as Annex 1 and Annex 2 of this CAB Framework"

is in all material respects, fairly stated.

Luxembourg, 8th September 2021

KPMG Luxembourg,
Société coopérative
Cabinet de révision agréé

S. Chambourdon

6. Appendix 2: External Review Form

Of the Green Bond / Green Bond Programme

Green Bond / Green Bond Programme

Independent External Review Form

Section 1. Basic Information

Issuer name: European Investment Bank (hereafter the “issuer”)

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: Climate Awareness Bonds (CABs), as described in the European Investment Bank’s Climate Awareness Bonds Framework for the year ended 31 December 2020 (hereafter referred to as the “issuer’s report” or the “CAB Framework”)

Independent External Review provider’s name: KPMG Luxembourg, Société coopérative

Completion date of this form: 08th September 2021

Publication date of review publication: 08th September 2021

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

- | | |
|---|---|
| <input type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Scoring/Rating |
| <input checked="" type="checkbox"/> Other (please specify): International Standard on Assurance Engagements 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information – Independent Reasonable Assurance Report | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

KPMG Luxembourg Société Coopérative has issued an independent reasonable assurance report, including this annex, on the European Investment Bank’s Climate Awareness Bonds Framework for the year ended 31 December 2020. The Report was issued on the 08th September 2021 and is available on the EIB website: https://www.eib.org/en/investor_relations/statistics/cab-framework.htm

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):

The issuer has used the following categories, as defined in the CAB Framework Annex 1 and listed in section "2.3.1.2"

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input checked="" type="checkbox"/> Other (please specify): <ul style="list-style-type: none">- Electric rail infrastructure and vehicles and other electric public land transport vehicles- Research, development and deployment of innovative low carbon technologies |

If applicable please specify the environmental taxonomy, if other than GBPs:

The EIB is in a process of aligning its CAB Project Eligibility Criteria with the EU Taxonomy Regulation in a stepwise manner, notably using the technical screening criteria of the TEG Taxonomy Proposal as reference.

This Proposal does not yet cover all sectors of operation where CAB eligible activities may be found. In those sectors, the EIB uses its own definitions within the spirit and logic of the EU Taxonomy, and in line with the joint-MDB harmonised methodology on climate finance tracking.

Details on the CAB Project Eligibility Criteria applied in 2020 are available in Annex 1 of the CAB Framework 2020.

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

The issuer's report outlines the following factors, as reported in the CAB Framework section "2.3.2.":

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify): |

Information on Responsibilities and Accountability

- | | |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (please specify): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

The issuer's report describes the following activities, as reported in the CAB Framework section "2.3.3.":

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (please specify): |

Additional disclosure:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocations to future investments only | <input type="checkbox"/> Allocations to both existing and future investments |
| <input checked="" type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (please specify): |

4. REPORTING

Overall comment on section (if applicable):

The issuer's report discloses the following reporting criteria, as disclosed in the CAB Framework:

Use of proceeds reporting (CAB Framework sections "3.1.3." and "3.1.4."):

- | | |
|---|---|
| <input checked="" type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis |
| <input checked="" type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported (CAB Framework sections "3.1.3." and "3.1.4."):

- | | |
|---|---|
| <input checked="" type="checkbox"/> Allocated amounts | <input checked="" type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other (please specify): | |

Frequency (CAB Framework section "2.3.4.1.2."):

- | | |
|--|---|
| <input checked="" type="checkbox"/> Annual | <input checked="" type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Impact reporting (CAB Framework section "3.2."):

- | | |
|--|---|
| <input checked="" type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Alignment with a reporting framework/template

☒ Yes (please specify):

1. "EU Green Bond Framework Template" in Annex 2 of the "EU Technical Expert Group's Usability Guide for an EU Green Bond Standard", March 2020 (CAB Framework annex 2)
2. "Green Bonds - Working towards a harmonized framework for impact reporting", December 2015" (CAB Framework section 2.3.4.6.)

☐ No

Frequency (CAB Framework section "2.3.4.1.2."):

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Information reported (expected or ex-post) (CAB Framework section "3.2"):

- | | |
|---|---|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Other ESG indicators (please specify): See section "2.3.4.4." for a complete list of the CAB impact indicators. |

Means of Disclosure (CAB Framework section “2.3.4.1.”)

- | | |
|---|--|
| <input checked="" type="checkbox"/> Information published in financial report | <input checked="" type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify): <i>Unaudited CAB Newsletters</i> |
| <input checked="" type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): <i>CAB Framework for the year ended 31 December 2020</i> | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer’s documentation, etc.)

[Regulation \(EU\) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation \(EU\) 2019/2088](#)

[EU Technical Expert Group on Sustainable Finance: Proposal for an EU Green Bond Standard \(June 2019\)](#)

[EU Technical Expert Group on Sustainable Finance: Proposal for an EU Green Bond Standard – Usability Guide \(March 2020\)](#)

(Annex 2 of the CAB Framework includes a rearrangement of the information contained in the CAB Framework according to the “EU Green Bond Framework Template” in Annex 2 of the “EU Technical Expert Group’s Usability Guide for an EU Green Bond Standard”, March 2020)

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

1. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
2. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
3. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
4. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.