CEB

COUNCIL OF EUROPE DEVELOPMENT BANK
BANQUE DE DEVELOPPEMENT DU CONSEIL DE L'EUROPE

Rapport sur la durabilité
Index GRI **2020**



Index du contenu GRI pour 2020

GRI 102-54 • 102-55

L'index 2020 des indicateurs de durabilité a été établi conformément aux normes de reporting développement durable reconnues à l'échelle internationale, à savoir les normes – *Global Reporting Initiative*(GRI) Standards ; il s'attache à respecter l'"option de base".

L'index GRI (**en anglais uniquement**) rend compte de la dimension de durabilité des activités de prêts et hors-prêts de la CEB, du fonctionnement courant de la Banque et de la gestion de ses agents.

Vous pouvez télécharger le GRI Content Index 2020 en tant que document séparé sur le site de la CEB. Le rapport complet de la CEB, y compris l'indice GRI, est également disponible sur la base de données GRI *Sustainability Disclosure Database*.



Table of contents

General Disclosures

- Organisational Profile 4
- Strategy 7
- Ethics and Integrity 7
- Governance 8
- Stakeholder Engagement 12
- Reporting Practice 14

Specific Disclosures

OPERATIONAL IMPACT

- Economic Performance 17
- Market Presence 18
- Indirect Economic Impact 18
- Anticorruption 18
- Anti-Competitive Behaviour 19
- Tax 19
- Biodiversity 20
- Emissions 21
- Human Rights Assessment 21
- Local Communities 22
- Public Policy 22
- Socio-Economic Compliance 22

CORPORATE IMPACT

- Economic Performance 23
- Environnemental 23
- Materials 24
- Energy 24
- Water and Effluents 25
- Emissions 26
- Waste 27
- Supplier Environmental Assessment 28
- Employment 28
- Labour/Management Relations 29
- Occupational Health and Safety 30
- Training and Education 31
- Diversity and Equal Opportunity 32
- Non-Discrimination 34

General Disclosures – GRI 102

ORGANISATIONAL PROFILE

102-1 Name of the organisation
Council of Europe Development Bank (CEB).

102-2 Primary brands, products, and services
The CEB invests in social projects that foster inclusion and contribute to improving the living conditions of the most vulnerable populations across Europe. To this effect, the CEB provides loans and guarantees in its 41 member states to finance projects meeting a certain number of criteria. Potential borrowers include governments, local or regional authorities and financial institutions. Loan applications are rigorously reviewed, and related projects are designed and implemented within national sectorial policies, when applicable. From a financing perspective, the CEB has at its disposal a number of different lending instruments (Project loans, Programme loans, Public co-finance facility, EU co-finance facility, Cross-sectoral loans), financing of public private partnerships, guarantees and, through specific programmes (such as Migrant and Refugee Fund) or, on an ad-hoc basis, grants.

102-3 Location of headquarters
Paris, France.

102-4 Location of operations
According to its mandate, the CEB can provide loans and guarantees in any of its 41 member states. The Bank may also receive voluntary contributions from its members, through fiduciary accounts.
As a sign of solidarity among the CEB member states, the Bank is able to provide increased support to a group of 22 "target countries" in Central, Eastern and South-Eastern Europe: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Georgia, Hungary, Kosovo, Latvia, Lithuania, Malta, Moldova (Republic of), Montenegro, North Macedonia, Poland, Romania, Serbia, Slovak Republic, Slovenia and Turkey.

102-5 Ownership and legal form
The CEB is an international organisation governed by public international law which, according to its mandate, operates as an international financial institution. As an international financial institution, the CEB is owned by its shareholders, namely its 41 member states.

102-6 Markets served
The CEB invests in social projects that foster inclusion and contribute to improving the living conditions of the most vulnerable populations across Europe.
More specifically, the CEB's sectors of action are as follows:

- Aid to refugees, migrants and displaced persons
- Housing for low-income persons
- Creation and preservation of viable jobs
- Improvement of living conditions in urban and rural areas
- Natural or ecological disasters
- Protection of the environment, including climate mitigation and adaptation
- Protection and rehabilitation of historic and cultural heritage
- Health
- Education and vocational training
- Infrastructure of administrative and judicial public services

For more details, see:

- the Loan and Project Financing Policy
- the Handbook for the Preparation and Implementation of Projects

102-7 Scale of organisation
As at 31 December 2019, the CEB had 206 staff members - plus 4 appointed officials (Governor and 3 Vice-Governors). The Bank approved 46 project loans for a total amount of € 3.98 billion. The profit for the year 2019 reached € 104.7 million.

102-8 Information on employees and other workers
As at 31 December 2019, the CEB's workforce was made up of 206 staff members (54% women / 46% men). Of these staff members, 68% were professional staff (44% women / 56% men) and 32% were support staff (77% women / 23% men) comprising 33 different nationalities. Out of the 206 staff members, 195 were on indefinite-term contracts and 11 on fixed-term contracts. The CEB only has one office, located in Paris.

102-9 Supply chain
The CEB procures supplies, works and services for its own operational needs. In addition, the Bank uses external service providers to provide, among other things, IT services, cleaning and security services on the organisation's premises.

As an international organisation - to which national legislation on public procurement does not apply - the CEB has its own internal procurement rules. The organisation's supply chain for its own operational needs is governed by the Guidelines on the Internal Procurement of Services, Supplies and Works by the CEB. The related Internal Procurement Procedures were updated in 2017.

It is the CEB's policy that its Procurement Guidelines and procedures follow the principles of:

- equal treatment
- non-discrimination
- transparency

The Bank considers that, as a general rule, these principles can best be implemented by effective and fair competition among qualified tenderers and by transparent selection based on considerations of both cost and quality.

The CEB also aims to ensure that the purchase of supplies, works and services required for the satisfactory operation of the CEB:

- is handled in a timely, efficient and effective manner with due regard to the Bank's needs, including a high level of qualifications and quality of services, efficiency and economic use of resources. The notion of quality of services includes compliance with best practices in terms of occupational health and safety policies.
- takes into account sustainability issues with respect to human resources and the environment, in line with its Environmental and Social Safeguards Policy.

The CEB's new Environmental Statement from July 2019 underlines the importance of enhancing environmental and social considerations in procurement decisions for its own operational needs.

These rules are aligned with those of other international organisations.

For the projects financed by the CEB, there are separate project and loan procurement policies and guidelines. These Procurement Guidelines detail the principles and methods to be applied when awarding contracts to be financed by CEB loans. Implementing them ensures that funds are used solely for purposes covered by the loan and that special emphasis is placed on economical and efficient implementation of the projects it finances. It is recognised that fairness and transparency of public spending are essential to sound governance and to the sustainability of projects.

For more information, see the CEB's Policies and Guidelines.

102-10 Significant changes during the reporting period regarding the organisation and its supply chain
None.

102-11 Precautionary principle or approach
Application of the precautionary principle is integrated in the CEB's Environmental and Social Safeguards Policy (para. 18). *"The CEB may apply the precautionary principle when it considers that the potentially adverse effects of a Project are not adequately mitigated or that the likely residual environmental impacts outweigh the expected social benefits"*.

102-12 External initiatives
As stated in the CEB's Development Plan 2020-2022: *"The Bank's approach in terms of social safeguard review and management draws upon the principles enshrined in the Council of Europe Convention for the Protection of Human Rights and Fundamental Freedoms and European Social Charter. The principles specifically emphasised in project operations are those related to: Conditions and rights of workers, Protection of vulnerable groups, Forced labour and child labour, Gender equality and non-discrimination, Protection of livelihoods and housing, Community health and safety [and] Stakeholder information and consultation."* (Annex 6).

Moreover, *"applications for loans or guarantees shall be submitted to the [Bank's] Administrative Council after receipt of the Secretary General [of the Council of Europe]'s opinion as to admissibility based on the project's conformity with the political and social aims of the Council of Europe"* (Article XIII of the Bank's Articles of Agreement).

From an environmental perspective, *inter alia*, the CEB has signed the Declaration on the European Principles for the Environment (EPE) concerning the environmental management component in the financing of projects; the CEB has also been working together with its stakeholders and peers to reflect on the design of adaptation strategies and to elaborate guidance for resilient project development including for urban centres, as well as exploring metrics for measuring adaptation outcomes (in particular, within the EUFIWACC - European Financing Institutions Working Group on Adaptation to Climate Change); furthermore, in 2017, the CEB joined the global Climate action

in financial institutions initiative, thereby endorsing five voluntary principles for Mainstreaming Climate Action. The CEB joined the coalition as part of the multilateral development bank (MDB) group. In 2018, the CEB obtained permanent observer status to the UN Framework Convention on Climate Change (UN FCCC) and joined the initiative for Harmonized Indicators for Private Sector Operation (HIPSO). As a founding member of the ICMA Social Bond Working Group, the CEB helped develop the Social Bond Principles and contributed to a sub-working group on impact reporting.

The CEB's medium-term strategy, the Development Plan 2020-2022, draws on the UN Agenda 2030 and the Sustainable Development Goals (SDGs), an initiative the Bank strongly supports.

102-13 Memberships of associations
Over the years, the CEB has forged partnerships with other international organisations and donors to bring additional financing and greater expertise to the projects it supports. In addition to its natural links with the Council of Europe, the CEB has become a partner of choice to the European Union and regularly cooperates with other international financial institutions (IFIs), and with several United Nations specialised agencies (in 2017, the CEB and UNDP agreed to extend their cooperation for another five years, aiming to scale up their support for achieving the UN Sustainable Development Goals (SDGs) in South-Eastern Europe, Turkey, Republic of Moldova and Georgia). In 2019, the CEB renewed its memorandum of agreement with UNICEF.

For more details, see:

- the "Donors and Partnerships" section in the 2019 Report of the Governor
- the web sections "Partnerships" and "Donors and trust funds"

STRATEGY

102-14 Statement from senior decision-maker
Please see the 'Foreword by the Governor' in the 2019 Corporate Social Responsibility Report.

102-15 Key impacts, risks, and opportunities
The CEB is a multilateral bank with a unique social vocation. The CEB is tasked to contribute to the social cohesion and sustainable social development of its 41 member states, which are also its shareholders.

Corporate social responsibility (CSR) is thus rooted in the Bank's core mission. The focus is to ensure that growth is socially inclusive and pursued in a manner that is both economically empowering and environmentally sustainable. The CEB acknowledges that achieving this vision is contingent upon implementing environmental, social and climate-change safeguards.

For more details, see the Development Plan 2020-2022, which lays out in detail the Bank's medium-term strategy and includes very detailed considerations on impacts, risks and opportunities.

ETHICS AND INTEGRITY

102-16 Values, principles, standards and norms of behaviour
The Office of the Chief Compliance Officer (OCCO) is the principal organisational unit within the CEB that is specifically tasked to address integrity and corruption issues. To ensure OCCO's independence from all operational divisions, OCCO is headed by the Chief Compliance Officer (CCO) who reports directly to the Governor.

The CEB's overall compliance policy framework was revised by the Administrative Council and the Governing Board in 2012. The framework defines the compliance function's mission as being "*to ensure that the Bank conducts its activities in compliance with its own rules, current legislation, the Codes of Conduct as well as with good practices, in order to avoid any risk of irregularity in the functioning of the institution, of its Organs or of its Staff*". The compliance function's purpose is therefore to enable the CEB to limit its exposure to the risk of legal, administrative or regulatory sanctions, material financial loss or loss of reputation incurred in the event of non-compliance. This is of the greatest importance for a development bank, and particularly one with a social vocation placed *'under the "supreme authority" of the Council of Europe'*.

102-17 Mechanisms for advice and concerns about ethics
The CEB has a comprehensive and publicly available compliance framework, including *inter alia* a Compliance Policy, an Anticorruption Charter, a Policy on Non-Compliant/Uncooperative Jurisdictions, Internal Procurement Guidelines, Codes of Conduct, Integrity and Dignity at Workplace, Integrity Due Diligence Guidelines & Procedures, and a Whistleblowing Policy.

OCCO identifies compliance risk, assesses compliance risk, advises the Governor and management committees on relevant rules and standards and ensures that the CEB is aware of, and follows, best market principles and international standards regarding the prevention of money laundering and terrorist financing, fraud and corruption and other prohibited practices. OCCO also designs, recommends and maintains the policies, rules and procedures governing dignity, ethical behaviour and integrity towards counterparties and third parties, advises staff and gives guidance on conflicts of interest, prevention of insider trading, protection of confidential

information and ethical issues. When a request for opinion arises, the entry points used as advice and help lines, both internally and externally, are compliance@coebank.org and whistleblowing@coebank.org.

Apart from the entry points mentioned above, OCCO has a full set of procedures, terms of reference and dedicated forms that specifically refer to reporting unlawful / unethical behaviour or misconduct.

GOVERNANCE

102-18 Governance structure
Like other international organisations/international financial institutions governed by public international law, the CEB has a specific governance structure established by virtue of its Articles of Agreement. The CEB has the following statutory bodies:

1) the **Governing Board,** which is the CEB's "supreme body", competent for all matters not delegated to the Administrative Council;
2) the **Administrative Council**, which, amongst its delegated powers, approves lending operations in favour of proposed projects and gives its opinion on all decisions having financial consequences; and
3) the **Auditing Board,** which is independent from all the other statutory bodies and inspects the CEB's annual accounts.

The **Governor** is elected by the Governing Board. The Governor, who is assisted by one or more Vice-Governors, is the Bank's legal representative and the head of its operational services. The Governor conducts the day-to-day business within the framework of the decisions adopted by the Governing Board and the Administrative Council. Currently, the Governor (Rolf Wenzel, re-elected in 2016) is assisted by three Vice-Governors: Carlo Monticelli (Financial Strategy, appointed in 2015), Rosa María Sánchez-Yebra Alonso (Social Development Strategy, appointed in 2016), and Tomáš Boček (Target Group Countries, appointed in 2019).

For more information on the governance structure, see the Annual Report ("Governance structure") or the CEB's website.

102-19 Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees
102-20 Executive-level responsibility for economic, environmental, and social topics
As the social development bank in Europe, economic, environmental and social considerations are embedded in almost all our activities. While the Bank's Governor is ultimately responsible for these topics, numerous directorates and teams work on sustainability:

- **Unit for CSR**, in charge of topics concerning the whole organisation, e.g. ESG ratings, stakeholder engagement, disclosure, and coordination between directorates
- **Compliance**, working on integrity and transparency in the conduct of all the CEB's activities, ranging from anti-money laundering, to whistleblowing, to IT systems security.
- **Corporate Services**, working on human resources, e.g. gender and wellbeing, and issues related to facility management, e.g. office energy consumption and waste management.
- **Evaluation**, working on independent evaluations of CEB-financed projects to assess their social performance and derive lessons learnt for the CEB's future work.
- **Finance**, working on funding the Bank's project financing on competitive terms, for example by issuing the CEB's Social Inclusion Bonds.
- **Loans & Social Development**, working with borrowers to develop their projects and maximise their social value added.
- **Technical Assessment & Monitoring**, working with borrowers on technical aspects throughout the project cycle; this also includes procurement and support from in-country experts in the form of technical assistance.

102-22 Composition of the highest governance body and its committees
Both the Governing Board and the Administrative Council are composed of a Chairperson and one representative appointed by each member state.

102-23 Chair of the highest governance body
Both the Governing Board and the Administrative Council chairpersons are elected by the Governing Board. The chairpersons do not have voting powers.

102-25 Conflicts of interest
The CEB has a Codes of Conduct which set out the ethical rules that must govern the conduct of those working for the CEB (Chairmen and members of the Collegial Bodies, Governor, Vice-Governors, staff members, contractual collaborators, and service providers) and help them to abide by those rules, as well as to inform their colleagues, the CEB's organs and the general public of the standard of conduct they are entitled to expect.

The Codes of Conduct, approved by the Governing Board on 27 November 2009 and effective as of 1 January 2010, apply respectively to:

- the Governor, Vice-Governors, staff members and to contractual collaborators or service providers
- the Chairmen and members of the Collegial Bodies (Governing Board and Administrative Council)
- the members of the Auditing Board

Each Code of Conduct has a specific provision that deals with the issue of conflicts of interest in full. As an example, the one applicable to the chairpersons and members of the Collegial Bodies provides that "*The chairmen and members of the Collegial Bodies must ensure that no personal interests or any particular financial interests in any way affect their activities on behalf of the CEB or jeopardise the image of the CEB, given the information of which they have knowledge within the framework of the performance of their duties. The chairmen and members of the Collegial Bodies remain bound to respect these obligations after their mandate expires. Should an actual or apparent conflict of interest arise, the Collegial Body chairman or member shall promptly disclose the matter to the Chief Compliance Officer (CCO) for guidance. They shall recluse themselves by withdrawing from any attendance of or participation in deliberations or decision-making connected with their particular case, unless the CCO deems otherwise*" (CoC for Chairmen and members of the Collegial Bodies, Article 3).

102-26 Role of highest governance body in setting purpose, values and strategies
The Governing Board, which, pursuant to the CEB's Articles of Agreement is "the supreme body" of the CEB, is competent, notably, to set out the general orientations for the CEB's activity and to approve the annual report and financial statements.

Among the powers delegated to it by the Governing Board, the Administrative Council establishes and supervises operational policies and approves lending operations in favour of projects.

102-29 Identifying and managing economic, environmental and social impacts
As a multilateral development bank with a social purpose, the CEB provides finance and expertise for economically, environmentally and socially sound investment projects across its European membership, which contribute to improving the living conditions of the most vulnerable populations, including refugees and migrants, and more broadly to strengthening social cohesion.

The Directorate for Technical Assessment and Monitoring (TAM) is responsible for the technical appraisal and monitoring of projects financed by the Bank. TAM's appraisal and monitoring processes include the assessment of economic, environmental and social opportunities and risks. Environmental and social risks are screened and managed in accordance with the CEB's Environmental and Social Safeguards Policy. TAM's analysis of these risks and recommendations for their management are integrated in the Loan Document that is presented to the Administrative Council and reflected in the Framework Loan Agreement for each project. During implementation of the project, TAM reviews the management of environmental and social risks, carrying out site visits where appropriate. The results of the monitoring are reported to the Bank's Management.

In addition, the Directorate for Loans & Social Development (L&D) has monitoring experts who follow up on project quality and oversee that projects are implemented according to the specifications outlined initially.

The CEB also has an Office of Evaluation (EVO) which contributes to improving the quality of future projects based on in-depth and rigorous analyses of past project and programme outputs and outcomes.

102-30 Effectiveness of risk management processes
Risk management at the CEB is based on a prudent Risk Management Framework through strong governance, policies, procedures, limits and controls that provide the Bank with the appropriate tools to identify, assess, monitor, report, mitigate and control risks throughout the Bank. While the Bank is not subject to member states' regulations, it considers the European Union Directives on banking regulation and the recommendations of the Basel Committee on Banking Supervision as the references for its Risk Management Framework.

The Bank's risk and control policies are based on international best banking practices and validated by internal committees composed of members of the CEB's senior management and ultimately approved by the Bank's governing bodies. The Bank continuously reassesses its Risk Management and Control Framework to ensure that it is able to fulfil its objective.

The Directorate for Risk and Control (R&C) is responsible for implementing the Risk Management Framework within the CEB and is independent from other operational and business directorates, reporting directly to the Governor. The divisions within the Directorate for R&C are dedicated to specific risk areas: credit, operational risk, financial transactions, derivatives and collateral management. The Asset & Liability Management (ALM) Unit in the Finance Directorate is in charge of managing the Bank's market risk (interest and currency exchange rates) and liquidity risk.

Decision-making committees in charge of defining and overseeing the Risk Management Framework are chaired by the Governor:

- **The Regular Credit Risk Committee (CRC)** meets on a weekly basis and takes credit decisions in relation to lending and treasury exposure, based on internal credit risk assessments and recommendations. In addition, a special CRC meeting takes place once a month to deal with specific topics and issues within an extended committee.

- The **Asset & Liability Management Committee (ALCO)** meets on a monthly basis to formulate strategic orientations and, on a forward-looking basis, to address interest rate, foreign exchange rate and liquidity risks arising throughout the balance sheet. In addition, on a quarterly basis, a "Special ALCO" meeting addresses ALM and funding issues.
- Capital market information is provided at the weekly meetings of the **General Management Committee.**
- The **Committee for Operational Risks & Organisation** reviews operational risk issues at the CEB on a semi-annual basis and ensures that adequate steps are taken to mitigate, monitor and control these risks.
- The **IT Steering Committee** reviews information systems issues and takes the appropriate actions to ensure operational resilience and business continuity.

In view of the Bank's credit track record, the organisation and processes have proven to be effective, with almost no impairments in over 60 years since the institution's inception.

102-31 Review of economic, environmental and social topics
Helping social and environmental development, thereby improving people's lives and strengthening social cohesion across Europe, is at the core of the CEB's mandate and operational priorities. The Bank's approach is reflected in a number of public documents, including *inter alia* the CEB's Development Plan 2020-2022 and in its key corporate policies and guidelines such as the Loan and Project Financing Policy, the CEB Handbook for the Preparation and Implementation of Projects, the Environmental and Social Safeguards Policy and the new Environmental Statement, passed in 2019.

It is also worth noting that, among the CEB's statutory bodies, the Administrative Council is the body responsible, among other things, for approving lending operations in favour of projects.

Its decisions are based on: (i) the Governor's Report including the anticipated economic, environmental and social impacts of the project; and (ii) the opinion of the Secretary General of the Council of Europe as to the admissibility of the project, based on its conformity with the political and social aims of the Council of Europe.

102-32 Highest governance body's role in sustainability reporting
The Bank's Annual CSR Report is on the agenda at every 'Spring meeting' of the Administrative Council and the Governing Board.

102-35 Remuneration policies
102-36 Process for determining remuneration
102-37 Stakeholders' involvement in remuneration

Compensation for the Governing Board and Administrative Council chairpersons as well as for "elected Officials" (Governor and Vice-Governors) is individually and fully disclosed in the Financial Report (see Note A – Item 10).

STAKEHOLDER ENGAGEMENT

102-40 List of stakeholder groups engaged by the organisation
In the second half of 2019 the CEB actively engaged with a large number of its stakeholders, both internal and external, to better understand their expectations towards the Bank, especially regarding numerous specific sustainability topics. This approach is often referred to as a materiality assessment.

The stakeholder groups engaged were: *the CEB's Governing Board, Administrative Council, Auditing Board, management, staff representatives, the Council of Europe, business partners (e.g. commercial banks, borrowers and suppliers), EU institutions, international public organisations, financial sector associations, civil society representatives and researchers.*

For more information on the materiality assessment please see the main body of the 2019 CSR Report.

102-42 Identifying and selecting stakeholders
102-43 Approach to stakeholder engagement
The 2019 materiality assessment will help the CEB to further tailor its reporting and disclosure but also its actions on the sustainability issues raised. The outcome of the exercise directly fed into the process of defining the CEB's medium-term strategy, i.e. the Development Plan 2020-2022.

The stakeholders contacted were identified by asking CEB staff working on sustainability topics for their key contacts, but also through desk research and the expertise of the materiality consultant (i.e. Deloitte).

As stated in the CEB's Public Information Policy, the Bank *"acknowledges the merits of constructive dialogue with representatives of civil society (nongovernmental organisations, etc.), and recognises that any such dialogue must necessarily be proportioned to its size and to its sectors of action."* The CEB engages in such dialogue on a case-by-case basis.

102-44 Key topics and concerns raised
The key message from the stakeholder outreach was that the CEB's strategy and reporting are largely aligned with stakeholder expectations. The Bank's three lines of action, as set out in the CEB's new Development Plan, where also mentioned by stakeholders as 'top priorities':

CEB Development Plan's lines of action	CEB Materiality's top priorities
Inclusive growth	Inclusive economic growth
Environmental sustainability	Climate mitigation & adaption
Support for vulnerable groups	Support for vulnerable groups & human rights

In addition, the exercise also shed light on the importance of issues related to governance and ethics, e.g. compliance, anti-corruption, reporting and transparency, as well as gender and women's empowerment.

In terms of potential improvements that became clear through the assessment, stakeholders would like the CEB to disclose even more information on key material issues, the CEB's specific impact on them, and the Bank's related frameworks and approaches, e.g. project screening and monitoring approaches, environmental strategy and related KPIs, or scope of human rights covered.

102-41 Percentage of total employees covered by collective bargaining agreements
The CEB's employees are staff of an international finance institution. Based on the CEB's legal status, as an international organisation with its privileges and immunities, neither the host country's labour laws nor those of its member countries apply to its staff members. There is no system of collective bargaining agreements.

The system of remuneration at the CEB is part of a legal and institutional framework defined by the Bank's Regulations and its Staff Regulations. Furthermore, as an organisation attached to the system of Coordination Organisations due to its link with the Council of Europe, the CEB follows the Coordinated Organisations' rules on matters of remuneration and salary adjustments.

The structure of the total compensation is specifically outlined in Article 41 of the Staff Regulations and Appendix IV thereto (Regulations governing Staff salaries and allowances).

Each year, the Co-ordination Committee on Remunerations calculates the adjustment index that defines the progression of the basic salary for the Coordinated Organisations and attached Organisations such as the CEB.

All the CEB's staff members enjoy the full right to associate and may belong to trade unions or professional organisations, subject to the CEB's staff-related documents and the Codes of Conduct.

The **Staff Committee** represents the general interests of the staff and contributes to the smooth running of the CEB by providing the staff with a channel for the expression of their opinions. The Staff Committee participates directly or is represented by staff members whom it appoints to sit on a number of commissions and committees created within the Bank and which require staff participation. Staff members are thus represented on the:

- Health and Safety Committee
- Advisory Pension Committee
- Personal Data Protection Commission
- Advisory Committee on Disputes and the Disciplinary Board

The CEB also has a **General Meeting of Staff** which enables all staff members to express their opinions on their conditions of employment and work. The General Meeting of Staff is a body in which all retired staff members may also express their opinions on the conditions that concern them. It meets at least once a year in ordinary session and may also be convened in extraordinary session.

The **Joint Committee** is a consultative organ in charge of facilitating cooperation between the Administration and staff on questions of a general nature. It may be consulted by the Governor or by the Staff Committee accordingly. It also gives its opinion on measures for the termination of service as provided for in the Regulations on indemnity for loss of job.

REPORTING PRACTICE

102-45 Entities included in the consolidated financial statements
Council of Europe Development Bank (CEB).

102-46 Defining report content and topic boundaries
102-47 List of material topics

Approach for determining Materiality
The full materiality assessment conducted in 2019 included both internal and external stakeholder surveys and followed best practice approaches. For more information on the assessment's methodology, please see the main body of the 2019 CSR Report.

The 16 material topics identified are presented below. The stakeholders' assessment of the relevance and importance of these topics to the CEB can be found in the materiality matrix depicted in the main body of the CSR Report.

Operations:
- Community & stakeholder engagement
- Environmental impact of CEB
- Information security & privacy

Employees:
- Gender equality & incl. workplace
- Talent recruitment, develop. & retention
- Working conditions

Governance & Ethics:
- Ethics, compliance & anti-corruption
- Governance & accountability
- Reporting & transparency

Project Impact:
- Inclusive economic growth
- Support for vulnerable groups & human rights
- Gender & women's empowerment
- Climate mitigation & adaptation
- Biodiversity & pollution
- Project safety, durability & affordability
- Capacity building & skills

Report Boundary
The differentiation between "operational" and "corporate" indicators establishes the boundaries of the GRI Index disclosures.

Operational impacts

- Economic performance
- Indirect economic impact
- Human rights
- Local communities
- Anti-corruption and compliance (environmental and social)

Corporate impacts

- Staff (occupational health and safety, training and education, diversity and equal opportunity, etc.)
- The CEB's own environmental impact, including its carbon footprint

102-48 Restatements of information
None.

102-49 Changes in reporting
None.

102-50 Reporting period
The CEB reports on a calendar year basis from 1 January to 31 December. This report covers the year 2019.

102-51 Date of most recent previous report
April 2019.

102-52 Reporting cycle
Annual.

102-53 Contact point for questions regarding the report
Corporate Responsibility & Studies Division (info@coebank.org)

102-54 Claims of reporting in accordance with the GRI Standards
The CEB's 2019 CSR Report and GRI Index has been prepared in accordance with the 'GRI Standards: Core option'.

102-55 GRI content index
The GRI Index 2019 is available on the Bank's website.

102-56 External assurance
The CEB does not seek external assurance for its sustainability reporting.

103-1 Explanation of the material topic and its boundary
103-2 The management approach and its components
103-3 Evaluation of the management approach
In 2019, the CEB completed a full materiality assessment which largely supported the Bank's management approach, as outlined in 102-44, 102-46 and 102-47. The management approach for issues deemed material is presented individually in the chapters on 'Operational Impacts' and 'Corporate Impacts' below.

Specific Disclosures

OPERATIONAL IMPACTS

ECONOMIC – GRI 200

ECONOMIC PERFORMANCE – GRI 201

Management approach
The CEB provides loans to co-finance projects in any of its 41 member states, in accordance with its social mandate. Potential borrowers include governments, regional or local authorities, and public or private financial institutions and banks. Benefitting from its excellent rating (AAA with Standard & Poor's, outlook stable[1], Aa1 with Moody's, outlook stable, and AA+ with Fitch Ratings, outlook positive[2]), the CEB has access to the most favourable funding conditions on the international capital markets, which enables the Bank to offer attractive interest rates to its borrowers. The CEB generates a moderate but stable net income, the aim being to maintain and enhance its financial soundness by gradually strengthening its capital base.

201-1 Direct economic value generated and distributed
See the 2019 Financial Report (including the Key Figures and the Financial Summary) for extensive information.

201-2 Financial implications and other risks and opportunities due to climate change
The CEB incorporates environmental considerations in all the projects it finances. It acknowledges the importance of climate change, as underscored by the Development Plan 2020-2022 which introduced 'environmental sustainability' including climate change as one of three strategic lines of action. Climate change risks and opportunities as regards the CEB's lending operations are addressed in the Environmental and Social Safeguards Policy (section 2.4). Projects considered for financing are screened for four climate change parameters (GHGs emitted, mitigation potential, adaptation potential, and vulnerability to climate change).

201-4 Financial assistance received from government
The CEB is owned by its 41 member states. In accordance with its Articles of Agreement, the CEB's capital is subscribed by the member states. The CEB may borrow on the capital markets to raise the funds necessary for fulfilling its mandate. In certain cases, it may be entrusted with funds from member states, the Council of Europe and, subject to certain requirements, third parties (such as the EU) to implement activities supporting its mandate.

MARKET PRESENCE – GRI 202

Management approach
As an international organisation with 41 member states and active business relations with most of the CEB's member countries, the Bank aims for diversity of nationalities (from its member states) for its senior management team.

202-1 Ratios of standard entry level wage by gender compared to local minimum wage
Not applicable. Please see the CEB's salary scale.

202-2 Proportion of senior management hired from the local community
In 2019, 33 out of 41 CEB member countries were represented among the 206 staff members. Out of the 15 people in senior management positions, i.e. Governor, Vice-Governors and Director level, three are from France, the CEB's host country, two each from Germany, Greece and Italy, and one each from Belgium, the Czech Republic, Luxembourg, the Netherlands, Norway and Spain. It will be noted that, at the end of 2019, one senior management position was not staffed.

1 On 15 February 2019, Standard & Poor's upgraded the CEB's rating from 'AA+, outlook positive' to 'AAA outlook stable'.
2 On 3 September 2019, Fitch Ratings changed the outlook of its rating from 'stable' to 'positive'.

INDIRECT ECONOMIC IMPACT – GRI 203

Management approach
The Bank invests in sustainable social sector infrastructure projects with a view to maximising the social impact of its operations and promoting economic and social inclusion. The CEB aims to design its projects in such a way as to benefit the largest number of potential final beneficiaries, with a specific focus on vulnerable groups.

203-1 Infrastructure investments and services supported
Most CEB investments are in physical infrastructure projects but it can also support "soft" investments in supporting equipment and services, such as access to vocational training schemes. For a detailed breakdown of financing provided by the CEB, see the Governor's Report ('Annual Report').

203-2 Significant indirect economic impacts
Investment in one sector of the Bank's activity often results in significant co-benefits in economic terms. For example, careful design of new social housing construction part-financed through a CEB loan will also positively contribute to the energy efficiency of the dwellings. In the same way, renovation of a housing block can serve as a catalyst for urban renewal in a wider area. Moreover, the job creation impact of construction projects financed by the CEB must also be considered.

These economic, social and environmental inter-linkages are a recurring item in the majority of projects financed by the CEB.

ANTI-CORRUPTION – GRI 205

Management approach
The Office of the Chief Compliance Officer (OCCO) is clearly supported by "tone from the top" and is committed to achieving the highest standards of integrity and transparency in the conduct of all the CEB's activities. The CEB has a comprehensive and publicly available compliance framework, including inter alia a Compliance Policy, an Anticorruption Charter, a Policy on Non-Compliant/Uncooperative Jurisdictions, Internal Procurement Guidelines, Codes of Conduct, Integrity Due Diligence Guidelines & Procedures and a Whistleblowing Policy (as mentioned in item 102-17). OCCO identifies and assesses the compliance risk and advises the Governor and management committees on relevant rules and standards and ensures that the CEB is aware of, and follows, best market principles and international standards regarding the prevention of money laundering and terrorist financing, fraud and corruption and other prohibited practices.

205-1 Operations assessed for risks related to corruption
On average, the bank's compliance function conducts specific investigations into less than five claims of corruption related to CEB-financed operations per year.

205-2 Communication and training about anti-corruption policies and procedures
Each year, OCCO delivers a mandatory induction class to newly recruited staff members. OCCO issued two newsletters for staff in 2019, with topics related to data protection and the culture of ethics.

The CEB marked the International Anti-Corruption Day on December 9th, with the Governor's address to all employees reconfirming the CEB's determination to fight corruption. This 'tone from the top' goes hand in hand with staff training and awareness raising through, for instance, an interactive board game on ethics. In 2019, the CEB became member of the Ethical Network of Multilateral Organizations (ENMO).

205-3 Confirmed incidents of corruption and actions taken
None.

ANTI-COMPETITIVE BEHAVIOUR – GRI 206

206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices
None.

Tax – GRI 207

207-1 Approach to tax
207-2 Tax governance, control, and risk management
207-3 Stakeholder engagement and management of concerns related to tax
207-4 Country-by-country reporting

The CEB is an international organisation. Pursuant to its constitutive treaty, the Third Protocol to the general agreement on privileges and immunities of the Council of Europe, the CEB and its assets, income and other property are exempt from all direct taxes.

Within the scope of its mandate, the CEB supports the implementation of international standards in the field of tax good governance – notably to ensure tax transparency and the fight against tax evasion/avoidance in connection with the projects it finances.

In October 2017, the CEB was granted observer status to the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes.

In 2014, the CEB enshrined this commitment by means of a Policy on Non-Compliant/Uncooperative Jurisdictions approved by its Administrative Council. In light of developments that have occurred since then, the CEB upgraded this Policy in 2019 in order to reflect the latest developments in the area of tax good governance and transparency, fair taxation, base erosion and profit shifting (BEPS), in alignment with the CEB's peer group of Multilateral Development Banks. The updates place emphasis on the rationale for the tax good governance principles promoted by the EU, and the OECD Global Forum on transparency and exchange of information for tax purposes. In particular, the 2019 update of the CEB's Policy on Non-Compliant/Uncooperative Jurisdictions introduced the immediate effect of the EU List of Non-Compliant jurisdictions for tax purposes. Assessment of concerns related to tax standards is part of the integrity due diligence performed by the CEB's services.

ENVIRONMENTAL – GRI 300

Management approach (Materials 301 – Energy 302 – Water 303 – Biodiversity 304 - Emissions 305 – Effluents and Waste 306 - Environmental Compliance 307 - Supplier Environmental Assessment 308)
The CEB assesses the environmental impact of the projects it finances. The Bank's Management approach to these issues is framed through the relevant applicable policies such as the Environmental and Social Safeguards Policy, the Loan and Project Financing Policy, the Handbook for the Preparation and Implementation of Projects, and the Guidelines on the Internal Procurement of Services, Supplies and Works by the CEB. Taking the examples of *Biodiversity GRI 304* and *Emissions GRI 305*, the paragraphs below provide insights into how the CEB assesses project impacts on environmental issues.

BIODIVERSITY – GRI 304

Management approach (additional information)
Biodiversity is addressed in the CEB's Environmental and Social Safeguards Policy (section 2.5). The policy requires that projects proposed for financing are subject to environmental screening and environmental impact assessment, if applicable, and specifies that the Bank will not finance projects that may cause the loss of critical natural habitats and endangered species.

304-3 Habitats protected or restored
In accordance with its Loan and Project Financing Policy, the CEB may finance projects that aim to protect and develop biodiversity (e.g. ecological corridors).

Emissions – GRI 305

Management approach (additional information)
The issue of project greenhouse gas emissions is addressed in the CEB's Environmental and Social Safeguards Policy (section 2.4). The CEB applies greenhouse gas emission (GHG) screening to all projects proposed for CEB financing to establish a preliminary estimate of the expected GHG emissions from a project and, in the case of mitigation projects, the relative decrease in GHG emissions. The screening methodology distinguishes three levels of CO_2 equivalent emissions:

- High: > 20 000 tonnes CO_2
- Medium: 10 - 20 000 tonnes CO_2
- Low: <10 000 tonnes CO_2

Carbon foot print calculations are made for all projects estimated as "medium" or "high" emissions and for those categorised "low", where sufficient data is available to yield meaningful results. Calculations are based on standard methodologies (e.g. the ADEME's Bilan Carbone for buildings) and include estimates of construction related emissions where feasible. The assessments are carried out by the CEB's Directorate for Technical Assessment & Monitoring.

305-1 Direct (Scope 1) GHG emissions
The Bank's Scope 1 emissions are not project related and are therefore disclosed under the chapter heading 'Corporate Impact' in this GRI index.

305-2 Energy indirect (Scope 2) GHG emissions
305-3 Other indirect (Scope 3) GHG emissions
305-4 GHG emissions intensity

305-5 Reduction of GHG emissions
Please see the chapter on 'The CEB and climate change' in main body of the Annual CSR Report.

SOCIAL – GRI 400

HUMAN RIGHTS ASSESSMENT – GRI 412

Management approach
Although the CEB has a separate legal identity and full financial independence, as a partial agreement of the Council of Europe, it nevertheless operates under the Council of Europe's *"supreme authority"* (Article I "Establishment of the Bank" of the CEB's Articles of Agreement). The Council of Europe is kept regularly informed of the CEB's activities and its Secretary General plays an important role in issuing an opinion on admissibility from a political and social point of view for every project submitted to the CEB's Administrative Council for approval.

In this context, successive Council of Europe Summits, held at the highest political level of Heads of State and Government, have each given new impetus to the CEB's action and contributed to shaping its current identity as the social development bank in Europe. The third of these summits, held in Warsaw in 2005, invited the CEB to contribute in its own way to the development of a free, democratic and socially cohesive European society and concretely resulted in the introduction of human rights safeguards in its Loan and Project Financing Policy and Environmental and Social Safeguards Policy.

Thus, acting within the framework of the Council of Europe, the CEB supports its principles, values and overall objectives. The Bank's approach in terms of social responsibility draws upon the principles enshrined in the Council of Europe's Convention for the Protection of Human Rights and Fundamental Freedoms and European Social Charter.

Within this framework, the CEB considers that the risks associated with incidents of child labour, forced or compulsory labour or violations of rights of indigenous peoples to be non-applicable in its countries of operation, themselves also members of the Council of Europe and, for a significant number of them, the European Union - nonetheless, the CEB deploys thorough screening mechanisms and would not knowingly finance projects presenting these risks.

412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening
In accordance with the CEB's Loan Regulations, which constitute the general conditions governing all the CEB's loans, in the event that the implementation of a project financed by the CEB should lead to any violation of the Convention for the Protection of Human Rights and Fundamental Freedoms or the European Social Charter, the CEB may suspend/cancel undisbursed loan amounts under the CEB loan regulations and/or demand early reimbursement of disbursed amounts.

LOCAL COMMUNITIES – GRI 413

Management approach
413-1 Operations with local community engagement, impact assessments and development programs
413-2 Operations with significant actual and potential negative impacts on local communities
Loans to local communities can be made on a direct basis or via on-lending through a financial institution. Given the specificity of the CEB's overarching social mission, the Bank's loans are to be considered for the most part and in more general terms as resulting in tangible "community engagement", since the final beneficiaries of CEB loans are members of local communities in the Bank's member states.

With respect to the issue of potential negative impacts, the CEB's Environmental and Social Safeguards Policy in particular *"requires the Borrower to address Project-related Community Health and Safety matters and Stakeholder Information and Consultation"*.

Over the course of 2019, it was brought to the Bank's attention that three of the projects it supports have the potential to trigger some negative impacts on local communities which were not foreseen during project screening, i.e. appraisal phase.

SOCIO-ECONOMIC COMPLIANCE – GRI 419

Management approach
All projects undergo compliance due diligence. Banks that partner with the CEB for on-lending use "Know Your Customer" questionnaires.

419-1 Non-compliance with laws and regulations in the social and economic area
None.

Specific Disclosures

CORPORATE IMPACTS

ECONOMIC – GRI 200

ECONOMIC PERFORMANCE – GRI 201

Management approach
201-3 Defined benefit plan obligations and other retirement plans
The CEB's Pension Schemes apply to staff members holding indefinite-term or fixed-term appointments and who have a minimum of 10 years of service. The Bank guarantees the payment of a lifetime pension for its retired staff members. The pension entitlement starts as of age 65 – except for those staff members hired prior to 1/1/2014, where the entitlement can start as of age 60.

In order to ensure the long-term economic performance and sustainability of its pension scheme, the CEB has adopted rigorous and sound assessment mechanisms, which are evaluated by external actuaries and follow international accounting standards (IAS).

An Advisory Pension Committee meets twice a year and may advise on proposals relating to the administration of the pension schemes such as the interpretation of the pension scheme rules, the assessment of the actuarial equilibrium of the schemes, the actuarial assumption underlying the pension scheme liabilities, and the appointment of the Bank's actuarial adviser.

Both the Advisory Pension Committee and the actuarial assessment provide the necessary checks and balances to ensure the financial soundness and sustainability of the pension schemes.

External auditors also review the methodology and the assumptions used by the CEB's actuaries to obtain the actuarial valuation of the post-employment benefits related to the retirement plan and to the other related post-employment obligations, in line with IAS 19 and the financial information disclosed in the financial statements.

ENVIRONMENTAL – GRI 300

Management approach (Materials 301 – Energy 302 – Water 303 –Emissions 305 – Effluents and Waste 306 – Supplier Environmental Assessment 308)
Since 2017, the CEB has been working with GreenFlex and its "custom-made" GreenFlex IQ platform to obtain more a precise measurement of some environmental indicators (especially energy metrics) and to extend the environmental management approach to new topics: logistics, indirect GHG emissions (life-cycle analysis of goods, e.g. IT equipment), non-physical services, water consumption, etc. As a result, the precision of the carbon footprint has been improved and its perimeter extended.

In 2018, the CEB started building out a more comprehensive Environmental Management System (e.g. responsibilities, timeline, KPIs) to reduce its environmental impact and increase its operating efficiency. In 2019, this was supplemented by the Governor's Environmental Statement laying out specific areas for improvement and goals.

MATERIALS – GRI 301

301-1 Materials used by weight or volume
In 2019, the CEB used 5.67 tonnes of office paper (non-renewable or not specified), compared to 6.62 tonnes in 2018 and 7.25 tonnes in 2017.
The CEB staff and visitors consumed 6 912 plastic water bottles of 50 cl (non-renewable or not specified) in 2019; against 8 328 in 2018 and 8 816 in 2017.

At the end of 2019, the Bank introduced water fountains and phased out the supply of bottled water in meeting rooms.

301-2 Recycled input materials used
301-3 Reclaimed products and their packaging materials
As a non-physical service provider, the CEB is not concerned by this topic.

ENERGY – GRI 302

Management approach (additional information)
The CEB's policy is to strike a balance between minimising its environmental footprint while offering good working conditions to its staff. The CEB is located in a historic building which was not designed according to modern energy efficiency standards. However, the CEB's facility management aims to progressively improve the building's energy efficiency by phased refurbishment and the replacement of energy intensive equipment.

302-1 Energy consumption within the organisation
Energy consumption by type over 2017 - 2019

	2017	2018	2019	Comment
Electricity in MWh	862	788	705	
Heating in tonnes of steam	1 245	1 162	1 094	
Cooling in MWh cold	36.8	33.6	38.7	
Fuel in litres	3 458	4 118	2 934	CEB service vehicles

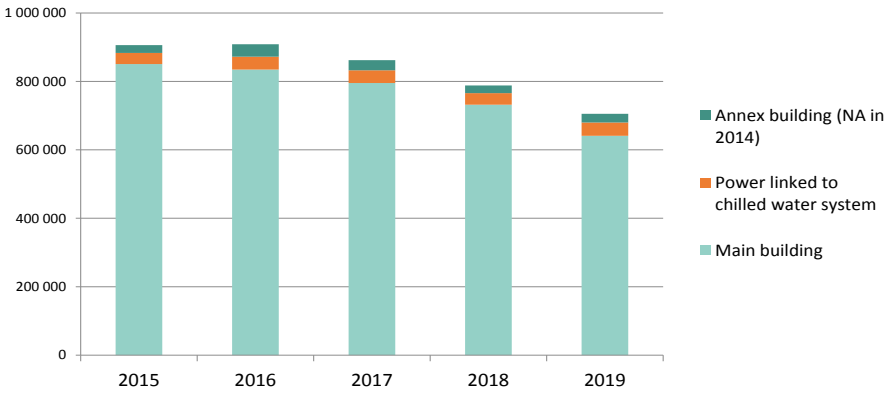
302-2 Energy consumption outside of the organisation
The CEB being an organisation located in a single building, energy consumption outside the CEB mainly stems from business travel (see GRI – 305).

302-3 Energy intensity
The CEB being a non-physical service provider, the energy intensity ratio is presented per employee (where the number of employees is 206), and also per square meter (where the total office space is 7 600 m²).

To calculate the two energy intensity ratios below, the electricity consumed was taken as a basis (i.e. heating and cooling is excluded). Energy intensity 2017 - 2019:

	2017	2018	2019
Energy intensity (kWh / employee)	4 376	3 826	3 424
Energy intensity (kWh / m²)	113	104	93

302-4 Reduction of energy consumption
Figure – 22% reduction in energy consumption over 2015-2019, electricity (kWh)



WATER – GRI 303

303-1 Water withdrawal by source
Municipal water use: 2 250 m3 in 2019 (2 250 m3 in 2018 & 2 595 m^3 in 2017).

303-2 Water sources significantly affected by withdrawal of water
All the water consumed by the CEB comes from municipal water in a closed-loop system, hence there is no water source significantly affected by withdrawal.

EMISSIONS – GRI 305

Management approach (additional information)
The CEB is committed to improving the reduction of emissions from different sources such as day-to-day activity, business travel or facilities maintenance.

Working with GreenFlex and using its "custom-made" GreenFlex IQ platform enabled the CEB to obtain a precise measurement of some environmental indicators (especially energy metrics) which feed into the environmental management approach. To measure the 2019 emissions, the following changes and improvements were made:

- Losses from the distribution of electricity are now taken into account, also retroactively for 2018.
- As of 2019, an updated 'emission factor' for electricity is used, reflecting the decreasing carbon footprint of electricity produced in France - compared to the 2014 emission factor used previously.
- IT equipment is now included in the carbon assessment, also retroactively for 2018.
- As of 2019, an updated 'emission factor' for waste is used, assuming an increased carbon footprint for waste treatment.

As a result, the quality of both the data and the calculation of related GHG emissions has further improved.

The methodology for assessing the GHG emissions follows Bilan Carbone®, the official French methodology for calculating the GHG emissions of organisations according to the latest international references (GHG Protocol, ISO 14069, Carbon Disclosure Project etc.), in its version 8 dated December 2017.

The *Bilan Carbone* approach used to define the CEB's organisational scope follows the *"operational control"* methodology, meaning that *"emissions from installations operated by the organization are taken into account."*

Further information can be found on the English website of the French Agency for the Environment and Energy Efficiency (ADEME).

The base year for 305-1, 305-2, 305-3 and 305-4 is 2019.

305-1 Direct (Scope 1) GHG emissions
Gross direct (Scope 1) GHG emissions: 8 metric tonnes of CO_2 equivalent.
All the CEB's gross direct GHG emissions are associated with the vehicles operated by the CEB.

305-2 Energy indirect (Scope 2) GHG emissions
Gross location-based energy indirect (Scope 2) GHG emissions: 185 tonnes of CO_2 equivalent.
The CEB's gross location-based energy indirect GHG emissions are associated with the electricity consumption (40t CO2 eq) and the municipal heating and cooling systems (145t CO_2 eq).

305-3 Other indirect (Scope 3) GHG emissions
Gross other indirect (Scope 3) GHG emissions: 672 tonnes of CO_2 equivalent.
The CEB's gross other indirect GHG emissions are mainly associated with the goods and services bought and used by the organisation, and the emissions linked to the fuels of the energy consumed (not included in scope 2), business travel, employee commuting and IT equipment.
The CEB's office building assets are not taken into account as the building dates back to the 19th century. The amortization period is therefore long past.

305-4 GHG emissions intensity
As the CEB is a non-physical service provider, the GHG emissions intensity ratio is presented per employee (where the number of employees is 206). All types of GHG emissions are included (i.e. scopes 1, 2 and 3).
2019 GHG emissions intensity ratio for the organisation: 4.2 CO_{2eq}/employee, based on the *Bilan Carbone* methodology.

305-5 Reduction of GHG emissions (in tonnes of CO_{2eq})

Scope	GHG sources	2015	2016	2017*	2018	2019
Scope 1	Own service vehicles	4	33	10	12	8
Scope 2	Heating & cooling	143	139	187	175	145
	Electricity consumption	50	48	65	59	40**
Scope 3	Business travel, incl. taxi	763	616	507	561	466
	Home-to-work commuting	41	44	76	84	80
	Paper & consumables	12	9	88	92	88
	Waste & water disposal	4	4	7	7	33**
	IT equipment	-	-	-	5	5

** Since 2017, a new methodology has been used to calculate GHG emissions. For more information please see the CEB's CSR Report 2017, page 29. ** Updated emission factors used*

EFFLUENTS AND WASTE – GRI 306

306-1 Water discharge by quality and destination

Based on the public information about the municipal water network of Paris, and assuming that about one fifth of the water used by the CEB is not discharged:

- Approximate volume of water discharges: around 1 800 m^3 in 2019 (2018: 1 800 m^3, 2017: 2 000 m^3)

- Destination of water discharge: municipal water treatment plant
- Quality of water discharges: domestic waste water
- The water discharges will be used again in the municipal water system

306-2 Waste by type and disposal method
Total weight of non-hazardous waste: municipal waste of 149 tonnes, with any disposal methods except reuse, recycling and composting (2018: 145 tonnes, 2017: 143 tonnes).

At the end of 2019, an improved waste recycling scheme was introduced at the CEB's premises, enabling staff to sort for paper, plastic and cans, batteries and light bulbs, coffee capsules and other 'non-recyclable' waste. The scheme will be fully operational in 2020.

SUPPLIER ENVIRONMENTAL ASSESSMENT – GRI 308

Management approach
The organisation's supply chain for its own operational needs is governed by the Guidelines on the Internal Procurement of Services, Supplies and Works by the CEB. The related Internal Procurement Procedures were updated in 2017.
In addition to this, the Environmental and Social Safeguards Policy which is complemented by the Environmental Statement of 26 July 2019, underlines the importance of enhancing environmental and social considerations in procurement decisions for its own operational needs.

308-2 Negative environmental impacts in the supply chain and actions taken
As a non-physical service provider, the CEB's 'negative impact' from its supply chain, as explained above, is mainly limited to its energy consumption, travel, paper and office material bought and waste produced.
For the actions taken on those items in the course of 2019, please see the main body of the 2019 Annual CSR Report.

SOCIAL – GRI 400

EMPLOYMENT – GRI 401

Management approach

The Bank supports measures that help maintain and develop its staff members. When staff members join the CEB, they are immediately considered as part of their teams and benefit from the same resources in terms of training and guidance on their development needs as any other staff member, regardless of their contract type or grade. In 2019, the CEB continued to rely on its staff members' high level of expertise, with an average age of 48 years, and an average tenure of 11 years (10 years for men and 13 years for women).
The CEB also seeks to attract talented people through a recruitment process and procedures which provide clarity, dialogue, transparency, contractual clarification and flexibility. The recruitment process at the Bank follows different steps including preliminary selection, assessment, and interviews. Newly hired staff members also participate in an induction session to help them integrate the Bank smoothly and meet their peers.

401-1 New employee hires and employee turnover
The turnover is defined as the total number of Bank staff leaving the organisation in a given financial year divided by the total population in the same year. In 2019, the CEB's turnover rate was 6.31%. The CEB's low turnover is rather similar to other International Organisations with similar contractual policies.
Any national of one of the Bank's member states may apply for employment. Nationals of countries that have joined since 1994 are particularly encouraged to apply. A total of 14 new hires (50% women and 50% men) joined the bank from 7 different nationalities. Out of the 14 new hires, one was managerial staff (man), 9 were professional staff (63% women and 37% men) and 5 were support staff (40% women and 60% men). Out of the 13 staff departures, 10 were professional staff (50% women and 50% men) and 3 were support staff (100% women). This low turnover rate is a consequence of the Bank having a large number of staff members on indefinite-term contracts who develop their careers at the Bank over long periods of time.

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees
Part time staff members receive the same benefits as full time staff members.

Staff members on temporary contracts whose duration does not exceed 9 months per year are not eligible for all the benefits received by staff members, such as bonuses, basic family allowance, education allowance, expatriation allowance (although temporary staff members are eligible for a residence allowance).

401-3 Parental leave

The table below summarises 2019 data for parental leave by total number of women and men.

	Women	Men
Employees entitled to parental leave	5	2
Employees taking parental leave	5	2
Employees returning to work in the reporting period after parental leave ended	5	2
Employees returning to work after parental leave ended that were still employed 12 months after their return to work	5	2
Return to work & retention rate of employees that took parental leave	100%	100%

LABOUR/MANAGEMENT RELATIONS – GRI 402

Management approach
Based on the CEB's legal status, as an international finance institution with its privileges and immunities, neither the host country's labour laws nor its other member countries' labour laws apply to its staff members. The Articles of Agreement (Article XI, section 1, d.) provide that *"[t]he Council of Europe Staff Regulations shall be applicable to the staff of the Bank in any matter not covered by a specific decision of the Administrative Council."* In other words, the Staff Regulations of the Council of Europe, as modified from time to time, automatically apply to the staff members of the Bank, except if the Administrative Council (AC) has adopted a specific decision in order for the Bank to have its own applicable provision(s) in a given area. In some instances, the Bank has its own needs due to its activity and size. If there is such a need, the Governor will submit a proposal to the AC in the form of a Resolution for adoption. Once the Bank has adopted its own provision(s), any further modification in this area also needs to be approved by the AC.

As further outlined below, the CEB provides its staff members with a comprehensive internal justice system to resolve and provide redress for staff's issues and grievances using informal and formal mechanisms.

402-1 Minimum notice periods regarding operational changes
There is no system of collective bargaining agreements and, as stated above, the staff members' employment related issues are governed by the Staff Regulations and their implementing rules.

For termination notices, reference is made to Articles 17 and 23 of the Staff Regulations, as well as to Articles 11 and 14 of Appendix II to the Staff Regulations. As to operational changes, particular reference is made to abolition of post (Article 23.b.i) and internal transfers and secondments (Article 5 of Appendix II to the Staff Regulations).

OCCUPATIONAL HEALTH AND SAFETY – GRI 403

Management approach
The CEB continues to develop initiatives that provide its staff members with a safe and healthy working environment.

Not only are working conditions taken into account, but staff well-being is also included in many communication and management training sessions. For many years now, the Bank has trained volunteer staff members to participate in the first aid programme and in the business continuity plan. A total of 21% of staff members are therefore trained in emergency first aid measures and fire safety. In addition, the CEB's travel management programme provides staff members who travel for professional reasons with travel management systems and services. The CEB offers its staff 24hour/7day services from *International SOS* in order to provide safety information and assistance in case of an emergency situation during travel.

The CEB also offers its staff flexible working hours through regular or occasional teleworking. Occasional teleworking: not exceeding 20 working days per calendar year. Regular teleworking: not exceeding 1 day per week and/or 5 days per month. In 2019, a total of 31 staff members were teleworking on a regular basis and 110 staff members were on occasional teleworking.

Furthermore, staff members have the opportunity to maintain physical fitness through regular sports practice in the Bank's on-site sports facilities, thereby creating a pleasant atmosphere through informal get-togethers, all of which has a positive influence on the Bank's social climate. Every year since 2009, half of the Bank's staff members have taken advantage of these facilities available at the CEB.

403-1 Workers representation in formal joint management–worker health and safety committees
The Health and Safety Committee is composed of:

- A chair appointed annually by the Governor
- The Head of the Human Resources Division or his/her representative
- The Head of the Facility Management & Security Division or his/her representative
- The Head of the Operational Risks Division or his/ her representative
- Two representatives appointed by the Staff Committee or their substitutes
- The CEB's Medical Officer

The Health and Safety Committee may, after the Governor's consent, consult any qualified person within or outside the CEB.

403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities
Staff members may be on uncertified leave for health reasons up to 4 days per year. They may also benefit from 6 days per child to take care of their children under the age of 16 (subject to medical certificates under certain conditions). The total period of absence for health reasons cannot exceed 36 months (or until stabilisation of the staff member's state of health in case of work accident or occupational disease). Staff members may also be granted additional days in case of serious illness of their spouse/ partner, children and parents (up to 3 days per year for each case).

The Bank monitors its absenteeism rate on quarterly and annual bases through its key performance indicators.

As at 31 December 2019, the rate of short term absenteeism stood at an average of 12.78 days per staff member per year for short term illnesses.

Only 4% of staff were on long-term illness, which is below the 5% key performance indicator.

TRAINING AND EDUCATION – GRI 404

Management approach
Staff members have access to training in four broad areas of skills: language, technical, information technology (IT) and core competencies (soft skills). These actions not only enhance staff skills but also help contribute to the development of both the Bank's internal values and its management culture in line with current best practices. The development tool contributes to the identification of needed skills. Staff training and development are part of good management practices and provide a basis for mobility.

404-1 Average hours of training per year per employee
In 2019, on average, staff members spent 1 day in training – about the same time for women and men.

404-2 Programs upgrading employee skills and transition assistance programmes
Constant changes in the outside environment impact each and every organisation: there is therefore a need for adjusted training and development to help the workforce remain competitive and respond quickly to these changes. The CEB has organised an increasing amount of in-house inter-disciplinary team training in technical and communication areas, thereby enhancing knowledge transfer and team cooperation. Staff members' training and development are fundamental to keeping the workforce engaged and ready to face future challenges. In 2019, 85% of staff participated in training, whether language, technical or managerial. 60% of training participants followed core competencies training while 30% followed language training and 10% followed technical training. The CEB also offers its staff members the opportunity to follow a speciality certification programme enabling them to reinforce their knowledge or acquire life-long education certificates.

The CEB aims to keep its staff employable and flexible through targeted staff development. The appraisal system, which includes both performance and development reviews, enables the Human Resources teams to move towards a more strategic partnership with both managers and staff by keeping abreast of needed skillsets, identifying job bridges and building better customised and efficient training paths. During the development review, the technical and behavioural competencies of staff members are assessed by the managers.

404-3 Percentage of employees receiving regular performance and career development reviews
All staff members no longer in their probationary period must undergo both an annual performance review and a development review. Staff members in their probationary period must undergo more frequent performance reviews.

DIVERSITY AND EQUAL OPPORTUNITY – GRI 405

Management approach
The Bank's increasing activities underscore the enduring objectives of HR management at the Bank: (i) to attract and retain staff of the highest quality with a diversity of gender and nationalities, and appropriate skills, experience, and career preferences; and (ii) to manage staff efficiently, in an environment that rewards excellence, fosters teamwork and promotes diversity, inclusion and fairness.

The Staff Regulations establish the principle of non-discrimination in various domains. In effect, the concept of diversity covers a wide variety of individual and cultural characteristics linked to age, sexual orientation, racial, ethnic or social origin, colour, nationality, handicap, marital or parental status, gender, as well as political, philosophical and religious opinions. All these components are naturally important, but the main focus generally retained by international organisations is on gender and national diversity.

a. Gender: In the event of equal merit between a woman and a man, both of whom are candidates in an external recruitment or internal competition procedure, preference shall be given to the candidate of the gender which is

under-represented in the grade and category to which the vacancy belongs. One gender is under-represented in relation to the other when the proportion of staff of that gender in the grade and category to which the vacancy belongs is below 40 percent. Although women are generally well represented at the Bank, efforts are undertaken to enhance the representation of women at senior levels and in management positions.

b. National diversity: Since the Bank's objective is to recruit its staff from the widest possible geographical base (assuming the requirement for high standards of efficiency and technical competency are met), the benchmark for an equitable breakdown of nationalities across the workforce could be set according to the share of the capital subscribed by each member state.

405-1-Diversity of governance bodies and employees
While the concept of "diversity" covers a wide variety of individual and cultural characteristics, the CEB's main areas of focus, as is generally the case with other international organisations, are on national diversity and gender.

At 31 December 2019, 33 out of 41 CEB member countries were represented among the 206 staff members. Each country is also represented on the Governing Board and in the Administrative Council.

In terms of gender, as at 31 December 2019, the CEB had one female Vice-Governor (25% of its appointed officials) and three women (20%) on its Management team. The Administrative Council is currently chaired by a woman and the Governing Board by a man.

The Bank's workforce is made up of 206 staff members (95 men - 46% and 111 women - 54%). Of the 206 staff members, 143 are professional staff (79 men - 55% and 64 women - 45%) and 63 are support staff (16 men - 25% and 47 women - 75%).

405-2 Ratio of basic salary and remuneration of women to men
The average grade level of men is grade A3 step 3 while for women, the average grade level is A1 step 7. For more information see the salary grade.

NON-DISCRIMINATION – GRI 406

Management approach
The Staff Regulations establish the principle of non-discrimination and prohibits the show of any illicit discrimination based on age, sexual orientation, racial, ethnic or social origin, colour, nationality, handicap, marital or parental status, gender, as well as political, philosophical and religious opinions.

The principles of respect for diversity and non-tolerance of discrimination are also enshrined in the Codes of Conduct. Furthermore, the CEB has a protection of dignity at work policy.

406-1 Incidents of discrimination and corrective actions taken
No incident of discrimination filed.

Crédits photos :

Couverture : Alex Potemkin - Morsa Images - andresr ; p. 2 : Ekaterina Pokrovsky

Production : Carré communication

CEB
COUNCIL OF EUROPE DEVELOPMENT BANK
BANQUE DE DEVELOPPEMENT DU CONSEIL DE L'EUROPE

55, avenue Kléber
FR-75116 PARIS - FRANCE
Tél. : +33 (0)1 47 55 55 00
Fax : +33 (0)1 47 55 03 38
Swift : CEFPFRPP
www.coebank.org

ISSN 2710-4184 (En ligne)
ISSN 2710-4176 (Imprimé)