

Code of Conduct

of the Council of Europe Development Bank

applicable to the members of the Auditing Board

(Approved by the Administrative Council and the Governing Board on 10-11 June 2021)

1. Preamble

The adoption of a Code of Conduct (hereafter referred to as “the Code”) specifically for the members of the Auditing Board constitutes a further step in the due implementation of best international practices in matters of the Bank’s governance and takes its inspiration from the rules in force in the other multilateral development banks.

The rules and principles set forth below apply to all the members of the Auditing Board. For the purposes of this Code, the term “members of the Auditing Board” thus refers generally and globally to all the members of the Auditing Board, as well as to the outgoing member of the Auditing Board who attends the Auditing Board’s meetings as an advisor until the next rotation takes place, in accordance with point 2.2 of the Rules of Procedure of the Auditing Board.

2. Basic rules of conduct

The members of the Auditing Board must conduct themselves in accordance with the most ethical behaviour, shall observe the highest standards of integrity and ethical conduct, and shall act with honesty and propriety. The members of the Auditing Board are expected to commit themselves to the CEB’s core values of commitment, cooperation, creativity, transparency and professionalism.

The Members of the Auditing Board shall adhere to the CEB’s commitment to minimise the negative environmental, social and governance impact of its business activities and to enhance their positive impact.

It shall be prohibited to show any discrimination based on gender, origin, colour, ethnic or social origin, political, philosophical or religious convictions, membership of any national minority, property, birth, disability, age or sexual orientation, nationality or, in general terms, the way in which the persons bound by this Code choose to conduct their private lives.

The members of the Auditing Board are required to conduct themselves in a manner that befits their international functions. Moreover, their conduct shall not bring the Bank into disrepute or create the appearance of impropriety. They shall bear in mind the reserve and tact incumbent upon them by reason of their international functions and are required to exercise the utmost discretion in regard to all matters relating to the Bank. They shall avoid any kind of action, public announcement or activity for private gain that may adversely reflect upon their status, their integrity, or the impartiality that is required in their position.

A member of the Auditing Board shall fulfil his or her duties solely bearing in mind the interests and objectives of the Bank as a whole and not with the interests and objectives of any individual member country or any other individual interest in view.

3. Conflicts of interest

The members of the Auditing Board 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 members of the Auditing Board remain bound to respect these obligations after their mandate expires.

Should an actual or apparent conflict of interest arise, the members of the Auditing Board shall promptly disclose the matter to the Chief Compliance Officer (CCO) for guidance. They shall recuse themselves by withdrawing from any attendance of or participation in deliberations or decision-making connected with their particular case, unless the CCO deems otherwise.

3.1 Close relatives

A member of the Auditing Board who, during their service with the Bank, becomes a close relative of a CEB Appointed Official or staff member by marriage to a family member of that CEB Appointed Official or staff member, is required to make this relationship known to CCO.

4. Activities

The members of the Auditing Board shall not engage in any professional activity that is incompatible with the proper performance of their duties and responsibilities to the Bank, including the obligations of this Code.

Any member of the Auditing Board who is offered an activity of an official/professional nature that could give rise to a permanent conflict of interest with regard to their duties and responsibilities at the Bank, shall inform the CCO thereof and shall ensure that acceptance of such a function would be compatible with the duties and responsibilities incumbent upon them because of their functions at the Bank. In considering whether to engage in such activities, they shall give priority to the interests of the CEB and to the avoidance of any conduct that could bring the Bank into disrepute.

The members of the Auditing Board are required to declare to the Auditing Board, without delay and in writing, any professional activity they exercise at any time throughout the duration of their mandate. When taking up their position at the Bank, they must sign a written statement declaring to the CCO all their external mandates, whether public or private, and all the institutions in which they have a position, assignment or controlling financial interest. The information contained in that document shall be updated whenever necessary. The CCO is responsible for the safekeeping of these declarations.

When participating in works of a scientific or theoretical nature concerning the Bank, the members of the Auditing Board must stipulate that they are speaking on their own personal behalf and that their words and opinions do not represent the CEB's position.

5. Public declarations and relations

When making public declarations on CEB-related matters, the members of the Auditing Board shall make it clear in what capacity they are speaking and must comply with the requirements of confidentiality.

6. Confidential Information and Disclosure

6.1 Confidentiality

The members of the Auditing Board may not disclose any confidential information or data of which they have knowledge in the performance of their duties to any persons or organisations outside the Bank. Professional discretion shall be exercised in their behaviour both offline and online, including but not limited to professional media and social media.

This rule does not apply to the diffusion of confidential information by the members of the Auditing Board to CEB member states in the course of their duties or to persons assisting them in accomplishing their duties at the CEB, provided such persons are bound by an equivalent obligation of confidentiality.

Any member of the Auditing Board who in the course of their duties is provided with confidential information concerning the Bank, one of the Bank's customers or any other person related to the activities of the Bank, or with confidential information related to someone's personal affairs or a business or professional secret, shall not disclose such matters.

They shall not use confidential information to their personal advantage or for the benefit of any third party. They remain bound to comply with these obligations beyond the end of their mandate with the Bank.

6.2 Inside information

The members of the Auditing Board who, in the context or performance of their duties and responsibilities, have either direct or indirect access to inside information or who are in possession of such information may not use that inside information.

This obligation shall continue beyond the term of their mandate with the Bank.

6.3 Respect for private life and personal data protection

The members of the Auditing Board shall respect the dignity and private lives of their colleagues, members of the Bank's Collegial Organs, the Appointed Officials, staff members and anyone whom they come in contact with during the discharge of their duty to the Bank.

The purpose of the "Regulations on a system for the protection of personal data at the CEB" is to guarantee the confidentiality of the personal data of all persons working for the CEB as well as their right of access to such data and possible rectification thereof. The provisions of these Regulations apply to the processing of all personal data collected, stored and used by the CEB, automatically or manually, with the aid of any type of medium (paper, electronic, etc.).

7. Private investments

The members of the Auditing Board must not use the Bank's official communication procedures or professional contacts to manage their private affairs.

Generally, members of the Auditing Board shall conduct their private financial affairs in a manner that: (i) avoids conflicts of interest, (ii) does not compromise the independence of judgement or action required in the performance of official duties, (iii) does not result in members of the Auditing Board dealing in publicly listed securities in circumstances where any such dealing would or may result in a misuse of material non-public information/insider dealing by them, and (iv) avoids market manipulation .

They must promptly notify the CCO of any financial activity that is not in accordance with the Code and which could be in conflict with their official duties and responsibilities.

8. Gifts and other advantages

Since honesty and integrity are essential values, the members of the Auditing Board must not accept any gifts, hospitality, gratuities, honours, awards or other personal advantages linked to the mandate they exercise at the CEB that might jeopardise these values.

In any event, any person bound by this Code receiving a gift or advantage above a token value must, as soon as possible and regardless of the nature of the gift or advantage, notify the CCO in writing and, over and above a certain significant value, must surrender the object to the Bank or refuse the advantage. The members of the Auditing Board must ask the CCO for his/her opinion when they do not know whether or not they may accept a gift or any other advantage.

9. Internal Relations

9.1. Relations with staff members and with members of the Bank's Auditing Board

The members of the Auditing Board shall refrain from exercising any pressure upon the Bank's Appointed Officials, staff members and contractual collaborators for their own interest or for that of a third party in matters concerning the attribution of markets, management of human resources or the administration of financial transactions.

9.2. Dignity at work

All forms of harassment, including psychological and sexual harassment, blackmail and bullying, are unacceptable and strictly forbidden at the CEB, in compliance with the CEB Rule on the Protection of Dignity at Work.

9.3. Duty to lend assistance

Any member of the Auditing Board who witnesses behaviour constituting any form of harassment or bullying is duty-bound to offer their assistance to the victim and to report the situation, following the procedures set out in the Bank's Rule on the Protection of Dignity at Work. Any member of the Auditing Board who, in full awareness of the facts, prevents or contributes to preventing victims from coming forward, or who discredits or contributes to discrediting them, shall be deemed to share responsibility for the situation.

10. Employment

The Bank may not use the services of the members of the Auditing Board, either as managerial staff or as expert consultants, for a period of two years following termination of their functions.

A member of the Auditing Board or their substitutes who ceases to exercise their functions at the CEB shall not use or disclose any confidential information known to them by reason of their activity at the Bank, and shall not contact CEB Appointed Officials or staff members (other than through official channels) to obtain confidential information.

11. Use of the Bank's services and facilities for private purposes and intellectual property

The members of the Auditing Board must ensure that the goods, facilities, services and financial resources entrusted to them are managed and used in a useful, efficient, responsible and economic way, with the utmost care, guarding against waste and abuse. They must not be used for private purposes.

Intellectual property pertaining to CEB may not be used for personal benefit or for the benefit of others.

These obligations continue to apply to the members of the Auditing Board after expiration of their mandate.

12. Reporting and Whistleblowing

Any member of the Auditing Board who has knowledge of elements that could lead them to presume the existence of a case of violation of the Code, the Compliance Framework, the Staff Regulations or of the Bank's rules on fraud, corruption, money laundering or the financing of terrorism shall report such behaviour to the CCO, in compliance with the CEB's Whistleblowing Policy.

13. Supervision of the Code of Conduct and signature

The members of the Auditing Board must sign, on arrival at the Bank, the Code of Conduct Statement in a form and manner to be proposed by the Chief Compliance Officer.

The CCO supervises compliance with this Code of Conduct. If necessary, he/she reports to the Auditing Board, to the Administrative Council and/or to the Governing Board, at the request of any of these Collegial Organs, according to their own specific decision-making rules or those of the Governor. In order to ensure coherent application of the Code, the members of the Auditing Board must consult the CCO in case of doubt as regards the practical application of any of the criteria in matters of professional ethics set forth in the Code.

The CCO shall be responsible for exercising the discretion necessary to preserve the anonymity of the parties involved.

14. Entry into force

This Code shall enter into force on 21 June 2021.