GRI Report

2024

CEB

COUNCIL OF EUROPE DEVELOPMENT BANK

BANQUE DE DEVELOPPEMENT DU CONSEIL DE L'EUROPE

GRI Report for 2024

The GRI Report 2024 has been prepared on the basis of the internationally recognised standard for sustainability reporting, namely the Global Reporting Initiative (GRI), and in accordance with the GRI Standards 2021[1].

It provides stakeholders, including environmental, social and governance (ESG) rating agencies and socially responsible investors, with a comprehensive overview of the Council of Europe Development Bank's (CEB's) approach to environmental, social and governance issues. Therefore, this report does not only present the topics that are most material to the CEB, but provides insights into a wider range of issues. Topics that have been identified as material to the Bank are marked with "material topic" (see also GRI 3). It should be read in conjunction with the Bank's annual Sustainability Report.

This 2024 edition of the GRI Report (sometimes referred to as the GRI Index) is now also reporting on new items such as Child Labor and Forced or Compulsory Labor.

About the CEB

The Council of Europe Development Bank (CEB) is a multilateral development bank with an exclusively social mandate from its 43 member countries. The CEB finances investment and provides technical assistance in social sectors such as education, health and affordable housing, while focusing on the needs of vulnerable people, as well as on the social dimensions of climate change and the environment. Borrowers include governments, local and regional authorities, public and private banks, non-profit organisations and others. The CEB, which has a triple-A credit rating, funds itself through international capital markets. In addition, the CEB receives funds from donors to complement its activities.

The CEB was originally established as a resettlement fund in 1956 by eight of the 15 member states that made up the Council of Europe at the time. The CEB is Europe's oldest multilateral development bank, and is a legally and financially separate entity from the Council of Europe.

For more about CEB, visit **coebank.org/en/about/**

1. While the GRI Standard 2021 discontinued the GRI 412 - Human Rights Assessment as a separate item, the CEB maintains its reporting, while also addressing the human rights topic in many other sections. This decision reflects the Bank's social mandate and its foundational commitment to promote the values of the Council of Europe.

Table of contents

GRI 1: Foundation		4
Statement of Use, GRI 1 used and Applicable GRI Sector Standard		4
GRI 2: General Disclosures		4
2-1 - 2-5 The Organization and its Reporting Practices		4
2-6 - 2-8 Activities and Workers		5
2-9 - 2-21 Governance		8
2-22 - 2-28 Strategy, Policies and Practices		15
2-29 - 2-30 Stakeholder Engagement		22
GRI 3: Material Topics		25
3-1 - 3-3 Disclosures on Material Topics		25
OPERATIONAL IMPACT		27
201 Economic Performance		27
202 Market Presence		28
203 Indirect Economic Impact	-material topic-	28
204 Procurement Practice		29
205 Anti-corruption	-material topic-	30
206 Anti-competitive Behavior		31
207 Tax		31
101 Biodiversity	-material topic-	34
305 Emissions	-material topic-	34
408 Child labor		35
409 Forced and compulsory labor		36
412 Human Rights Assessment	-material topic-	37
413 Local Communities	-material topic-	38
415 Public Policy		39
CORPORATE IMPACT		39
201 Economic Performance		39
301 Materials		40
302 Energy	-material topic-	41
303 Water and Effluents		42
305 Emissions	-material topic-	43
306 Waste		46
308 Supplier Environmental Assessment		46
401 Employment		47
402 Labor/Management Relations		49
403 Occupational Health and Safety		50
404 Training and Education		54
405 Diversity and Equal Opportunity	-material topic-	56
406 Non-Discrimination		59
407 Freedom of Association and Collective Bargaining		60
414 Supplier Social Assessment		60
418 Customer Privacy		61

GRI 1: Foundation

Statement of use	The CEB has reported in accordance with GRI Standards for the period 1 January 2024 to 31 December 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	None.

GRI 2: General Disclosures

THE ORGANIZATION AND ITS REPORTING PRACTICES

2-1 Organizational details

2-1-a Legal name: Council of Europe Development Bank (CEB).

2-1-b Nature of 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 such, the CEB is owned by its shareholders, namely its 43 member states.

2-1-c Location of headquarters: Paris, France.

2-1-d Countries of operation: According to its mandate, the CEB can provide loans and guarantees in any of its 43 member states. The Bank may also receive voluntary contributions from its members, through trust funds. As a sign of solidarity among CEB member states, the Bank is able to provide increased support to a group of 23 "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, Türkiye and Ukraine.

2-2 Entities included in the organization's sustainability reporting

For both financial and sustainability reporting: Council of Europe Development Bank (CEB).

2-3 Reporting period, frequency and contact point

2-3-a Reporting period: Financial and sustainability reporting is done on an annual basis. The CEB reports on a calendar year basis, from 1 January to 31 December. This report covers the year 2024.

2-3-c Publication date: See date of the Message from the Governor in the Sustainability Report.

2-3-d Contact point for questions about the report: Corporate Responsibility & ESG Reporting Division (info@coebank.org)

2-4 Restatements of information

For GRI item 401-1 New employee hires and employee turnover, in the table, the figures for "retirement" have been recalculated to include for consistency the category of "mutual agreement and early departure". Previous years' data have also been adjusted to reflect this change for better comparison..

2-5 External assurance

Currently, the CEB's sustainability reporting is not subject to external assurance.

ACTIVITIES AND WORKERS

2-6 Activities, value chain, and other business relationships

2-6-a Sector of activity: Financial sector

2-6-b Value chain:

Activities, 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 43 member states to finance projects meeting a certain number of criteria. Potential borrowers include governments, local or regional authorities and financial institutions, or any other legal entity approved by a CEB member state such as non-profit organisations. Loan applications are systematically reviewed, and related projects are designed and implemented within national sectoral 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-financing Facility, Cross-sectoral loans); it can also provide financing through guarantees and through the donor funds held in trust funds.

In 2024, the Bank approved 44 project loans in 22 countries for a total amount of €4.5 billion. For more information, see the Sustainability Report.

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. For the Strategic Framework 2023-2027, the CEB's sectors were slightly adjusted and now consist of the following:

- Health and social care
- Education and vocational training
- Administrative and judicial infrastructure
- Protection and rehabilitation of the historic and cultural heritage
- Social and affordable housing
- Urban, rural and regional development
- Natural or ecological disasters
- Protection of the environment
- Micro, small and medium-sized enterprise (MSME) financing
- Microfinance

Breakdown by sector: Total loans outstanding in € thousands

Sector	Amount	Percentage
Health and social care	4 660 330	20.3
Urban, rural and regional development	3 765 343	16.4
Education and vocational training	2 783 778	12.2
MSME financing	2 586 277	11.3
Social and affordable housing	2 576 615	11.2
Protection of the environment	2 536 054	11.1
Natural or ecological disasters	1 789 658	7.8
Aid to refugees, migrants, displaced persons and other vulnerable groups	1 317 259	5.8
Cross sectorial loans	669 835	2.9
Administrative and judicial infrastructure	134 945	0.6
Protection and rehabilitation of the historic and cultural heritage	49 004	0.2
Microfinance	45 675	0.2
TOTAL	**22 914 774**	**100**

Note that while the CEB's Strategic Framework 2023-2027 with its adjusted sectors has been in place since 2023, the portfolio breakdown includes a few legacy sectors such as "Aid to refugees, migrants, displaced persons".

Breakdown by sector: Projects approved in 2024 in € thousands

Sector	Amount	Percentage
Natural or ecological disasters	1 303 000	28.6
Urban, rural, and regional development	814 500	17.9
Health and social care	602 550	13.3
Education and vocational training	596 450	13.1
Social and affordable housing	416 500	9.2
MSME financing	356 000	7.8
Protection and rehabilitation of historic and cultural heritage	142 000	3.1
Multisector*	115 000	2.5
Protection of the environment	106 500	2.3
Microfinance	48 500	1.1
Administrative and judicial infrastructure	48 000	1.1
TOTAL	**4 549 000**	**100**

* Multisector includes loans that finance several projects in different or overlapping sectors. In 2024, this includes an addendum to a project that was approved before the current Strategic Framework and its revamped sectorial categorisation, and at the time therefore grouped as "Aid to refugees, migrants, displaced persons and other vulnerable groups".

For more details, see:

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

To learn more about projects and sectors the CEB cannot finance ("exclusion list"), please see Item 2-23-e.

Value chain upstream: The Bank's upstream value chain encompasses its funding and treasury operations, which involve raising capital through bond issuance and other financial instruments, managing liquidity, and optimising investment portfolios.

The CEB procures supplies, works and services for its own operational needs. In addition, the Bank uses external service providers for, among other things, information technology (IT) and consulting services and cleaning and security services on the organisation's premises. For more on the procurement of these supplies, works and services, and also the projects financed by the CEB, see Item 204.

Value chain downstream: There are four main groups of CEB customers: member states (e.g. central, regional and local governments), public entities (e.g. public health, education, housing, transport, energy and water companies), and public and private commercial banks (e.g. for on-lending to MSMEs and public entities), plus non-profit organisations. All CEB borrowers are located in its 43 member states and, at year-end 2024, the number of borrowers amounted to 234. This number represents the borrowers for projects in the stock or in loans outstanding.

In 2024, the CEB has started mapping the Bank's global value chain. An example is given by the infographic on how the CEB contributes to sustainable development in the Sustainability Report 2024.

2-6-c Other relevant business relationships: The CEB works closely with its member states and with the European Union. Complementary to its financing, the Bank manages these partners' donations and trust funds in the form of grant financing, technical assistance and guarantees. For more information, see the CEB website: Partnering with donors.

2-6-d Significant changes compared to the previous reporting period: None.

2-7 Employees

As at 31 December 2024, the CEB's workforce was made up of 231 staff members (230 located in Paris, and one staff member in the CEB Kyiv Liaison Office). In addition, the CEB has four locally recruited staff in the CEB Ankara Project Office and 10 temporary staff in Paris. Of the total regular staff members, 58% are women (134) and 42% are men (97) and they represent 33 different nationalities. In terms of role distribution[1], 10% of the staff hold senior managerial roles (A5-A7). Senior expert/managerial roles (A3-A5) comprise 38% of the workforce and specialised roles (A1-A2) account for 27%. Technical and coordination roles (B4-B6) represent 22%, while 3% of the staff are in support and administrative roles (C, B1-B3).

Of the 231 regular staff, 227 are employed full-time (56% women, 44% men), while four work on a part-time basis at either 90% or 80% of standard full-time hours (100% women).

The CEB does not employ staff on a non-guaranteed hours basis.

1. The categorisation of roles has been refined to include more detailed classifications, reflecting a broader and more accurate distribution of responsibilities. As a result, direct comparisons with previous years' figures may not fully align due to these adjustments.

Year	2020	2021	2022	2023	2024
Total number of regular staff	209	213	211	216	231
of which, fixed term*	60	58	56	59	58
of which, part-time	8	5	3	4	4
Temporary**	7	9	16	12	14
Supervised (interim) workers	8	0	2	1	0

* On post or position and specified in the budget approved by Administrative Council.
**Meeting sudden needs, for example replacement for long-term leave. This category also includes local temporary hired staff for CEB Ankara Project Office.

For more information on staff nationality, see 405-1. For information on newly hired employees and employee turnover, see 401-1.

2-8 Workers who are not employees

The CEB makes use of service providers (e.g. IT, security, facilities) that provide staff not directly employed by the Bank, as well as trainees. As at 31 December 2024, with no significant change over the time period, the full-time equivalent (FTE) provided through service contracts stood at about:

Category	2021	2022	2023	2024
IT	20	25	26	32
Security	6	6	6	6
Facilities	5	5	5	5
Trainees	1	5	8	14

GOVERNANCE

2-9 Governance structure and composition

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 organ", competent for all matters not delegated to the Administrative Council;
2. the **Administrative Council**, which, among its delegated powers, approves lending operations in favour of proposed projects and gives its opinion on all decisions having financial consequences;
3. the **Governor**, who is the Bank's legal representative, is the head of the Bank's operational services and conducts day-to-day business on the instructions of the Administrative Council;
4. the **Auditing Board,** which is independent from all the other statutory bodies and inspects the CEB's annual accounts.

Both the Governing Board and the Administrative Council are composed of a chairperson and one representative appointed by each of the 43 member states. As at 31 december 2024, the Chairperson of the Governing Board is Mr Harry Alex Rusz; the Chairperson of the Administrative Council is Ms Wioletta Barwicka-Lofthouse. For an overview of the members of the CEB's governing bodies, see the Bank's website and GRI 405-1 on diversity of governance bodies. The secretariat for the CEB's governing, administrative and control organs is provided by the Secretariat of the Partial Agreement of the Council of Europe Development Bank.

The **Governor** is appointed 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. As at 31 December 2024, the Governor is Carlo Monticelli, who took up his five-year term on 18 December 2021; he is assisted by three Vice-Governors: Tomáš Boček (Target Group Countries), Sandrine Gaudin (Financial Strategy) and Johannes M. Böhmer (Social Development Strategy).

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

2-10 Nomination and selection of the highest governance body

One member and a substitute for the Governing Board and the Administrative Council are appointed by each of the 43 member states. Typically, members of the Governing Board are Ambassadors at the Council of Europe, or other foreign ministry officials, and members of the Administrative Council are sent by the Ministries of Finance or Economy. See GRI 405-1 on diversity of governance bodies.

2-11 Chair of the highest governance body

Both the Governing Board and the Administrative Council chairpersons are appointed by the Governing Board for a three-year term renewable once. The chairpersons do not have voting powers and are not senior executives of the Bank. The vice-chairpersons are elected from among the members of the Governing Board and the Administrative Council, for a two-year term renewable once, and conserve their voting rights.

2-12 Role of the highest governance body in overseeing the management of impacts

2-12-a Role in policies and goals related to sustainable development: The Governing Board, which, pursuant to the CEB's Articles of Agreement, is the Bank's "supreme body", 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, the core business of the bank. It also approves new policies or changes to existing policies, including in particular the Environmental and Social Safeguards Policy (ESSP).

For an overview of the topics on the agenda of these bodies, see Governing Board Meetings in 2024 and Administrative Council Meetings in 2024 on the website, together with agendas of previous years.

In 2020, the Administrative Council asked the Bank to further its climate approach and in November 2021, it endorsed its Paris alignment framework and roadmap. Since then, the CEB's services have kept the Administrative Council regularly informed on the implementation of the Paris alignment roadmap.

2-12-b Role in overseeing due diligence and impacts on the economy, environment, and people: As a multilateral development bank (MDB) 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 project-related documents, which are submitted to the Administrative Council, include the main findings and recommendations resulting from the due diligence carried out by the Bank's services, including the environmental, social and climate-related aspects.

In addition, the Bank's organs are informed on an annual basis about key outcomes of the Bank's portfolio monitoring activities, including key performance indicators tracking operational performance linked to project financing (see the Sustainability Report 2023).

The Directorate for Technical Assessment & Monitoring (TAM) is responsible for the technical appraisal and monitoring of projects financed by the Bank. TAM's processes include the assessment of economic, environmental and social opportunities and risks. TAM experts support the fulfilment of the CEB's social development mandate mainly by seeking to strengthen the quality, policy relevance and impacts of Bank-financed activities. The aim is to scale up their benefits, increase their inclusiveness, mainstream climate change and environmental sustainability considerations, and improve the management of relevant risks that may affect, or be generated by, CEB-financed operations. For more on climate risk and its management, see the CEB's annual Task Force on Climate-related Financial Disclosures (TCFD) Report.

TAM's project analysis, including identified risks and recommendations for their management, is reflected in the Loan Document that is presented to the Administrative Council and in the Framework Loan Agreement for each project. During implementation of the project, TAM reviews *inter alia* the management of environmental and social risks, and carries out site visits when/where appropriate. The results of the technical monitoring are reported to the Bank's management on an ongoing basis.

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

The Risk & Control Directorate (R&C) is responsible for implementing the risk management framework. It makes proposals for risk policies and methodologies, supervises their implementation, and undertakes risk reporting. It is independent of other operational and business directorates and reports directly to the Governor. The different R&C divisions address specific risk areas such as credit risk, market risk (including asset and liability management from a risk perspective) and operational risk. Asset and liability management (ALM) and market risk assessment are conducted by the Treasury & ALM Division and the Financial Risks Division. The Treasury & ALM Division carries out the day-to-day management of market risks (identification, assessment, monitoring and reporting). The Financial Risk Division has the overall responsibility for identifying, measuring, assessing, monitoring and providing independent oversight of all significant market risks for the Administrative Council. For more, see the CEB's annual Risk Management Disclosure Report, including Climate Risk that the CEB views not as a stand-alone risk category, but as an interconnecting risk with the potential to impact each of the risk categories.

The CEB's Office of Independent Evaluation (IEV) contributes to institutional accountability and operational learning by assessing the results of selected projects and programmes, and making recommendations with a view to improving future CEB operations.

Since 2020, the Bank has been mapping CEB-financed projects against the Sustainable Development Goals (SDGs). For all the 44 projects approved in 2024 totalling €4.5 billion, a set of relevant key SDGs were identified according to the objectives and characteristics of each project (for more information on the SDGs, see the Sustainability Report and website).

2-12-c Effectiveness of due diligence 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 with which to identify, assess, monitor, report, mitigate and control risks throughout the Bank.

The Bank's risk and control policies, based on international best banking practices, are prepared under the guidance of internal committees composed of members of the CEB's senior management and are 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 in a constantly evolving environment.

As an MDB, the CEB is not subject to its member states' regulatory frameworks, the Basel Committee recommendations or European Union directives. However, it is the Bank's policy to follow best banking practices, according to its MDB status, by making all necessary adjustments. To this end, the CEB has established a set of Prudential Ratios and indicators to assess and monitor the risks arising from its activities. The CEB regularly reviews its risk and control policies, including its monitoring procedures.

The Bank created different decision-making committees responsible for defining and overseeing risk management policies in their respective fields. The Governor chairs all these committees:

- The **Credit Risk Committee (CRC)** meets weekly and makes credit decisions related to lending and treasury exposure based on internal credit risk assessments and recommendations.
- The **Asset & Liability Committee (ALCO)** holds meetings on a monthly basis or more frequently if necessary to formulate strategic orientations and address on a forward-looking basis interest rate, foreign exchange rate and liquidity risk arising throughout the balance sheet.
- The **Committee for Operational Risks & Organisation (CORO)** reviews operational risk issues at the CEB semi-annually and ensures that adequate steps are taken to mitigate, monitor and control these risks.

In view of the Bank's credit track record, the organisation and processes have proven to be effective, with almost no defaults in over 65 years since the institution's inception.

In addition to these internal committees, the Bank has established a dedicated cross-directorate structure first, to develop the CEB's Paris alignment framework, which was endorsed in November 2021, and then, to oversee its implementation according to a phased roadmap. This structure is three-tiered with thematic task forces, a cross-cutting working group and a steering committee.

These cross-directorate groups have proposed the climate risk related methodologies at both project and counterparty level. Since 2023, the CEB has also published an annual report according to the TCFD recommendations.

TAM's experts perform due diligence (technical, including environmental and social, and project procurement aspects) on CEB-financed operations throughout the project cycle from project identification to completion and provide advisory services to clients to support project preparation and implementation as well as capacity building, either directly by mobilising and/or managing consultants, or by enhancing the accountability of the Bank's reporting activities particularly as regards environmental and social sustainability aspects, including climate-related issues.

Environmental, social and climate risks are screened and managed in accordance with the CEB's Environmental and Social Safeguards Policy and related standards and procedures. Since the beginning of 2023, the CEB has ascertained that new operations with a predefined use of proceeds for investments whose geographical location is known are Paris aligned, and since the beginning of 2024, that all new operations financed by the Bank are aligned with the mitigation and adaptation goals of the Paris agreement.

2-13 Delegation of responsibility for managing impacts

2-13-a Highest governance body delegating responsibility for managing the organization's impacts on the economy, environment, and people

2-13-b Senior executives or other employees to report back to the highest governance body on the management of impacts

The CEB´s Governor, under the instructions and policy guidance of the Collegial Bodies, is responsible for managing the Bank's impacts on the economy, environment and people.

As economic, environmental and social considerations are embedded in almost all the CEB's activities, numerous directorates and teams work on diverse sustainability-related topics. The Corporate Responsibility & ESG Reporting Division handles matters of a general and Bank-wide nature, such as corporate sustainability disclosure and reporting, ESG ratings, and co-ordination between directorates through a network of ESG Correspondents. The list of the directorates and offices that have specific responsibilities with regard to sustainability – in alphabetical order – follows.

- *Compliance,* working on integrity, transparency and accountability in all the CEB's projects, treasury operations and banking activities, including anti-money laundering, counterterrorist financing, anti-fraud, anti-corruption, anti-bribery, whistleblowing and investigations, as well as personal data protection and IT systems security.
- *Corporate Services,* working on human resources, e.g. gender equality and well-being, 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 learned for the CEB's future work.
- *Finance,* working on funding the Bank's project financing on competitive terms, and accelerating the development of the social bond market, e.g. by issuing the CEB's Social Inclusion Bonds.
- *General Counsel*, in charge of ensuring that policy commitments in connection with sustainability (environmental and social safeguards, fraud, corruption, and other prohibited practices) are consistent with the Bank´s legal framework and adequately reflected in contractual instruments.
- *Loans & Social Development,* working with borrowers to develop their projects and maximise their social value added in close co-operation with sector and thematic experts in Technical Assessment & Monitoring.
- *Risk & Control,* addressing risks touching upon the Bank's own internal operations and assessing climate risk for sovereign and sub-sovereign counterparties.
- *Technical Assessment & Monitoring,* working with borrowers throughout the project cycle on managing risks and maximising positive impact related to social, economic, environmental and climate-related aspects; greening project-related and CEB corporate procurement; providing advisory support for clients on sustainability aspects either directly or through external experts.

The Paris Alignment Steering Committee brings together the Bank's senior management from the relevant teams listed above to co-ordinate the operationalisation and further development of the CEB's approach on alignment with the Paris Agreement on climate including the management of climate-related risks. A working group at operational level reports to the Steering Committee, which informs the Governor, who is accountable to the Administrative Council.

For more on CEB's climate risk management, see the latest TCFD Report on our Climate Change web page.

2-14 Role of the highest governance body in sustainability reporting

2-14-a Highest governance body responsible for reviewing and approving the reported information

2-14-b Highest governance body not responsible for reviewing and approving the reported information

The Bank's annual Sustainability Report is on the agenda at every "spring meeting" (usually March) of the Governing Board and the Administrative Council, as is the case for other annual reports such as the Report of the Governor (i.e. activity report), and other reports for internal purposes. However, in accordance with the Bank's Articles of Agreement,

the Governing Board only formally approves *"the Bank's annual report, the balance sheet, the income statement and the notes to the financial statements"* upon recommendation of the Administrative Council.

The CEB's TCFD Report is put forward to the meeting of the Administrative Council that is usually held in June.

2-15 Conflicts of interest

2-15-a Processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated: The CEB has Codes of Conduct which set out the ethical rules that must govern the conduct of those working for the CEB – Chairpersons and members of the Collegial Bodies, Governor, Vice-Governors, staff members, and contractual collaborators – and help them to abide by those rules, and 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 Administrative Council and the Governing Board on 10 and 11 June 2021 and effective as of 21 June 2021, apply respectively to:

- the Governor, Vice-Governors, staff members and to contractual collaborators or service providers
- the Chairpersons 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 in full with the issue of conflicts of interest. As an example, the one applicable to the chairpersons and members of the Collegial Bodies provides that:

"The chairpersons and members of the Collegial Organs 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 chairpersons and members of the Collegial Organs remain bound to respect these obligations after their mandate expires.

Should an actual or apparent conflict of interest arise, the Collegial Organ chairperson 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."

2-15-b: Disclosure of conflicts of interest to stakeholders: Given the nature of the CEB this is not applicable.

2-16 Communication of critical concerns

2-16-a Critical concerns communicated to the highest governance body: According to the CEB's Integrity and Compliance Policy, the Chief Compliance Officer reports directly to the Governor, has direct access to the Auditing Board and other Collegial Bodies, and reports on all complaints and ongoing investigations that may have a critical financial or non-financial – reputational – concern for the Bank.

2-16-b Total number and the nature of critical concerns communicated: No critical concerns were communicated to governance CEB's bodies in 2024.

2-17 Collective knowledge of the highest governance body

In 2024, the Administrative Council and Governing Board continued to be kept updated specifically on the implementation of the Paris alignment roadmap. Regular seminars are organised for the Administrative Council to present and discuss technical subjects and/or topics of particular interest, including in 2024,the Social Inclusion Bonds, a review of the CEB's quality-at-entry project scoring methodology, and the new Integrity and Compliance Policy.

2-18 Evaluation of the performance of the highest governance body

2-18-a Processes for evaluating the performance of the highest governance body in overseeing management of the organization's impacts

2-18-b Independence of evaluations, and the frequency of the evaluations

2-18-c Actions taken in response to the evaluations

The highest governance body at the CEB is the Governing Board, which consists of a chairperson and, currently, 43 members, i.e. one representative appointed by each of the Bank's member states. Governing Board members are representatives of democratically elected governments and also for the most part the ambassadors and representatives of their respective countries to the Council of Europe. Here, no such evaluation can apply, including with respect to ESG performance.

2-19 Remuneration policies

Compensation for the Governing Board[2] and Administrative Council chairpersons and for "Appointed Officials" (Governor and Vice-Governors) is individually and fully disclosed in the Financial Report (see Note A – Item 10). There is no variable pay, bonuses, incentives or clawbacks for them. However, staff members may be entitled to bonuses according to their annual performance. Each staff member whose performance is considered successful is entitled to a bonus equal to a percentage of their basic salary. The percentage is the same for all staff. Additional bonuses can be granted to take into account high levels of performance.

The Bank provides two types of applicable benefits with a retirement pension if the staff member leaves the Bank after completing at least 10 years of service and a leaving allowance if the staff member leaves the Bank before completing this period of 10 years.

The pension entitlement starts as of age 65 – except for those staff members hired prior to 1 January 2014, where the entitlement can start as of age 60. Staff members may also ask to retire early. Finally, early departures, or departures by mutual agreement, may be granted based on budget availability and the business needs of the Bank.

The amount of the retirement pension is proportionate to the number of years of service at the Bank and, as the case may be, of prior service validated by the CEB in a Co-ordinated Organisation. The retirement pension = 2% x the number of annuities acquired x last basic salary reached not less than one year before retirement (for staff who were recruited before 1 January 2014) and 1.75% x the number of annuities acquired x last basic salary reached not less than one year before retirement (for staff members who were recruited on or after 1 January 2014).

For staff leaving the Bank before reaching 10 years of service (i.e. not eligible for a pension), a leaving allowance is attributed, corresponding to an amount = 1.5 months of the last basic salary x number of annuities for staff members recruited before 1 January 2014 + the amount of the sums withheld from the staff member's pay as contribution towards the pension, plus compound interest at a rate of 4% per year. The leaving allowance amount = 2.7 x rate of contribution as applied to last annual salary x number of reckonable years of service credited for staff members recruited on or after 1 January 2014.

In addition to retirement benefits for permanent staff members, the pension scheme provides benefits for staff members and their beneficiaries and acts as social/provident cover in the following cases:

- invalidity pension: which is paid to the staff member if they are made a total and permanent invalid while working for the Bank;
- survivor's pension: which is provided for the surviving spouse and/or ex-spouse;
- orphans' or dependents' pension: which is paid to the beneficiaries who are identified and recognised by the Human Resources Division.

2. Note that as from 2024, there is no compensation for the Chair of the Governing Board anymore.

Retirement benefits are paid according to Appendix II to the Staff Regulations.

2-20 Process to determine remuneration

Remuneration is fixed and indexed in line with an adjustment established by the salary methodology of the Co-ordinated Organisations (see below). The system of remuneration at the CEB is part of a legal and institutional framework defined by the Bank's Articles of Agreement (see Article XI: *"[…] The 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"*), its Staff Regulations, and the mechanism of the Co-ordinated Organisations. The CEB is committed to workplace gender equality, including to providing equal pay for equivalent work.

Each year, the International Service for Remunerations and Pensions (ISRP) calculates the adjustment index which defines the progression of the basic salary for Co-ordinated Organisations and attached organisations, such as the Bank. The principal elements considered in the calculation of the remuneration adjustment index are the following:

- the average change in real terms (after inflation) of net remunerations of eight national civil services of reference (Belgium, France, Germany, Italy, Luxembourg, Netherlands, Spain and United Kingdom);
- the inflation rate in France;
- the difference in the cost of living between France and Belgium since the last adjustment of the index.

Each year, the Administrative Council approves the annual budget of the Bank including the remuneration adjustment. As a result, in early January of each year the Bank's salary scale is updated.

2-21 Annual total compensation ratio

2-21-a Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual): 2021: 2.03, 2022: 2.03, 2023: 2.12, 2024: 2.09.

2-21-b Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual): 2021: 1, 2022: 1 , 2023: 1, 2024: 1

2-21-c Contextual information: none.

STRATEGY, POLICIES AND PRACTICES

2-22 Statement on sustainable development strategy

See the "Message from the Governor" in the Sustainability Report, and the Strategic Framework 2023-2027, approved by the Governing Board.

2-23 Policy commitments

2-23-a Policy commitments for responsible business conduct

- Authoritative intergovernmental instruments to which the Bank's commitments refer:
  Convention for the Protection of Human Rights and Fundamental Freedoms and European Social Charter
  As stated in the CEB's Environmental and Social Safeguards Policy (para. 25): The CEB requires that all Projects be designed and implemented in a manner to ensure that they are in line with the relevant principles of the Council of Europe Convention for the Protection of Human Rights and Fundamental Freedoms and the European Social Charter. The CEB's Loan Regulations specify, "The Bank may demand early reimbursement of disbursed loans in the following cases: […] (iii) where the implementation of the project financed by the Bank leads to a violation of the European Convention on Human Rights and the European Social Charter";

Paris Climate Agreement
The CEB's Loan and Projects Financing Policy (section 2.10): "The CEB will ascertain the alignment of the activities it finances with the goals and principles of the Paris Agreement, in line with its Paris Alignment Roadmap."

- Commitments stipulate conducting due diligence: *"...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).
- Commitments stipulate applying the precautionary principle: 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"*.
- Commitments stipulate respecting human rights: the Council of Europe is kept regularly informed of the Bank'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 Bank's Administrative Council.
- The CEB Loan and Project Financing Policy provides that all projects shall be in conformity with the provisions contained in the Convention and Charter cited above.
- The CEB can provide targeted funding to borrowers for technical assistance to help clients specifically manage social and human rights risk on projects where needed.
- The CEB Data Protection Regulations *"shall ensure protection of every individual, whatever their nationality or residence, with regard to the processing of their personal data by the CEB or on its behalf, thereby contributing to respect for their human rights and fundamental freedoms, and in particular their right to privacy."*
- Commitments to fight against fraud and corruption, collusion, coercion and obstructive practices not only with regards to the projects financed by the CEB, but also to its purchases of goods, works and services, as set forth in the CEB Integrity and Compliance Policy.

Environmental and Social Safeguards (ESS) in the project cycle

CEB projects strive to pursue long-term social and environmental benefits. However, some operations may also generate and/or face environmental and social risks. Recognising this, the Bank has put in place systems to identify such risks at the project level and engage with its borrowers to minimise and mitigate them, thereby enhancing the sustainability of the operations it finances.

The Environmental and Social Safeguards Policy (ESSP), which includes the need to take into account climate-related risk at project level, is applicable to all projects financed by the CEB. It is complemented by two environmental and social safeguards standards included in the CEB Handbook for the Preparation and Implementation of Projects (Chapters 6.2 and 6.3), and an exclusion list included in the Loan and Project Financing Policy (Articles 2.11 and 2.12).

Through its environmental and social safeguards assessment and monitoring processes, the CEB seeks to ascertain that the projects it finances are designed and implemented in such a way as to:

- comply with appropriate social and environmental standards;
- minimise adverse environmental and social impacts;
- maximise social and environmental benefits, with a special focus on vulnerable groups.

While borrowers bear the ultimate responsibility for managing both the environmental aspects, including climate-related elements, and the social aspects of CEB-financed projects, the CEB's Directorate for Technical Assessment and Monitoring (TAM) is responsible for screening, assessing and monitoring the social and environmental risks and impacts of all projects financed by the Bank throughout the project cycle, and of the actions that the Bank's clients undertake to manage those risks and address impacts. In 2023, the CEB undertook preliminary screening at the pre-appraisal stage of all project proposals submitted to the Bank; all 48 operations approved throughout the year were categorised in accordance with their project-related environmental and social risks, in line with the ESSP and associated standards and procedures. All operations are monitored at least once (see the CEB Handbook for the Preparation and Implementation of Projects), including environmental and social aspects.

The CEB does not finance fossil fuel-based energy projects or projects in the transport sector other than sustainable low-carbon local public transport and local roads (see Item 2-23-e).

Projects the CEB cannot finance ("exclusion list")

For the CEB there are certain project types it cannot finance, as per the Loan and Project Financing Policy. In its Environmental and Social Safeguards Policy (Chapter 2.6), it is stated that: "As a general rule and in accordance with its specific social focus, the CEB shall not finance large scale industrial operations that have the potential to generate important social and environmental risks and adverse impacts. This limitation particularly concerns investments in the extractive industries sector, including in particular:

- Mining of coal or lignite
- Extraction of crude petroleum and natural gas
- Mining of metal ores."

More specifically, the CEB has excluded the following sectors of activity from financing in the Loan and Project Financing Policy, Chapter 2.11 (European Union NACE codes):

- Extractive industries (NACE B) except division 8 Other mining and quarrying (8.1 Quarrying of stone, sand and clay; 08.91 Mining of chemical and fertiliser minerals; 08.92 Extraction of peat; 08.93 Extraction of salt);
- Distilling, rectifying and blending of spirits (NACE C11.01);
- Manufacture of tobacco products (NACE C12);
- Manufacture of coke and refined petroleum products (NACE C19);
- Manufacture of explosives (NACE 20.5.1);
- Processing of nuclear fuel (NACE C24.46);
- Manufacture of weapons and ammunition (NACE C25.4);
- Manufacture of military fighting vehicles (NACE C30.4);
- Financial and insurance activities (NACE K64-66);
- Real Estate Activities (NACE L68);
- Gambling and betting activities (NACE R92);
- Activities of membership organisations (NACE S94).

Investment projects linked to pornography and to products regarded by the CEB member states' regulations as harmful to the health and the environment shall also be excluded.

2-23-b Specific policy commitment to respect human rights

- Internationally recognised human rights that the commitment covers: The Convention for the Protection of Human Rights and Fundamental Freedoms covers the Right to life, Prohibition of torture, Prohibition of slavery and forced labour, Right to liberty and security, Right to a fair trial, No punishment without law, Right to respect for private and family life, Freedom of thought, conscience and religion, Freedom of expression, Freedom of assembly and association, Right to marry, Right to an effective remedy, and Prohibition of discrimination.

- Categories of stakeholders the organisation gives particular attention to in the commitment:
  The Council of Europe Convention for the Protection of Human Rights and Fundamental Freedoms and European Social Charter specifically emphasise principles 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.

2-23-d Level at which each of the policy commitments was approved within the organization

- Articles of Agreement: Committee of Ministers of the Council of Europe in 1956 – in the form of a Partial Agreement among eight Council of Europe member states (the Third Protocol to the General Agreement on Privileges and Immunities of the Council of Europe was concluded within this framework). Since then, new Articles of Agreement were adopted in 1993 by the Bank's Governing Board (which, however, cannot make any changes in the stated aims – e.g. Article II "Purpose" can be amended only by the Committee of Ministers of the Council of Europe).
- Strategic Framework 2023-2027: Governing Board upon recommendation of the Administrative Council
- CEB Loan and Project Financing Policy: Administrative Council
- CEB Loan Regulations: Administrative Council
- Environmental and Social Safeguards Policy: Administrative Council
- CEB Data Protection Regulations: Administrative Council

2-23-e Policy commitments applying to the organization's activities and to its business relationships

2-23-f How policy commitments are communicated to workers, business partners, and other relevant parties

The CEB is committed to conducting its internal operations in a socially responsible manner. For the CEB's publicly available compliance policies, including its Codes of Conduct which are also being shared with borrowers and suppliers, see item 205.

Through the publicly available CEB Loan Regulations, it is communicated to borrowers, should the implementation of a project financed by the Bank lead to a violation of the Human Rights Convention or the Social Charter, the Bank may suspend/cancel undisbursed loan amounts under the loans and/or demand early reimbursement of disbursed amounts.

2-24 Embedding policy commitments

The updated set of CEB's key performance indicators (KPIs) has been developed to better align KPIs with CEB's strategic orientations set in its Strategic Framework 2023-2027 and to also ensure its alignment with MDB standards, considering the Bank's unique social mandate, business model and size.

The new framework comprises 17 KPIs (11 new KPIs and retaining six from the former framework), bringing the assessment of operational performance (CEB's activities and project quality) and operational/corporate performance (efficiency and productivity of the organisation) in line with the Bank's orientations and strategic commitments.
Furthermore, additional thematic dimensions of the Strategic Framework 2023-2027 are being captured, such as gender, in line with the CEB's commitment to achieving a more gender-balanced workplace, and climate aspects, as well as the introduction of the CEB's "vulnerability lens" enabling the CEB to track and showcase its operational focus on serving vulnerable people and communities.

Starting from 2025, the Bank will report on these KPIs, based on 2024 data, to the Governing Board and Administrative Council.

Please see also 2-23-a, 2-23-e and 2-23-f, and the 2023 Sustainability Report for a comprehensive overview on the CEB's KPIs.

2-25 Processes to remediate negative impacts

2-26 Mechanisms for seeking advice and raising concerns

The CEB provides its staff members with a comprehensive internal system for resolving and providing redress for staff issues and grievances using informal and formal mechanisms, including a mediator.

With respect to the issue of potential negative impacts from projects, 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"*.

The CEB has a comprehensive and publicly available compliance framework, including *inter alia* an Integrity and Compliance Policy, an Anticorruption Charter, a Policy on Non-compliant/Uncooperative Jurisdictions, Guidelines for the procurement of Services, Goods and Works for the CEB's own account, Codes of Conduct, CEB Data Protection Regulations, Internal Rule on the Protection of Dignity at Work, Integrity Due Diligence Guidelines & Procedures, Guidelines for additional Tax Due Diligence for projects financed by the CEB, and a Whistleblowing Policy. Reporting on the compliance framework is done annually via the CEB's public Integrity and Compliance Report.

The Office of the Chief Compliance Officer (Compliance Office or OCCO) identifies compliance risk; assesses compliance risk; advises the Governor and project appraisal, finance and risk, and pre-board level 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, develops and maintains the policies, rules and procedures governing dignity, ethical behaviour and integrity towards counterparties and third parties, and advises staff and gives guidance on conflicts of interest, prevention of insider trading, protection of confidential information, personal data protection and ethical issues. The Office of the Chief Compliance Officer is the principal investigative function at the CEB. When a request for opinion arises, the entry points used as advice, help and concern-raising concerns, both internally and externally, are compliance@coebank.org and OCCO-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.

Additionally, OCCO is currently developing an internal digital compliance platform to streamline requests, declarations, and reporting of compliance or ethical issues, with further enhancements planned for 2025.

At the CEB, there are several complaint mechanisms:

1) **Whistleblowing**: OCCO handles information and tip-offs received from whistleblowers, and allegations related to potential fraud or corruption. For this purpose a dedicated email address and a website-contact box are available on the CEB's website. The Whistleblowing Policy defines the framework and key principles, and sets out the procedure.

2) **Project-related complaints**: Project-related cases submitted to OCCO are registered under two categories: (a) allegations related to potential fraud, corruption, collusion, coercion, bribery and/or procurement-related complaints; and (b) complaints related to the Bank´s applicable policies on environmental and social safeguards.

OCCO is mandated to lead the complaint handling for project-related complaints and grievances from stakeholders, and co-ordinates the relevant services in ensuring a timely and relevant response to the complainant. Addressing stakeholders' complaints in a timely and effective manner is within OCCO's roles and responsibilities, as it enhances CEB's accountability, contributes to building trust and credibility, and plays a paramount role in safeguarding the CEB's

social mandate and reputation. Moreover, complaint analysis and resolution provide valuable insights for lessons learned and continuous improvement resulting in higher social impact and increased project effectiveness for the Bank.

In 2023 and 204, OCCO consulted with other CEB services to develop an internal complaint-handling procedure to address citizen-driven complaints related to CEB-financed projects. This procedure is grounded in the need for a formalised, predictable response, reflecting the CEB's commitment to the UN SDGs and the 'do no harm' principle.

Besides, and in accordance with the Handbook for the Preparation and Implementation of Projects, the Bank requires the implementing entities of projects likely to have environmental/social adverse impacts to establish a procedure that addresses concerns or complaints from persons adversely affected by the project.

3) Procurement-related complaints for projects are handled as per the Guidelines for procurement of goods works and services for projects financed by the CEB, and complaints related to the CEB's own procurement is handled under the Guidelines for the procurement of Services, Goods and Works for the CEB's own account.

Complaints related to tenders for projects financed by the CEB are dealt with by the borrower's remedy system. The new guidelines approved in September 2023 introduce a possibility of CEB looking into complaints related to CEB's work in the review or monitoring of project-related procurement.

Complaints related to the CEB procurement for its own account (corporate procurement) and complaints related to projects are dealt with by a procurement complaints' committee, chaired by the CCO.

4) Access-to-Information-related complaints are handled according to the procedure set out in the CEB's Public Information Policy and its Annex.

5) Grant-related complaints: the complaint-handling process regarding the awarding of grants by the CEB is set out in the Rule by the Governor laying down the CEB's competitive procedures for awarding grants.

2-27 Compliance with laws and regulations

Non-compliance with laws and regulations[3] in 2024: none.

Disciplinary actions taken by HR in case of anti-corruption/anti-money laundering breaches by staff: none/no cases.

3. The CEB is a self-regulated international organisation so compliance refers to adherence with CEB's own policies, charters, rules and regulations.

The table below contains the project-related compliance cases, including both direct complaints from stakeholders, and cases examined by OCCO upon information/tip-offs provided internally or from outside sources.

	Registered cases	Confirmed cases	Closed cases	Disciplinary procedures and corrective measures taken
2024	5	1	4	Disciplinary procedures are not appropriate for the nature of the cases registered and treated in 2024; there is one case being examined from 2024, and one ongoing from 2023.
2023	5	1	4	No disciplinary procedures were initiated. Four complaints were inadmissible as they were not in scope of the complaints handling procedure. One complaint is admissible, and is being examined.
2022	9	5	4	Disciplinary procedures were not taken, not being appropriate for the cases handled; for the closed cases, the measures taken were enhanced follow-up, increased information exchange with co-financiers and two fact-finding missions.
2021	6	1	5	Corrective measure regarding a contract taken in one case.
2020	3	0	3	Not applicable.

2-28 Membership associations

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 MDB group. In 2018, the CEB obtained permanent observer status to the UN Framework Convention on Climate Change (UNFCCC) and joined the initiative for Harmonized Indicators for Private Sector Operations (HIPSO). As a founding member of the ICMA Social Bond Working Group, the CEB helped develop the Social Bond Principles and regularly contributes to its sub-working groups.

The CEB is a regular participant in the United Nations Climate Change Conferences (COP), often signing joint MDB statements , such as on climate finance for COP 29 in Baku in November 2024 (see press release).

The CEB is an active member of several multilateral development bank' working groups, for instance, on climate change, corporate responsibility, risk management, and legal affairs. The purpose of the groups is to exchange best practices and to discuss MDB-specific issues. In December 2024, CEB took over as chair of the Heads of MDBs Group for the first time, a position it will hold throughout 2025.

In 2024, the CEB took part in the fifth edition of the Finance in Common Summit (FiCS). The Bank co-leads the FiCS Coalition for Social Investment, which it launched in 2020 jointly with the Agence Française de Développement, and joined the FiCS Coalition on Resilient Cities and Regions in 2022.

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 co-operates with other international financial institutions (IFIs), and with several United Nations specialised agencies (in 2017, the CEB and UN Development Programme agreed to extend their co-operation for another five years, aiming to scale up their support for achieving the UN SDGs in South-Eastern Europe, Türkiye, Republic of Moldova and Georgia). In 2019, the CEB renewed its memorandum of agreement with UNICEF.

In 2022, the CEB completed an enhanced EU Pillar Assessment in order to reconfirm its capability to be a partner to the EU in implementing projects with EU funds and grants.[4] This was particularly important for the CEB to become an implementing partner to the InvestEU Programme 2021-2027 with total guarantees worth €26.2 billion aimed at spurring investments in sustainable infrastructure, research and innovation, small and medium-sized enterprises (SMEs) and social investments and skills. The Bank is also a member of the European Association of Long-term Investors (ELTI).

In 2024 the Bank became on observer to the Independent Accountability Mechanism Network (IAMNET).

STAKEHOLDER ENGAGEMENT

2-29 Approach to stakeholder engagement

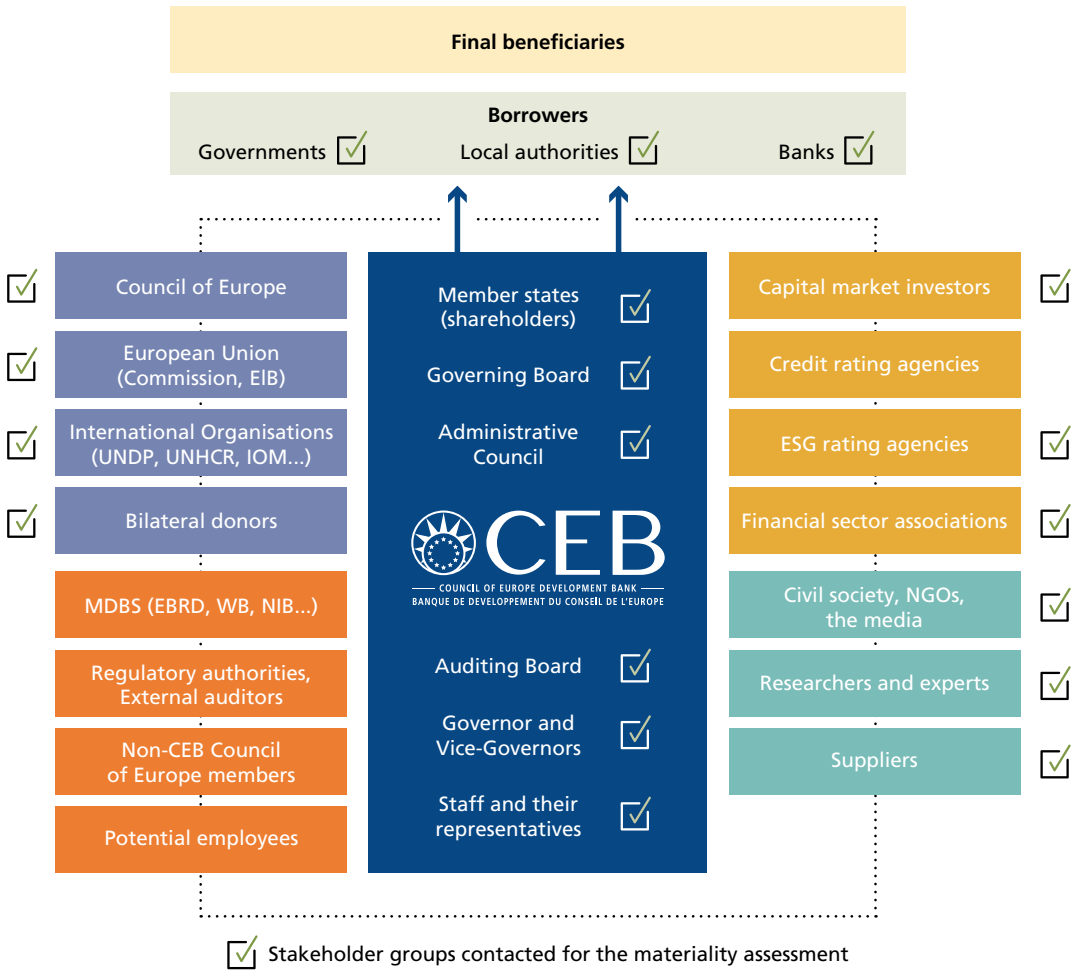
As stated in the CEB's Public Information Policy, the Bank *"acknowledges the merits of constructive dialogue with representatives of civil society (nongovernmental organisations, etc.), and recognises that any such dialogue must necessarily be proportioned to its size and to its sectors of action."*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

In 2024, the CEB performed a pilot to update its materiality assessment with dedicated stakeholder engagement that is linked to this exercise.

Categories of stakeholders engaged, and their identification: In 2024, as an essential input to the new materiality assessment to be performed, the CEB actively engaged with a wide range of its stakeholders, both internal and external, to better understand their views on the Bank's impacts ("specific sustainability topics"). 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 a consultant helping with the online survey.

During the normal course of business, the stakeholder groups engaged by the Bank are: *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.* The stakeholder groups contacted for preparing the 2024 materiality assessment are marked in the figure below:

4. In 2015 an EU Pillar Assessment was carried out covering the topics of Internal control system, Accounting system, Independent external audit, Procurement, and Sub-delegation.



Purpose of the stakeholder engagement & Seeking to ensure meaningful engagement: The stakeholder outreach for the 2024 materiality assessment was conducted, taking account of recent regulatory changes on sustainability reporting. The survey helps the CEB to further tailor its reporting and disclosure, strengthening the underpinning impacts, risks and opportunities approach. The CEB is committed to disclosing on sustainability-related topics in line with stakeholder expectations.

To learn more about the CEB's materiality assessment see Items 3-1, 3-2 and 3-3 below.

2-30 Collective bargaining agreements

2-30-a Percentage of total employees covered by collective bargaining agreements

2-30-b Report whether the organization determines their working conditions and terms of employment based on 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 Articles of Agreement (see Article XI: *"The 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") and its Staff Regulations. Furthermore, as an organisation attached to the system of Co-ordinated Organisations due to its link with the Council of Europe, the CEB follows the Co-ordinated Organisation rules on matters of remuneration and salary adjustments.

The structure of the total compensation is specifically outlined in Article 7 of the Staff Regulations.

Each year, the Co-ordination Committee on Remunerations calculates the adjustment index that defines the progression of the basic salary for the Co-ordinated 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,** elected by the staff every two years, 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. It may also defend the general interests of retired staff members and other beneficiaries of the Pension Scheme. The committee participates in the management and supervision of social welfare bodies set up by the CEB in the interests of its staff. It may, with the consent of the Governor, set up such welfare services. The Staff Committee is consulted on any draft provision for the implementation of the Staff Regulations and on any other measure of a general kind concerning the staff.

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
- 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 co-operation 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.

Regularly, staff members are called to volunteer for becoming staff representatives on the Health and Safety Committee (see Item 403), the Disciplinary Board and the Conciliation Board (see Staff Regulations), or the Advisory Pension Committee.

GRI 3: Material Topics

DISCLOSURES ON MATERIAL TOPICS

The starting point for defining the Bank's material sustainability topics is to assess its risk and opportunities: how the CEB could be affected by sustainability issues, including from a financial perspective – and its impacts: how the Bank impacts society, the environment and ultimately people's lives, both constituting the CEB's approach to 'double materiality'.

For the GRI Report, materiality is assessed from the impact perspective.

3-1 Process to determine material topics

3-1-a Process to determine material topics

As outlined in Item 2-29, the CEB is currently in the process of enhancing and complementing the renewed materiality assessment launched in 2024. Further information on the 2019 materiality assessment can be found in the 2019 Corporate Social Responsibility Report and on the CEB's website.

3-1-b Stakeholders and experts whose views have informed the process

In 2019, the assessment was performed in concert with a consultant, i.e. Deloitte France.

3-2 List of material topics

3-2-a List of material topics

While there is a materiality assessment currently ongoing, the GRI Report 2024 stills draws on the materiality assessment performed in 2019 and according to the following 16 material topics:

Operations:

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

Employees:

- Gender equality & inclusive workplace
- Talent recruitment, development & 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

In the light of the materiality assessment performed in 2019, the Bank considers the following GRI items as material:

Operational impact	Corporate impact
101 Biodiversity	302 Energy
203 Indirect Economic Impact	305 Emissions
205 Anticorruption	405 Diversity and Equal Opportunity
305 Emissions	
412 Human Rights Assessment	
413 Local Communities	

In addition to these material items, the CEB also reports on:

Operational impact	Corporate impact
201 Economic Performance	201 Economic Performance
202 Market Presence	301 Materials
204 Procurement Practices	303 Water and Effluents
206 Anti-Competitive Behavior	306 Waste
207 Tax	308 Supplier Environmental Assessment
408 Child Labor	401 Employment
409 Forced or Compulsory Labor	402 Labour/Management Relations
415 Public Policy	403 Occupational Health and Safety
	404 Training and Education
	406 Non-Discrimination
	407 Freedom of Association and Collective Bargaining
	414 Supplier Social Assessment
	418 Customer Privacy

3-2-b Changes to material topics compared to the previous reporting period: not applicable.

3-3 Management of material topics

The full materiality assessment largely supported the Bank's management approach, as outlined in Items 3-1 and 3-2, in the 2019 CSR Report and on the CEB's website. The management approach for issues deemed material is presented individually in the chapters on "Operational Impact" and "Corporate Impact" below.

At strategic level, the CEB's new Strategic Framework 2023-2027, approved by the Governing Board, sets the vision for the Bank's operations over the next five years and is intrinsically linked to social and environmental sustainability. The CEB's activity will be articulated across three updated Lines of Action:

- investing in people and enhancing human capital;
- promoting inclusive and resilient living environments;
- supporting jobs and economic and financial inclusion.

Based on these Lines of Action, the CEB has also identified six "focus sectors" (see Item 2-6-b).
The Paris alignment framework, and accompanying roadmap, defines the Bank's climate approach.

At operational level, the CEB is strongly committed to fostering social and environmental sustainability both in its project financing (see the Environmental and Social Safeguards Policy) and in its internal operations (see the CEB Environmental Statement). The Public Information Policy describes the way the CEB discloses information by seeking to facilitate the widest possible access.

Topic Standards
OPERATIONAL IMPACT

ECONOMIC

ECONOMIC PERFORMANCE – GRI 201

3-3 Management of material topics

The CEB provides loans to co-finance projects in any of its 43 member states, in accordance with its social mandate. Potential borrowers include governments, regional or local authorities, and public or private financial institutions. Thanks to its highest possible credit rating (AAA/Aaa outlook stable with Standard & Poor's, Moody's, Fitch Ratings and Scope Ratings (unsolicited)), the CEB raises funds on the international capital markets on competitive terms, thus enabling its borrowers to significantly reduce the cost of the loans they take out to finance social projects. Along with its peers, the CEB faces a challenging economic and financial operating environment, especially due to very low interest rates that generate a reduction in its net profit, while remaining in line with the Bank's expectations.

201-1 Direct economic value generated and distributed

See the 2024 Financial Report for extensive information.

201-2 Financial implications and other risks and opportunities due to climate change

The CEB acknowledges the importance of climate change and assesses environmental considerations in all the projects it finances. Moreover, this acknowledgement of the importance of climate change is underscored by the Strategic Framework 2023-2027, which identifies "climate action" as a cross-cutting theme that "guide[s] the way in which CEB [financing] activities in all sectors are designed and implemented." Climate change risks and opportunities as regards the CEB's lending operations are addressed in the Environmental and Social Safeguards Policy (section 2.4). All projects considered for financing are screened for four climate change parameters (GHGs emitted, mitigation potential, adaptation potential, and vulnerability to climate change). The CEB assesses climate change risks at various levels, notably for its lending operations, to identify residual risks and adaptation needs if any, ascertaining that climate risks are addressed.

Since the beginning of 2024, the CEB has ascertained that all project financing operations financed by the Bank are aligned with the mitigation and adaptation goals of the Paris Agreement, in accordance with its Strategic Framework and Paris alignment roadmap. The CEB does not finance fossil fuel-based energy projects or projects in the transport sector other than sustainable low-carbon local public transport and public roads. The exposure of the CEB's lending portfolio to operations with high transition risks is therefore very limited.

The CEB maintains a comprehensive mapping of climate-related risks and opportunities with potential financial implications for the Bank.

For more, see the Bank's TCFD Report.

201-4 Financial assistance received from government

The CEB is owned by its 43 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 it needs to fulfil 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.

The Strategic Framework foresees a sustained annual volume of loan approvals at €4.3 billion. This is made possible by the increase, approved at the end of 2022, for a maximum of €4.25 billion in subscribed capital, of which €1.2 billion paid-in, ensuring the Bank's financial strength and sustainability. The capital increase became effective on 29 February 2024 and the subscription period ended on December 31, 2024. Thirty-eight of the CEB's 42 eligible member states subscribed to the capital increase (Ukraine was not eligible, having joined the Bank as CEB's 43rd member country after the approval by the Boards of the CEB's 7th capital increase), reaching a subscription rate of 95.15%. The paid-in portion of the capital increase is paid in four instalments, two of which have already been paid, and the two remaining will be paid by the end of July 2025 and 2026, respectively. After the capital increase, CEB's subscribed capital amounted to €9 623m, of which €1 766m of paid-in capital and €7 857m of callable capital.

MARKET PRESENCE – GRI 202

3-3 Management of material topics

As an international organisation with 43 member countries and active business relations with most of its member countries, the CEB aims for a diversity of nationalities (from its member states) among its senior management team.

202-1 Ratios of standard entry level wage by gender compared to local minimum wage

Not applicable. See the CEB's salary scale.

202-2 Proportion of senior management hired from the local community

At the end of 2024, 33 of the CEB's 43 member countries were represented among the 216 regular staff members. Of the 15 people in the group of elected officials and top management, i.e. Governor, Vice-Governor and Director / Head of Office-level, two were from France, the CEB's host country, two from Belgium, two from Germany, two from Italy, and one each from Bosnia and Herzegovina, the Czech Republic, Greece, Ireland, Romania, Spain and Türkiye.

INDIRECT ECONOMIC IMPACT – GRI 203

-material topic-

3-3 Management of material topics

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 finance "soft" investments in supporting equipment and services, such as access to vocational training schemes. For a detailed sector breakdown of financing provided by the CEB, see Item 2-6-b. For a list of all projects approved during the current year (and in previous years), see the website "Projects approved by the Administrative Council".

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 partly 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 interlinkages are a recurring element in the majority of projects financed by the CEB.

PROCUREMENT PRACTICES – GRI 204

3-3 Management of material topics

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 for the Procurement of Goods, Services and Works for the CEB's own account which were updated in September 2023. The related internal procurement procedures have been updated.

It is the CEB's policy that its Procurement Guidelines for the CEB's own account and related procurement procedures follow the principles of:

- equal treatment
- non-discrimination
- proportionality
- 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 Bank:

- ensure that effective international competition among qualified tenderers and by a transparent selection based on cost and quality considerations adheres to the highest level of ethical standards, ensuring the fair and equal treatment of tenderers and suppliers to the CEB;
- to the extent possible, incorporates green and socially responsible aspects into procurement decisions at various stages of the procurement process, including planning, definition of requirements, evaluation and contract management;
- is handled by suppliers that have signed the CEB's Code of Conduct.

The CEB's Environmental Statement (2019) underlines the importance of enhancing environmental and social considerations in procurement decisions for its own operational needs. These procurement rules are aligned with those of other international organisations.

For the projects financed by the CEB, there are the Guidelines for procurement of goods works and services for projects financed by the CEB. These Procurement Guidelines, which were updated in September 2023, detail the principles and methods to be applied when awarding contracts to be financed by CEB loans. Implementing the guidelines 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. The Guidelines also establish that CEB will aim to promote sustainable public procurement practices together with the Borrower/Grant Beneficiary, and in the context of national legislation. For more information, see the CEB's Policies and Guidelines.

For the complaints procedure related to see item 2-26.

204-1 Proportion of spending on local suppliers

204-1-a: Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally).
204-1-b: The organization's geographical definition of 'local'.
204-1-c: The definition used for 'significant locations of operation'.
The CEB currently does not evaluate its spending on local supplies. As an organisation that applies the principles of equal treatment and non-discrimination in its procurement, the CEB does not in principle use the local origin of goods or services as a criterion to award contracts.

ANTI-CORRUPTION – GRI 205

-material topic-

3-3 Management of material topics

The Office of the Chief Compliance Officer (OCCO) has visible executive support for the compliance programme and principles via the "tone from the top" from the CEB's Governor 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:*

- an Integrity and Compliance Policy[5]
- an Anti- Corruption Charter
- a Policy on Non-compliant/Uncooperative Jurisdictions
- a full set of Codes of Conduct
- a Whistleblowing Policy
- Guidelines for the procurement of services, goods and works for the CEB's own account
- Integrity Due Diligence Guidelines & Procedures
- Guidelines for additional tax due diligence.

The framework is applicable to all projects financed by the CEB (as mentioned in Item 2-26). OCCO identifies and assesses, mitigates, and reports the compliance risks, and advises the Governor and all CEB management committees on the relevant rules and standards; OCCO 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.

For more information, see the CEB's annual Integrity and Compliance Report.

205-1 Operations assessed for risks related to corruption

The CEB's compliance function has received fewer than five complaints of corruption related to CEB-financed operations per year, on average for the last 10 years. In 2024, five project-related complaints were brought forward by stakeholders of CEB-financed projects. Out of these five new complaints, one was found inadmissible, three closed as non-substantiated, and one ongoing. One complaint that was brought forward in 2023 is ongoing.

5. A revised version was approved in January 2024 by the Bank's Administrative Council.

205-2 Communication and training about anti-corruption policies and procedures

Each year, OCCO delivers a mandatory induction class to newly recruited staff, including part-time staff. The induction class for staff that joined the CEB in 2024 was held in December that year. For awareness raising, transparency and information sharing, OCCO maintains a comprehensive dedicated page on the CEB's intranet MOSAIC, which contains all relevant internal rules, forms and resources, as well as awareness-raising material. OCCO maintains

an e-learning module on the Code of Conduct, specifically covering the topics of conflict of interest, bribery and corruption, receiving and giving gifts, respecting others, harassment and discrimination, and raising concerns. All staff are requested to sign their acceptance of the Code of Conduct annually.

In October 2024, OCCO organised an event with a focus on anti-corruption and procurement procedures, as well as on post-conflict and fragile countries

For the fifth year in a row, the CEB joined its peers in the international community in marking International Anti-Corruption Day on December 9. In 2024, the Governor of the Bank shared a strong "tone at the top" on this occasion, along with a message from OCCO that was shared with all employees on the CEB's intranet MOSAIC, as well as on the CEB's social media pages.

205-3 Confirmed incidents of corruption and actions taken

As at December 2024, there were no confirmed corruption incidents related to CEB staff. For information on project-related cases and the handling thereof, see Item 2-27.

ANTI-COMPETITIVE BEHAVIOR – GRI 206

206-1 Legal actions for anti-competitive behavior, 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 taxation.

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. The CEB confirms its commitment to the prohibition of tax avoidance and tax evasion and will not support activities that contribute to tax avoidance strategies.

IMPLEMENTATION OF A RESPONSIBLE TAX STRATEGY

As a multilateral development bank with a social vocation, the CEB supports international co-operation and the implementation of international standards to fight against tax evasion/fraud and non-transparent tax practices in

order to preserve the integrity of its operations from the risks posed by non-compliant/uncooperative jurisdictions (NCJ). Since 2014, the CEB has applied a regularly updated policy on non-compliant/uncooperative jurisdictions as prepared by the Chief Compliance Office and adopted by the Bank's Administrative Council.

The CEB has allocated relevant measures to implement a responsible tax policy, including:

- Prohibition on investments linked to problematic jurisdictions in the NCJ Policy
- Regular country tax assessment to identify problematic jurisdictions. Regular reviews of the EU non-compliant and non-cooperative jurisdictions for tax purposes, as well as the Organisation for Economic Co-operation and Development (OECD) Global Forum on Transparency and Exchange of Information for Tax Purposes communicated regularly via Memoranda to the General Management Committee on the updates of the relevant reference lists regarding tax good governance
- Relocation clause if the beneficiary operates in problematic jurisdictions
- Identification of the beneficial owners of ultimate beneficiary companies (due diligence)
- Identification of the ultimate beneficiaries of the MDB's intermediated lending.

In 2021, OCCO issued the "Guidelines for additional Tax Due Diligence for projects financed by the CEB".

PROHIBITION ON INVESTMENTS LINKED TO NON-COMPLIANT/UNCOOPERATIVE JURISDICTIONS

As provided for in its Policy on Non-compliant and Uncooperative Jurisdictions (updated in 2021 to align with the prohibition of jurisdictions that are on the EU list of non-compliant and uncooperative jurisdictions for tax purposes [Annex I]), and complemented with the "Guidelines for additional Tax Due Diligence for projects financed by the CEB", the CEB commits not to finance a project involving an Immediate Entity or a Controlling Entity established in an NCJ established or incorporated in:

1. a jurisdiction classified by one or more Reference Bodies as presenting ongoing and substantial AML-CFT risks, having repeatedly failed to address and/or remedy (as the case may be) identified strategic deficiencies in its AML-CFT framework and for which a call for action by members of the classifying Reference Body applies; or
2. a jurisdiction which is rated "non-compliant" by the Global Forum or included on the EU list of "non-cooperative jurisdictions", except, in order to avoid penalising the local population of the CEB's countries of operations, if the project is physically implemented in the relevant NCJ and does not present any indication that it is being artificially structured or used for Targeted Activities following Enhanced Integrity Due Diligence (EIDD).

PORTFOLIO ASSESSMENT TO IDENTIFY PROBLEMATIC JURISDICTIONS

Anti-money laundering, counterterrorist financing and tax harmful practices portfolio risk assessment is performed once a year by OCCO. All CEB counterparties, both new and existing, are also subject to individual compliance risk assessment (CRA) with risk-weighted approach (RWA) at least once a year. Sovereigns are assessed for their compliance with the FATF, MONEYVAL, GRECO recommendations and reports, the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes and the EU list of non-cooperative tax jurisdictions, or any sanctions lists and other potential red flags concerning harmful tax practice.

Complex integrity due diligence and tax due diligence can be externalised to dedicated specialists, if needed, as decided by OCCO.

IDENTIFICATION OF THE BENEFICIAL OWNERS OF ULTIMATE BENEFICIARY COMPANIES/IDENTIFICATION OF THE ULTIMATE BENEFICIARIES OF THE MDB'S INTERMEDIATED LENDING

The CEB applies Enhanced Integrity Due Diligence (EIDD) to projects involving an Intermediate Entity or a Controlling Entity established in an NCJ in respect of which the FATF, MONEYVAL or the European Union has released a public

statement formally calling its members to consider the risks arising from the deficiencies associated with such jurisdiction. Whenever a project requiring EIDD involves an Intermediate Entity or a Controlling Entity located in an NCJ, the CEB obtains clearance from the Chief Compliance Officer (CCO), thereby satisfying itself that there are sound business reasons for the use of the NCJ.

RELOCATION CLAUSE IF THE BENEFICIARY OPERATES IN PROBLEMATIC JURISDICTIONS

For projects subject to EIDD, a relocation undertaking may be imposed on an ad hoc basis by the CEB. In such cases, should the relevant jurisdiction continue to be considered an NCJ after the deadline specified in the relevant contractual documents, the counterparty concerned must comply with the relocation undertaking within the time frame specified in the contract. Any infringement of a relocation undertaking may give rise to the exercise of contractual remedies.

Further to the above, each of the CEB's potential counterparties is subject to CRA. This assessment encompasses integrity due diligence (IDD) checks and assessment that include, among other elements, past or current issues related to tax avoidance or tax evasion or other tax harmful practices. The assessment covers the counterparty and the transaction integrity risk (AML-CFT/Tax). Projects and treasury operations, new or existing, are assessed and analysed at multiple levels, from identification within the Loans & Social Development Directorate, to credit risk analysis and integrity due diligence.

Projects are reviewed and approved in a process established to ensure multiple layers of review. Projects/loans are assessed by the Project Appraisal Committee, then by the Finance and Risk Committee (at counterparty financial limit level), and the Development and Project Committee, and are finally approved by the Administrative Council. Each counterparty – borrower, i.e. sovereign, financial institution, quasi sovereign entity or broker – is reviewed annually by the Credit and Finance Risk Committee; the OCCO provides a review of the CRA for each counterparty at least once a year.

ENVIRONMENTAL

3-3 Management of material topics (Biodiversity 101 – Materials 301 – Energy 302 – Water and Effluents 303 – Emissions 305 – Waste 306 – 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 and associated Environmental Standards, the Loan and Project Financing Policy, the Handbook for the Preparation and Implementation of Projects, and the Procurement Guidelines. Taking the examples of *Biodiversity GRI 101* and *Emissions GRI 305*, the paragraphs below provide insights into how the CEB assesses project impacts on environmental issues.

For project types that the CEB cannot finance ("exclusion list"), please see *2-23-e*.

TAM, more specifically its Environmental and Social Sustainability – Climate Change Unit (ESS-CC), assesses and monitors the environmental and social risks of the operations financed and oversees the environmental impacts on projects, including for climate-related aspects to ensure that the projects financed by the CEB are designed and implemented to comply with the appropriate environmental standards, minimise adverse environmental impacts, and optimise environmental benefits. The CEB will not knowingly finance projects which are likely to cause significant and irreversible negative environmental and/or adverse social impacts. Namely, the CEB requires that all projects be designed and implemented in a way that ensures consistency with substantive standards and practices enshrined in relevant multilateral environmental agreements (MEAs) and Council of Europe conventions incorporated into the applicable laws (e.g. biodiversity, climate change, the ozone layer, wetlands, persistent organic pollution, trans-boundary air pollution, endangered species and environmental information). Environmental scoring from this assessment is

included in the loan documentation. As for GHG emissions, absolute and relative emissions of the lending operations are assessed when considered material in line with the IFI Harmonized Approaches for GHG Accounting.

The CEB annually reports the projects' GHG emissions in the Sustainability Report and TCFD Report.

BIODIVERSITY – GRI 101

-material topic-

3-3 Management of material topics (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 or endangered species. All proposed projects are subject to this policy.

The Handbook for the Preparation and Implementation of Projects, Chapter 6.2, describes the requirements for environmental and social assessment, public consultation, and risk mitigation and management in terms of processes and issues to be addressed for borrowers in CEB lending operations that are likely to have adverse environmental/social impacts. This includes, inter alia, the protection of nature and biodiversity, pollution prevention, resource efficiency and, climate change, vulnerable groups, gender and discrimination, working conditions, and community health and safety. Requirements for the borrower regarding biodiversity are included in "B. Environmental Coverage", section on "Protection of natural and biodiversity".

101-1 Policies to halt and reverse biodiversity loss

101-2 Management of biodiversity impacts

101-3 Access and benefit-sharing

101-4 Identification of biodiversity impacts

101-5 Locations with biodiversity impacts

In line with the social mandate of the Bank, a very limited number of operations are undertaken in or near to environmentally protected areas and the majority have no impact on biodiversity. The large majority of the operations are located in urban areas or in already urbanised contexts. However, a subset of activities, notably related to the water sector, in particular flood prevention, and water and waste water management, may, in specific cases, have a potential impact on biodiversity and protected areas. In such cases, the CEB can require the Borrower to carry out an environmental impact assessment in line with the EU EIA Directive and, whenever applicable, an appropriate assessment in accordance with the Habitats Directive. Under the Strategic Framework 2023-2027, the CEB promotes the use of nature-based solutions whenever feasible. No operations with negative anticipated impacts on biodiversity, or with positive impacts on biodiversity, were approved in 2024.

EMISSIONS – GRI 305

-material topic-

3-3 Management of material topics (additional information)

For financed operations, the Handbook for the Preparation and Implementation of Projects, Chapter 6.2 (para. 45-46), explains how the CEB can ask borrowers to implement pollution prevention.

The issue of project greenhouse gas emissions is addressed in the CEB's Environmental and Social Safeguards Policy (section 2.4). The CEB applies 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: 10 000-20 000 tonnes CO_2
- Low: < 10 000 tonnes CO_2

Carbon footprint calculations are made for all projects estimated as "medium" or "high" emission, and for those categorised "low" where sufficient data are available to yield meaningful results. Calculations are based on standard methodologies and include estimates of construction-related emissions where feasible. The assessments are carried out by the CEB's Directorate for Technical Assessment & Monitoring (TAM), which is currently updating its methodologies following internal audit recommendations.

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 Report.

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

305-6 Emissions of ozone-depleting substances (ODS)

305-7 Nitrogen oxides, sulphur oxides, and other significant air emissions

See the section "The CEB and Climate Change" in the annual Sustainability Report for emissions disclosure for CEB-financed projects and the more detailed TCFD Report.

SOCIAL

CHILD LABOR – GRI 408

3-3 Management of material topics

The CEB is committed to eliminating child labour through its loan and grant operations. As per the CEB's Environmental and Social Safeguards Policy, the CEB will not knowingly finance projects which are identified as harmful to human beings or undermining human rights.

The CEB requires that all Projects be designed and implemented in a manner to ensure that they are in line with the relevant principles of the Council of Europe Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR) and the European Social Charter (ESC), and thus particularly Article 7 of the ESC, laying out the rights of children and young persons. In accordance with the CEB Loan Regulations, should the implementation of a project financed by the Bank lead to a violation of the Human Rights Convention or the European Social Charter, the Bank may suspend or cancel undisbursed loan amounts under the loans and may demand early reimbursement of disbursed amounts.

408-1-a Operations and suppliers considered to have significant risk for incidents of child labor, and young workers exposed to hazardous work.
408-1-b Operations and suppliers considered to have significant risk for incidents of child labor either in terms of type of operation (such as manufacturing plant) and supplier; or countries or geographic areas with operations and suppliers considered at risk.
In 2024, the CEB did not identify loan or grant operations that could present a significant risk for incidents of child labor.

408-1-c Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor.
All loan and grant agreements include an article requiring CEB borrowers and grant beneficiaries to ensure that the implementation of the project financed does not lead to a violation of the European Social Charter (ESC), which prohibits child labour in its Articles 7. Besides, the Bank's Environmental and Social Covenant required for all contractors in its loan and grant operations outside the EU/European Economic Area also includes specific commitments with respect to child labour, stating:

> *Concerning specifically child labour, we commit to ensure that children under the age of 18 are not employed for work under the project, except if the laws or regulations of the country of the contract provide for this possibility for children of at least 15 years of age and only in conformity with national laws and regulations and with the conditions of Article 7 of the ESC, ensuring that children of at least 15 years of age may be employed for light work on condition that their health, safety and morals are fully protected and that they have received adequate specific instruction or vocational training in the relevant sector of activity.*
> *[Guidelines for Procurement of Goods, Works and Services for projects financed by the CEB, Annex 2].*

FORCED AND COMPULSORY LABOR – GRI 409

3-3 Management of material topics

The CEB is committed to eliminating all forms of forced and compulsory labour in its loan and grant operations. The CEB's commitment to human rights, freedom of association, and the elimination of forced labour is unwavering and integral to our loan and grant operations and included in the Environment and Social Policy, that requires borrower to respect the ECHR which, in its Article 4, prohibits slavery and forced labour. All loan and grant agreements include as a contractual condition to respect the ECHR. In accordance with the CEB Loan Regulations, should the implementation of a project financed by the Bank lead to a violation of the ECHR or the ESC, the Bank may suspend/cancel undisbursed loan amounts under the loans and/or demand early reimbursement of disbursed amounts.

409-1-a: Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of type of operation (such as manufacturing plant) and supplier; or countries or geographic areas with operations and suppliers considered at risk.
In 2024, the CEB did not identify loan or grant operations that could present a significant risk for incidents of forced or compulsory labour.

409-1-b: Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.
All loan and grant agreements require our borrowers and grant beneficiaries to ensure that the implementation of the project financed does not lead to a violation of the ECHR, which prohibits slavery and forced labour in its Article 4, or the ESC, which prohibits forced labour in its Articles 1. Besides, the Bank's Environmental and Social Covenant required for all contractors in its loan and grant operations outside the EU/European Economic Area also includes specific commitments with respect to forced and compulsory labour.

HUMAN RIGHTS ASSESSMENT – GRI 412

-material topic-

While the GRI 2021 Standards no longer include Item 412, for a concise reporting on the matter of human rights, the CEB has chosen to continue reporting on it in its GRI Report. The topic of human rights, however, is also addressed in numerous other sections of this report.

3-3 Management of material topics

Although the CEB has a separate legal status 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 itself was founded to promote freedom of expression and of the media, freedom of assembly, equality, and the protection of minorities.

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, which bring together Heads of State and Government of its member countries, have given new impetus to the CEB's action and contributed to shaping its current identity as the social development bank for 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.

The CEB, in light of its institutional links with the Council of Europe, is deeply committed to upholding human rights in all its loan and grant operations. CEB's approach is naturally guided by the Council of Europe´s most important human rights treaties: ECHR and ESC. This commitment to human rights is embedded in our Loan and Project Financing Policy and our Environmental and Social Safeguards Policy, approved by the CEB´s Administrative Council. Under both policies, all projects financed by the CEB must align with these human rights principles.

The Article 17 of the Environmental and Social Safeguards Policy: *"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 the European Social Charter."* Article 25 of the policy specifies: *"The CEB requires that all Projects be designed and implemented in a manner to ensure that they are in line with the relevant principles of the Council of Europe Convention for the Protection of Human Rights and Fundamental Freedoms and the European Social Charter."* Other major policies and strategies of the Bank also enshrine this commitment, notably the Loan and Project Financing Policy, the Strategic Framework 2023-2027, and the Handbook for the Preparation and Implementation of Projects. Moreover, to enhance communication on these principles, further references to them can be found in the CEB's Sustainability Report and other annual reports.

Accordingly, all loan and grant agreements include clauses that require our borrowers and grant beneficiaries to ensure that the implementation of the project financed does not lead to a violation of the ECHR or the ESC. In cases of non-compliance, CEB reserves the right to suspend or cancel undisbursed loan and grant amounts and demand early reimbursement of disbursed amounts.

The CEB has mechanisms in place, such as whistleblowing and complaints procedures, to address any allegations of human rights violations that may arise during project implementation. In case of findings of human rights violations, the CEB has the ability to request corrective actions or otherwise exercise the above contractual remedies.

In addition, when being submitted to the Administrative Council for approval, all CEB-financed operations must receive an opinion of admissibility by the Council of Europe's Secretary General, which is supported by the Secretariat of the Partial Agreement on the CEB. The **Secretariat** provides support services to the CEB's governing bodies, is responsible for the preparation and follow-up of admissibility opinions for projects, and ensures and develops links between the CEB and the Council of Europe. In particular, the "**Project pillar"** is responsible for the preparation and follow-up of the Secretary General's opinions on the admissibility of applications for loans, based on a project's conformity with the political and social aims of the Council of Europe, which include protecting and promoting human rights and protecting social rights.

Finally, the CEB was one of the early endorsers of the "Public Development Banks Statement on Human Rights and Human Rights Based Approach" issued in October 2022 by Finance in Common – the global network of all public development banks, which aims to align financial flows with the 2030 Agenda and the Paris Agreement on Climate Change (see also Item 2-28).

412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

In accordance with CEB 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 and/or demand early reimbursement of disbursed amounts.

According to the Environmental and Social Safeguards Policy, all proposed operations are screened at appraisal stage to assess and review the social risks of all operations and their management to avoid or minimise these risks. This screening also covers human rights aspects, with the objective namely to avoid any risks of human rights violations in operations financed by the CEB. To further strengthen this requirement vis-à-vis the Bank's borrowers, all CEB loan contracts signed with the borrowers, including with financial intermediaries, contain a clause on human rights which obliges the borrowers to ensure that the implementation of the project does not give rise to a violation of the European Convention on Human Rights; or the European Social Charter.

LOCAL COMMUNITIES – GRI 413 -material topic-

3-3 Management of material topics

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 has specific requirements in terms of the disclosure of environmental and social safeguards information and public consultation (section 2.3 of the ESSP) and indicates that the CEB will not knowingly finance projects which "are likely to cause significant and irreversible … adverse social impacts" (article 21 of the ESSP). In addition, in the Handbook for the Preparation and Implementation of Projects, chapter 6.2, the section on "Information disclosure and public consultation" outlines requirements for the borrowers and the section "Handling of complaints by project affected persons" outlines the requirements for local community engagement.

It is also noted that for projects with significant environmental impacts, the CEB requires the borrower to undertake an environmental impact assessment, which includes stakeholder engagement, particularly for local communities.

Note also that there are certain project types the CEB cannot finance ("exclusion list"), see Item 2-23-e.

No complaint of this nature was filed in 2024. In 2023, one complaint with the potential to trigger some negative impacts on local communities, mainly on environmental grounds, was brought to the Bank's attention, and is still open. Since 2021, there have been two additional complaints of this nature, which were closed by the OCCO. For one a corrective action plan has been requested to the borrower. The Office of the Chief Compliance Officer registers and handles two types of complaints: (i) complaints related to potential fraud, corruption, collusion, coercion, bribery and/or procurement-related complaints; and (ii) complaints related to ESG matters brought forward by stakeholders of CEB-financed projects.

The Bank undertakes an assessment of these complaints to facilitate their resolution and closely monitors the projects for which complaints have been received.

PUBLIC POLICY – GRI 415

3-3 Management of material topics

415-1 Political contributions

As an international organisation, the Bank is not allowed to make political contributions or donations to any party, political or otherwise.

Topic Standards
CORPORATE IMPACT

ECONOMIC

ECONOMIC PERFORMANCE – GRI 201

3-3 Management of material topics

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 January 2014, in which case entitlement can start as of age 60 (see also Item 2-29).

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

3-3 Management of material topics (Materials 301 – Energy 302 – Water and Effluents 303 – Emissions 305 – Waste 306 – Supplier Environmental Assessment 308)

Since 2017, the CEB has been working with GreenFlex and its "custom-made" GreenFlex IQ platform to obtain a more precise measurement of some environmental indicators (especially energy and climate 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 a more comprehensive environmental management system (EMS) (e.g. responsibilities, timeline, KPIs) to reduce its environmental impact and increase its operating efficiency. In 2019, the Bank gave itself a high-level working programme to address its environmental footprint linked to the organisation's internal operations, the CEB Environmental Statement. With the Bank-wide roll out of the Paris alignment framework and roadmap, a new cross-directorate Task Force on Aligning Internal Operations (TFIO) has been established to further advance the commitments taken in the above-mentioned Statement. This group:

- has been working in accordance with the *MDB Guidance Note on Aligning Corporate Activities*[6], a document that the CEB and its peers put together to define good practices for driving down GHG emission from the Banks' internal operations.
- has developed an action plan to help to manage and follow up on potential actions and better steer concrete improvements.

For the recent work towards a more sustainable procurement, see Item 308. For 2024 achievements, see the Sustainability Report.

MATERIALS – GRI 301

301-1 Materials used by weight or volume

As office paper, the CEB uses all FSC quality, whether recycled or certified sustainable forestry.

	2020	2021	2022	2023	2024
Office paper (tons)	3.0	2.25	2.02	2.0	2.05

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

6. The TFIO does not cover treasury activities, as outlined in the MDB Guidance. At CEB, this is addressed in another workstream of Bank's Paris alignment framework.

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

-material topic-

3-3 Management of material topics (additional information)

The CEB's policy is to strike a balance between minimising its environmental footprint and providing 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. Since 2022, these efforts are embedded within the larger framework of Paris alignment, see Item 3-3 above.

302-1 Energy consumption within the organisation

Energy consumption by type over the period 2020–2024, calculated using a location-based approach, except for electricity which is market based.

	2020	2021	2022	2023	2024
Electricity* (MWh)	749	681	669	773	808
Heating (MWh)	624	883	568	734	835
Cooling (MWh cold)	31.9	40.6	38.9	54	49
Fuel** (litres)	782	623	347	449	511

* To adapt the footprint to most staff working from home, the electricity consumption of IT equipment (i.e. computers, printers, screens at home) was included in the 2020 and 2021 assessment for electricity with the assumption of 2/3 of staff working from home. As from 2022 and 2023, working from home was estimated to be 2/5 of the CEB working days. For 2023 the assumption changed, the new approach being based on a ADEME report (March 2023) "Experimentation on the energy balance of teleworking". Summary of the hypothesis: one day of telecommuting would lead to an increase in household energy consumption of 1.4 kWh. In 2023, electricity consumption related to the CEB's external data centres was also included in electricity consumption for the first time.
** 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 stems mainly from business travel (see GRI 305) and external data centres.

302-3 Energy intensity

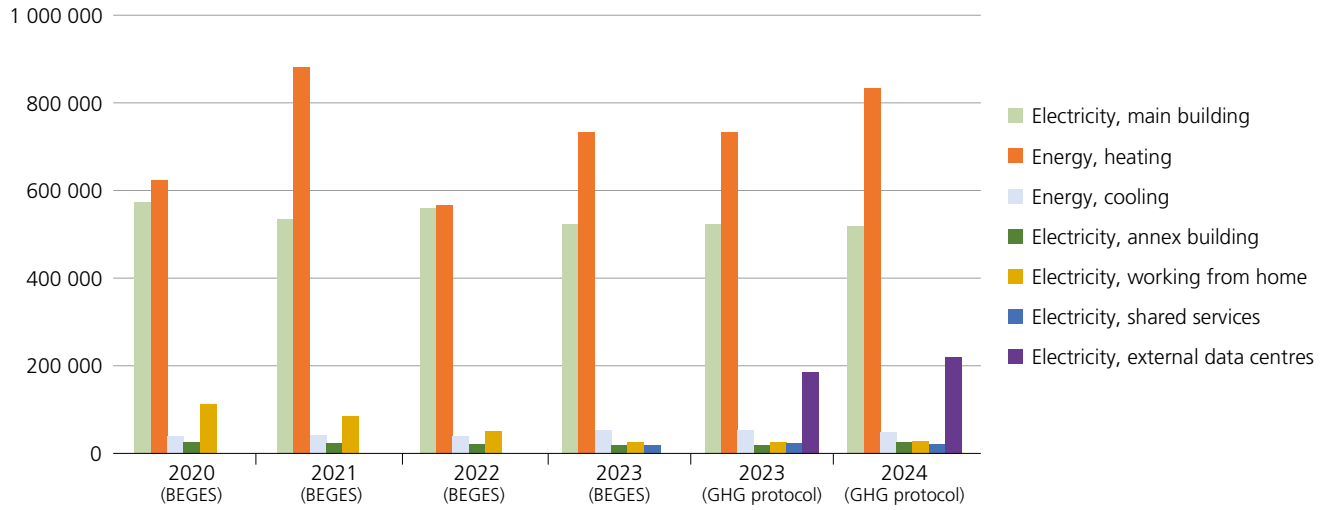
The CEB being a non-physical service provider, the energy intensity ratio is presented per employee and also per square metre. Improving upon previous years' reports, the two energy intensity ratios below cover all the energy consumed, including now heating and cooling. Energy intensity 2020–2024:

	2020	2021	2022	2023	2024
Energy intensity (kWh/employee*)	6 570	7 342	5 864	7 226	7 322
Energy intensity (kWh/m²**)	179	204	160	191	188

* The number of employees is 231 for 2024, 2023: 216, 2022: 211, 2021: 213, 2020: 209.
** The total office space is 8 997 m² in 2024, 2023: 8 163 m², 2022: 7 713 m², 2021: 7 675 m², 2020: 7 675 m².

302-4 Reduction of energy consumption

A 23% increase in energy consumption over the period 2020–2024, total energy (in kWh), but only a 7% increase on a like-for-like basis (see the figure below).



WATER AND EFFLUENTS – GRI 303

303-1 Interactions with water as a shared resource

303-2 Management of water discharge-related impacts

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.

303-3 Water withdrawal

The increased water use in 2020 and 2021 was mainly due to COVID-19 sanitary and hygiene measures. Since 2020, the CEB has also been using water dispensers instead of plastic water bottles, which contributes to more water consumption. More such water fountains have been installed in 2023. Municipal water use for 2020–2024:

	2020	2021	2022	2023	2024
Municipal water use (m^3)	2 603	3 041	3 580	4 202	4 433

303-4 Water discharge

303-5 Water consumption

Based on public information about the Paris municipal water network, and assuming that about one fifth of the water used by the CEB is consumed:

- Destination of water discharge: municipal water treatment plant
- Quality of water discharges: domestic waste water
- The water discharges are re-used in the municipal water system

	2020	2021	2022	2023	2024
Approximate water discharges (m^3)	2 082	2 433	2 864	3 361	3 546

EMISSIONS – GRI 305

-material topic-

3-3 Management of material topics (additional information)

The CEB is committed to improving the reduction in emissions from different sources, such as day-to-day activity, business travel and 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 and climate metrics) which feed into the environmental management approach. The date generated helps the Bank to better manage its initiatives to decrease the CEB's operational footprint.

Since the 2023 reporting period, the assessment methodology has been changed from the official French methodology *BEGES* to the internationally recognised *GHG Protocol* (both compatible with ISO 14060). [7] Further information can be found on the website of the GHG Protocol, as well as on the English website of the French Agency for the Environment and Energy Efficiency (ADEME , BEGES, formerly Bilan Carbone ©).

The following gives a broad overview on adjustments done to the CEB's GHG emission assessment from internal operations over time.

		2024	2023	2022	2021	2020
Buildings – Heating & cooling	District heating					
	Cooling use					
Buildings – Electricity	Electricity					
Data centres (ext.)	Electricity					
Travelling – Commuting	By car & motorbike					
	By local public transport					
	By high speed train, EV, e-scooter, e-bike					
Travelling – Business travelling	By plane					
	By train					
	By car and taxi					
Office furniture, paper & consumables	Office desks and chairs					
	Water bottles					
	Consumables					
	Post services					
	Magazines and newspapers					
	Printing brochures					
	Printing paper					
Waste disposal & wastewater	Wastewater					
	Garbage					
IT equipment	Servers					
	Printers					
	Laptops					
	Desktop computers					
	Large screens					
	Photocopiers / scanners					
	Smartphones and tablets					

7. The main differences between the *GHG Protocol* and *BEGES* (French acronym for *Bilan des émissions de gaz à effet de serre* – previously *ADEME's Bilan Carbone* ©) methodologies concern the accounting of renewable energy and fixed assets. Under the GHG Protocol, the valuation includes fixed assets obtained during the period specified for calculating the carbon footprint, as well as the valuation of guarantees of origin for renewable energy. For *BEGES*, all the entity's fixed assets, smoothed over their depreciation period, are taken into account, and guarantees of origin cannot be considered.

Item	Colour code	Example
Switch BEGES to GHG Protocol assessment methodology in 2023		This concerned IT equipment purchases (laptops, large screens and smartphones and tablets)
Other assessment methodology adjustments		Moving from using km travelled to litres of gasoline consumed for assessing emissions from company cars
Item's assessment scope increased		Electricity usage when working from home included in electricity consumption Electricity used for the external data centres in 2023
New item added		Laptops purchase in 2020 were added to assessment, as well as smartphones and tablets and office furniture (desks and chairs) in 2023
Item discontinued		CEB no longer buys plastic water bottles for meeting rooms
Emission factors updated		Adjusting emissions per kWh of electricity

305-1 Direct (Scope 1) GHG emissions

The base year for 305-1, 305-2, 305-3 and 305-4 is 2023.

Gross direct (Scope 1) GHG emissions: 1 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: 176 tonnes of CO_2 equivalent.

The CEB's gross energy indirect GHG emissions are associated with the electricity consumption (10 tCO_2 eq)), including from teleworking (market-based), and the municipal heating and cooling systems (166 tCO_2 eq) (location-based).

305-3 Other indirect (Scope 3) GHG emissions

Gross other indirect (Scope 3) GHG emissions: 529 tonnes of CO_2 equivalent.

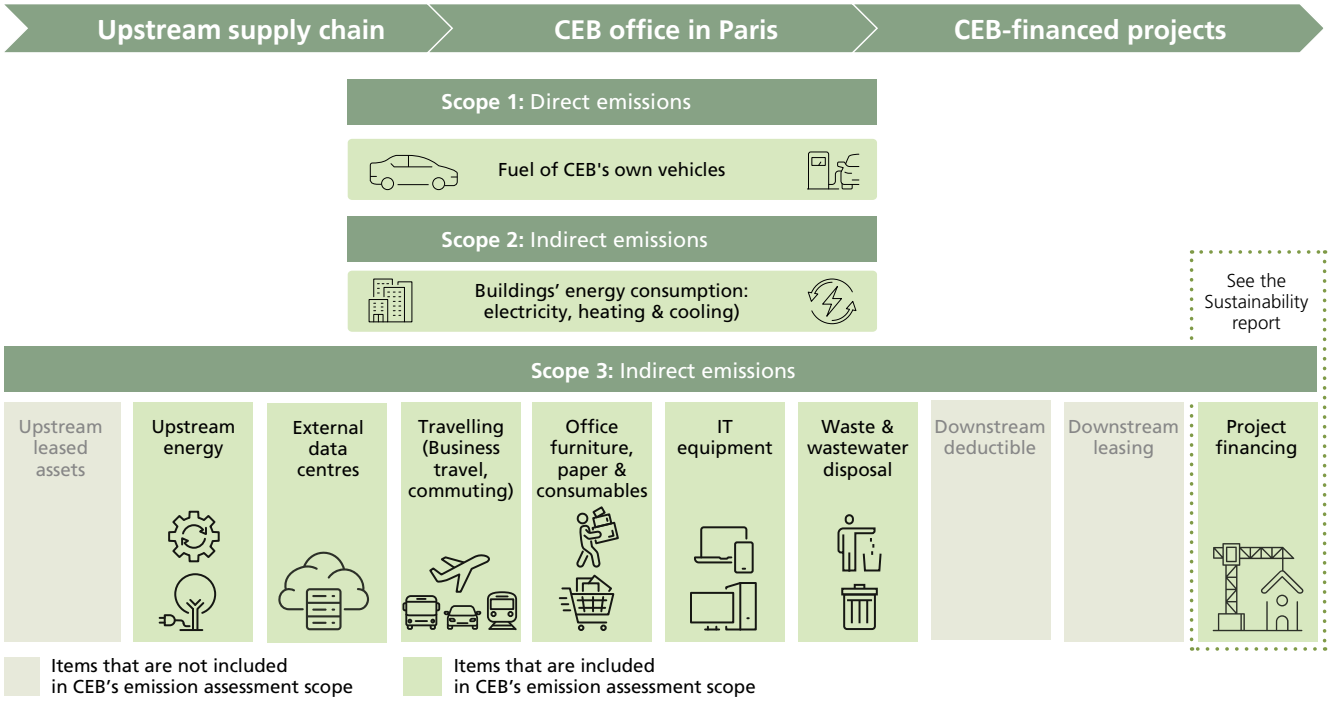
This scope includes the purchase of goods and services, IT equipment, the upstream of energy, the electricity consumption linked to the external data centres, home-to-work commuting and business travelling, and waste and water disposal. The CEB's office building assets are not taken into account, as the building dates back to the 19th century. The amortisation 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 231). All types of GHG emissions are included (i.e. Scopes 1, 2 and 3).

For better comparison, the timeline here includes the 2019 pre-COVID emission intensity figure, in addition to the standard five-year rolling disclosure.

	2019	2020	2021	2022	2023	2024
GHG emissions intensity ratio (tonnes CO_2eq/employee)	4.5	1.8	2.1	2.4	2.8	3.1



305-5 Reduction of GHG emissions

Annual GHG emissions by scope in tCO_2eq (rounded figures)

Scope	GHG sources	2019 BEGES	2020 BEGES	2021 BEGES	2022 BEGES	2023 BEGES	2023 GHG Protocol	2024 GHG Protocol
Scope 1	Own service vehicles	8	3	2	1	1		1
Scope 2	Heating & cooling	145	118	167	108	139		166
	Electricity consumption	40	45*	42	38	30		10****
Scope 3	Business travel, incl. taxi	457	60	111	208	233		312
	Home-to-work commuting	82	28**	23	24***	24		26
	Office furniture, paper & consumables	88	66	72	87	152		156
	Waste & water disposal	55	1.2**	1.9	2.7	3		3
	IT equipment	49	63	34	33	41	12	24
	External data centres'electricity					10		9
TOTAL		**924**	**384**	**453**	**501**	**633**	**604**	**706**

* To adapt the footprint to most of the staff working from home, as of 2020, the electricity consumption of IT equipment (e.g. computers at home) has been included in the assessment for electricity.
** The emissions were calculated from estimated values based on office occupation. The occupation was estimated at 1/3 of its maximum capacity.
*** In 2022, an updated set of figures was used for commuting, derived from a staff questionnaire.
**** New, lower emission factor used due to a switch to renewable electricity.

For project-related emissions (considered additional scope 3 emissions), see the Sustainability Report and for more details the TCFD Report.

WASTE – GRI 306

306-1 Waste generation and significant waste-related impacts

306-2 Management of significant waste-related impacts

As a service sector company, the CEB mainly generates office-related waste and manages it with the aim to recycle as much as is feasible. At end 2019, an improved waste recycling scheme was introduced at the CEB's premises, enabling staff to sort paper, plastic and cans, batteries and light bulbs, coffee capsules and other non-recyclable waste (60 bins installed). In 2020, new vending machines were introduced in the cafeteria that offer snack and lunch options in re-usable glass containers, instead of paper and plastic wrapping, using Le Bon Bocal. Building on the good experience with water fountains installed in 2019 additional water dispensers were installed in 2023 in order to reduce plastic waste.

306-3 Waste generated

306-5 Waste directed to disposal

Total weight of non-hazardous waste: municipal waste of 1.0 tonnes, with any disposal methods except re-use, recycling and composting (2023: 1.44t, 2022: 1.03t*, 2021: 21.7 t, 2020: 52t).

* As from 2022 a new methodology is used to assess the sorting and recycling of a part of the waste stream collected by Le Petit Plus (see the table below)

306-4 Waste diverted from disposal

The waste streams captured and recycled with the help of a socially responsible enterprise, Le Petit Plus, were the following:

In Kg	2020	2021	2022	2023	2024
Paper and paperboard	357	892	see below	see below	see below
Plastic bottles and cups	230	202	533	470	631
Coffee capsules	44	211	338	513	431
Glass	28	220	922	575	763
Batteries	–	10	-	11	11
Light bulbs	–	8	-	-	-

The carboard and paper waste stream capture by the recycling enterprise PAPREC, was the following:

In Tonnes	2022	2023	2024
Paper and paperboard	19.9	20.4	17.1

SUPPLIER ENVIRONMENTAL ASSESSMENT – GRI 308

3-3 Management of material topics

The organisation's supply chain for its own operational needs is governed by the Guidelines for the Procurement of Goods, Services and Works for the CEB's own account which were updated in September 2023. The related Internal Procurement Procedures are being updated in February 2024.

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 the Bank's own operational needs.

In 2020, a working group made up of the CEB's teams for procurement, facility management, and corporate responsibility started a project with *GreenFlex*, the sustainability consultant also assisting the Bank with annually evaluating the operational carbon emissions, in order to support the CEB in framing a sustainable procurement policy and phasing in sustainable selection criteria where appropriate. This led to a further preparatory step for 2022 which was supported by the University of Zaragoza in Spain. Furthermore, the Task Force on Aligning Internal Operations set up under the PA framework and roadmap has taken over the follow-up of this work. For more information, see the Sustainability Report.

308-1 New suppliers that were screened using environmental criteria

Percentage of new suppliers that were screened using environmental criteria: No such data is currently available.

308-2 Negative environmental impacts in the supply chain and actions taken

414-2-a. Number of suppliers assessed for environmental impacts: none.
414-2-b. Number of suppliers identified as having significant actual and potential negative environmental impacts: none.
414-2-c. Significant actual and potential negative environmental impacts identified in the supply chain:
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 materials bought, and waste produced.

For actions taken on these items over the course of 2024, see the most recent Sustainability Report.

SOCIAL

EMPLOYMENT – GRI 401

3-3 Management of material topics

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 2024, the CEB continued to rely on its staff members' high level of expertise, with an average age of 49 years, and an average tenure of 11.5 years (11 years for men and 12 years for women). Only 3% of CEB staff are under the age of 30, while almost half (49%) are 50 years or older. The average age for men (49) and women (48) shows a slight difference compared to 2023 figures of 48 and 51, although the overall average age remains unchanged. Staff in senior managerial roles have an average age of 55 years.

The CEB also seeks to attract talented people through a recruitment process and procedures which provide clarity, dialogue, transparency, contractual clarification and flexibility while mitigating biases. The recruitment process at the Bank follows different steps including preliminary selection, assessment, and interviews. The CEB currently tracks four main diversity dimensions when it comes to appointed staff: gender, nationality, age, and professional background. Newly hired staff members are introduced to a staff member who will act as a buddy during their first six months and 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 Bank has set a moderate key performance target of an annual staff turnover rate between 4% and 10%. Turnover depends both on movements that can be anticipated (retirement due to eligible age, filling of vacant roles due to non-renewals, etc.) and on those that cannot (resignations and unexpected difficulties in filling a gap, for instance).

Given the CEB's relatively modest staff body, the turnover rate naturally fluctuates from one year to the next. The CEB's moderate turnover is rather similar to that of other international organisations with similar contractual policies. Turnover is defined as the total number of Bank staff leaving the organisation in a given financial year divided by the average population present in the same year:

		Reason for departure				
	Total employee turnover	Retirement[8]	End of contract	Resignation	Change of status	Death
2021	**3.79%** 5 men, 3 women	**0.94%** 1 man, 1 woman	**1.41%** 2 men, 1 woman	**0.94%** 1 man, 1 woman	**NA**	
2022	**7.60%** 10 men, 6 women	**4.3%** 4 men, 5 women	**0.9%** 1 man, 1 woman	**0.9%** 2 men	**0.5%** 1 man	
2023	**6.09%** 6 men, 7 women	**1.9%** 1 man, 3 women	**1.9%** 1 man, 3 women	**1.9%** 3 men, 1 woman	**NA**	
2024	**2.65%** 3 men, 3 women	**0.9%** 2 women	**0.9%** 2 men	**0.4%** 1 man	**NA**	**0.4%** 1 woman

This rate is below the turnover KPI, set between 4 and 10, mainly due to fewer departures (in turn, reflecting fewer retirements) and large volume of recruitments, driven by post-growth and concerted efforts to fill long-standing vacancies.

Based on a retirement forecast performed regularly for the next ten years, making up for most of the CEB's staff turnover, and shared with the Administrative Council, the Bank actively predicts and plans its hiring needs.

In 2024, a total of 23 people were appointed, including two Directors (both women). The newly appointed staff represent 12 different nationalities. As part of the recruitment strategy to enhance representation from underrepresented countries, 30% of appointments in 2024 were from nationals of member states with less than 3% representation among staff (Albania, Cyprus, Poland, and Switzerland, including two first-ever hires from Ukraine). Out of the 23 appointments, 21 were externally hired (71% women and 29% men), comprising two appointments at senior managerial level (grades A5-A7), more specifically at the Director level (100% women). At the senior expert/managerial level (grades A3-A5) one individual was hired (100% women), and with appointments in specialised roles (grades A1-A2) totalling 13 (70% women, 30% men) and five in technical/coordination roles (60% women, 40% men). The two internally appointed staff (one woman, one man) were both appointed at senior expert/managerial level. Out of the six staff departures, one was senior managerial staff (one man), two were in specialised roles (two men) and four were in technical/coordination roles staff (four women).

The average age among external hires in 2024 was 45 years old, which, while slightly higher than previous years, is still expected to contribute, along with upcoming retirements, to gradually lowering the overall average age of the workforce, currently at 49 years. This strategy aims to achieve a more balanced age distribution, with a focus on bringing in younger talent while maintaining the expertise needed to mentor and support junior staff. Over the last five years, among the externally hired staff, 43% came from international financial institutions or other international organisations, 27% from the private sector and 30% from the public sector.

8. The figures for "retirement" have been recalculated to include for consistency the category of 'mutual agreement and early departure', with so far benefitting staff members all above age 60 (the retirement age of their respective pension scheme). Previous years' data have also been adjusted to reflect this change for better comparison.

In addition to replacing staff who resign or retire and filling newly created posts, the Bank has operated a traineeship programme since 2019, lasting up to one year, and hosted 14 trainees in 2024. Any national of one of the Bank's member states may apply for employment.

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 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 and dependent child allowances).

401-3 Parental leave

The table below summarises 2024 data for parental leave by a total number of women and men.

	Women	Men
Employees entitled to parental leave	3	0
Employees taking parental leave	3	0
Employees returning to work in the reporting period after parental leave ended	3	0
Employees returning to work after parental leave ended that were still employed 12 months after their return to work	3	0
Return to work & retention rate of employees that took parental leave	100%	100%

LABOR / MANAGEMENT RELATIONS – GRI 402

3-3 Management of material topics

Based on the CEB's legal status as an International Financial 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 issues and grievances using informal and formal mechanisms.

CEB staff members may also turn to different committees in which they can express themselves and contribute to labour and management relations.

The **Staff Committee**, elected every two years and comprising five members (four active and one retired staff), which represents the general interests of the staff members and contributes to the smooth running of the CEB by providing the staff with a channel for the expression of their opinions. It may also defend the general interests of retired staff members and other beneficiaries of the Pension Scheme. For more information, see Item 2-30.

The **General Meeting of Staff** is the organ in which all staff members may express their opinions on their terms of employment and working conditions and pensioners on the conditions concerning them. Every staff member has the right to take part in the General Meeting as a member and has the right to express themselves there. The General Meeting is convened at least once a year in an ordinary meeting and, when needed, in an extraordinary meeting.

The **Health and Safety Committee's** task is to advise the Governor on ways of protecting the health and safety of persons on CEB premises, of analysing and improving working conditions and of ensuring that the relevant rules are complied with. Representatives of the Staff Committee are part of the Health and Safety Committee to ensure that staff members' general interests and opinions are considered. For more information, see Item 403-7.

The **Board for Disabled Dependent Child or Parent** assesses the nature and the degree of the disability of dependent child or parent and transmits to the Governor their opinion as to the possible granting of the allowance for disabled child, the supplement for disabled or severely disabled child, or the supplement for disabled and dependent parent.

The **Advisory Pension Committee**, at the request of the Governor, issues recommendations, proposals and advice relating to the administration of the pension schemes. For more information, see Item 201-3.

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 Staff Rules.

For termination notices, reference is made to Articles 4 and 6 of the Staff Regulations, and to Articles 470.3, 610, 620, 630, 640 and 650 of the Staff Rules. As to operational changes, particular reference is made to the abolition of posts (Article 6 of the Staff Regulations and Articles 610, 620, 630, 640 and 650 of the Staff Rules) and internal transfers and secondments (Article 5 of the Staff Regulations and Articles 550 and 570 of the Staff Rules).

OCCUPATIONAL HEALTH AND SAFETY – GRI 403

3-3 Management of material topics

The Bank has set in place an occupational health and safety management system, particularly through the assessment of professional risks. The Single Risk Assessment Document (*DUER*[9]) is a tool which enables all occupational health and safety risks to be identified, monitored and acted upon.

It focuses on the risks likely to be encountered by staff, depending on their work environment and activity. This assessment follows the obligation for the employer to ensure the health and safety of the workers, the principle of preventing occupational risks, and the obligation to evaluate health and safety risks.

This regular risk assessment, powered by the *AMADEO* platform, includes:

- The identification of risks and their classification: probability of occurrence, severity, frequency, number of employees concerned;
- Proposals for preventive action.

This tool/document is updated annually, with the assistance of the Health and Safety Committee and the expertise of Bureau Veritas, an external consultant.

9. This French acronym stands for *Document Unique d'Évaluation des Risques*.

403-1 Occupational health and safety management system

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

Not only are working conditions considered, but staff well-being is also included in many communication actions and management training sessions. For more than ten years, the Bank has trained volunteer staff members to participate in the first aid programme and in the business continuity plan. A total of 13% of staff members are therefore currently 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 24-hour/7-day 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 teleworking, up to two recurrent days per week. For punctual situations, ad hoc teleworking days, within an overall limit of 50% of staff's effective working time, are possible, separately or as a complement to recurrent days. Contrary to the pre-pandemic rule, the new one is applicable to all staff, including interns, as well as temporary staff and staff working part-time, both categories with a majority of women. By promoting teleworking (remote work), the CEB not only supports staff in balancing professional and personal responsibilities but also fosters a healthier, more adaptable working environment in line with evolving workplace needs.

As part of its commitment to staff well-being, as of May 2024, the CEB provides access to a dedicated social worker to support employees in addressing personal and professional challenges. This assistance includes guidance on family matters (e.g., PACS/marriage, divorce, domestic violence), returning to work after extended sick leave, and adapting to the French social system (e.g., social security affiliation, bank account documentation).

403-2 Hazard identification, risk assessment, and incident investigation

The Health and Safety Committee (HSC) is in charge of advising the Governor on ways of protecting the health and safety of persons on the CEB's premises, of analysing and improving working conditions and of ensuring that the relevant rules are complied with.

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 HSC may, when it deems it necessary and after the Governor has given his/her consent, consult any qualified person, whether within or outside the CEB. The members of the HSC may receive technical or legal training intended to enhance their ability to detect and assess risks in the workplace.

The role of the HSC is to:

- Assess, at the request of the Governor or the Staff Committee, working conditions and compliance with the rules previously established in this area from the point of view of health and safety
- Analyse, at the request of the Governor or the Staff Committee, risks present in the workplace to which staff and other persons on the CEB's premises may be exposed
- Recommend any initiative which it deems appropriate to prevent risks in the workplace or any other accident and to propose preventive measures for this purpose

- Be consulted by the Governor on office space design and internal rules proposals which may significantly alter working conditions from the point of view of health and safety
- Be consulted on measures taken to adapt workstations for handicapped staff members
- Give an opinion on any matters within its scope, if required.

The Committee:

- Carries out an annual general inspection of the CEB's premises
- Carries out inspections whenever it deems necessary
- Conducts an investigation whenever a serious accident occurs on the CEB's premises
- Produces an annual report on its activities and on health and safety at the CEB to be submitted to the Governor, to the Staff Committee and to the Committee for Operational Risks and Organisation (CORO).

For 2025, the Health and Safety Committee plans to carry out the next regular general tour of the Bank's premises, together with the Bank's medical adviser. Staff is invited to give their views on any specific point they wished to raise.

403-3 Occupational health services

The Bank provides its staff with telemedicine services. Staff and their affiliated family members have access to general practitioners in several languages, by phone or video, to discuss any health and medical concerns. The 24/7 service is free of charge and unlimited. Staff may also use the online service for specialist second opinions.

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.

Staff members also have access to sports classes, hiking activities and singing workshops through the sports association, run by staff members. All these activities enable staff members to take care of their physical and mental well-being while providing a sense of belonging.

For more flexibility, since 2023, the number of days that staff can place in a leave savings account has been increased from 25 to an overall total of 60. The number of days of uncertified sick leave has also been increased from 4 to 6 days per year (and from 1.5 to 3 consecutive days).

403-4 Worker participation, consultation, and communication on occupational health and safety

See 403-2 above.

According to Article 210 of the Staff Rules, the functions performed by staff members on the committees and boards dealing with staff matters are deemed to be part of the services they render to the Bank. Performing such functions shall not be prejudicial to them.

403-5 Worker training on occupational health and safety

403-6 Promotion of worker health

Staff members are provided with regular annual or biannual emergency aid training. These are offered to any volunteers.

Staff members working in Facility Management & Security as well as in IT also benefit from regular training in electric and security management to update their skills according to the host country's regulations.

Training can also be organised at the request of the Health and Safety Committee to its members or to all staff upon their request. For more on the promotion of worker health, see the Sustainability Report.

403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

See 403-2 above.

403-8 Workers covered by an occupational health and safety management system

Please see 3-3 above for Item 403.

403-9 Work-related injuries

403-10 Work-related ill health

Staff members may be on uncertified leave for health reasons for up to six days per year. They may also benefit from six 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 the case of a work accident or occupational disease). Staff members may also be granted additional days in the case of serious illness of their spouse/partner, children and parents (up to three 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 2023, the rate of short-term absenteeism[10] stood at an average of 4.3 days per staff member per year for short-term illnesses.

1.2% of staff were on long-term illness.

	2020	2021	2022	2023	2024
Accident frequency rate	5 accidents x 200 000/ 209 staff x 37.5h x 50 weeks = 2.552	1 accident x 200 000/ 213 staff x 37.5h x 50 weeks = 0.500	8 accidents x 200 000/ 211 staff x 37.5h x 50 weeks = 4.04	2 accidents x 200 000/ 216 staff x 37.5h x 50 weeks = 0.987	4 accidents x 200 000/ 231 staff x 37.5h x 50 weeks = 1.84
Short-term absenteeism rate* **	7.23 average number of sick leave days per staff (regular staff + temporary) per year / 260 working days x 100% = 2.78%	3.08 average number of sick leave days per staff (regular staff + temporary) per year / 260 working days x 100% = 1.18%	4.80 average number of sick leave days per staff (regular staff + temporary) per year / 260 working days x 100% = 1.85%	4.30 average number of sick leave days per staff (regular staff + temporary) per year / 260 working days x 100% = 1.65%	5.92 average number of sick leave days per staff (regular + temporary) per year / 260 working days x 100% = 2.28%
Long-term illness*	1.3%	1.5%	1.5%	1.2%	1.1%
Rate of occupational diseases	0%	0%	0%	0%	0%

* Note that these figures reflect cases that are not necessarily work-related ill health, but sick leave more generally.

** Includes only short-term sick leave, whether certified or uncertified. It does not include therapeutic part-time leave, sick children leave or parental leave. Restatement of information: the report now discloses a "short-term absenteeism" rate that replaces the previously reported "absenteeism rate". Compared with the former "absenteeism rate" the new "short-term absenteeism rate" does not take into account parental leave, which is reported under item 401-3. Sick children leave is also not included in the short-term absenteeism rate.

10. Includes only short-term sick leave, whether certified or uncertified. It does not include therapeutic part-time leave or parental leave.

TRAINING AND EDUCATION – GRI 404

3-3 Management of material topics

Staff members have access to training in five broad areas of skills: language, technical, IT, health & safety 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. Staff training and development are part of good management practices and provide a basis for identifying needed skills, career development and mobility. In 2024, the CEB continued monitoring staff participation in training.

Total annual training budget in euros

2020	2021	2022	2023	2024
320 000	320 000	270 000*	320 000	320 000

* There was a temporary reduction in the training budget coming out of the pandemic.

404-1 Average hours of training per year per employee

In 2024, on average, staff members spent 25 hours in training, with 22 hours for women and 28 hours for men. Grade A staff spent on average 26.5 hours in training (25 hours for women and 28 hours for men). The average was 22 hours for grade B and C staff (18 hours for women and 30 hours for men). All training is fully accessible for both part-time and full-time staff alike.

As of 2024, the CEB's online learning platform, Edflex, currently has 201 active learners, with a total of 63 hours spent on training. The platform has recorded 851 resources viewed this year. The most popular content areas have included topics on maintaining a healthy lifestyle, public speaking, impactful presentations, and performance management, with a particular focus on objective setting.

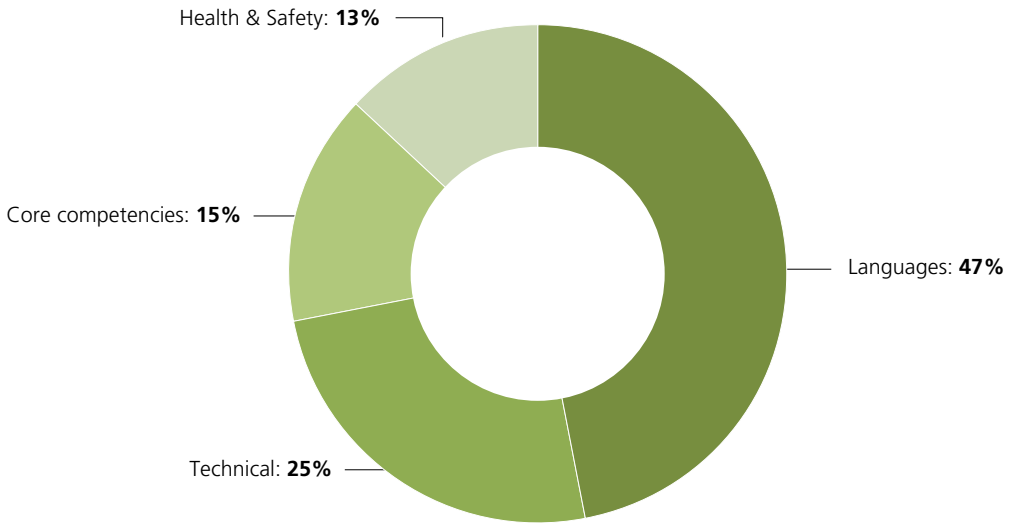
404-2 Programs upgrading employee skills and transition assistance programmes

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

Staff members' training and development are fundamental to keeping the workforce engaged and ready to face future challenges.

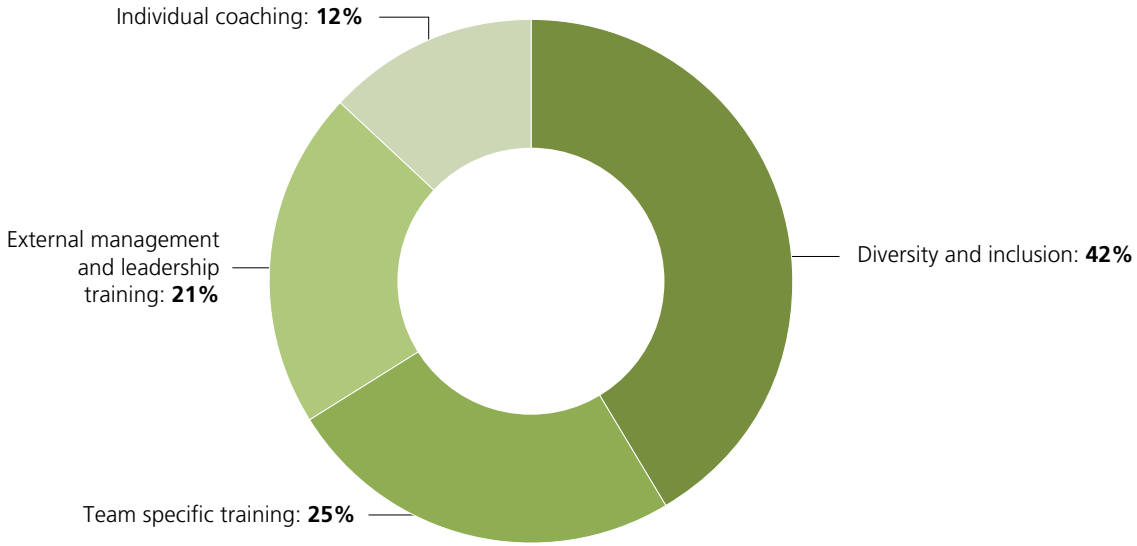
Staff participation by type of training



The percentage of staff following one or more training courses: 68% (61% women and 39% men), out of which:

- Full-time 99%, part-time 1% (only four staff members are part time)
- For A grade staff, 58% of participants were women and 42% men. For B and C grades, 67% of participants were women and 33% men, which is in line with gender representation at these levels.

Staff participation in core competency training



The CEB also offers its staff the opportunity to follow speciality certification programmes enabling them to reinforce their knowledge or acquire lifelong education certificates.

Since 2019, the CEB has sent a total of 17 participants to the OECD Emerging Leaders Programme, to provide both men and women with the opportunity to develop their management and leadership skills (in 2024, three women). In 2024, one woman and one man also participated in the Global Management Academy organised by the OECD, providing an opportunity to enhance people management. For both training tracks, participants were invited after roundtable discussions with directors and the assessment of different criteria such as their current and potential level of responsibility, job tenure, nationality, age, and gender.

Although not included in the formal training data, specialised sessions focusing on workstation ergonomics are systematically provided, with an emphasis on equipping staff members, including new joiners, with valuable insights through online assessments. Complementing this, in March 2023, a certified therapist was invited to the office premises, offering individual workplace ergonomic assessments to interested staff.

404-3 Percentage of employees receiving regular performance and career development reviews

All staff members undergo both an annual performance review and a career development review, aligned with the calendar year, as part of the Bank's commitment to fostering an open feedback culture. Staff members in their probationary period are subject to more frequent performance reviews. For each staff member, up to six annual goals are mutually agreed upon with their line manager. During the end-year evaluation, the achievement of these objectives is assessed and rated, with mandatory comments required to explain any objectives that were not fully achieved or postponed. Additionally, an overall assessment of the staff member's contributions is provided, including alignment with CEB's internal values and demonstrated competencies. Performance is categorised as either "successful" or "needs improvement." In 2024, all employees participating in the annual performance exercise received a successful performance rating. The evaluation process is also linked to bonuses and staff development opportunities, as outlined in Item 404-2, which details the connection between performance reviews and training.

DIVERSITY AND EQUAL OPPORTUNITY – GRI 405 -material topic-

3-3 Management of material topics

The Bank's increasing activities underscore the enduring objectives of human resources 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 and Staff Rules 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, and 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.

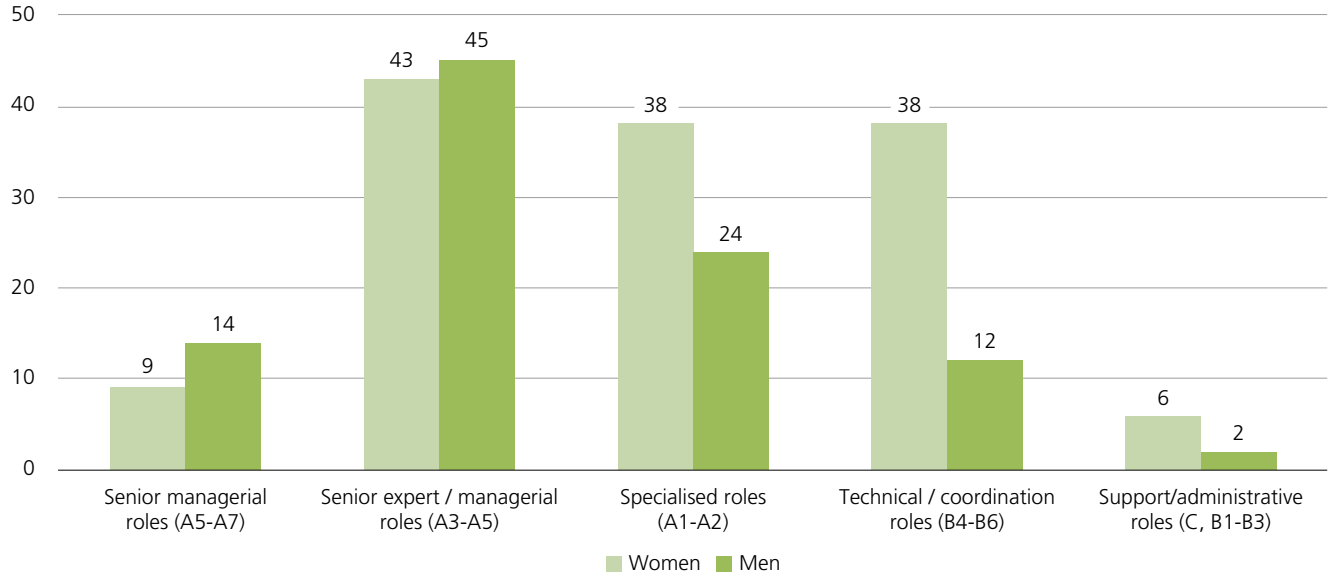
1. **Gender**: In the event of equal merit between a woman and a man, both of whom are candidates in an external recruitment or internal competition procedure, preference shall be given to the candidate of the gender which is under-represented in the grade and category to which the vacancy belongs. One 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%. This 40% goal is also enshrined in Article 420.1.8 of the CEB's Staff Rules. Although gender representation is broadly balanced at the Bank, efforts have been undertaken in recent years to enhance the representation of women at senior levels and in management positions. At senior managerial level (A5-A7), gender representation among women increased from 35% in 2023 to 39% in 2024. At the Directorate/Head of Office level specifically, the improvement was even more marked, with women's representation rising from 40% to 55%.

Additionally, women representation in grades A4 and above (senior roles) increased to 42% in 2024, thus exceeding the Diversity Strategy target of 40% at that level (also outlined in the publicly available Strategic Framework and the Bank's new KPIs[11]).

While there has been progress on gender balance at higher levels within the organisation, efforts are still needed at the support/administrative and technical/coordination roles, where women are currently overrepresented.

The CEB is certified by EDGE – the leading certification for gender equity in the workplace. In 2023, the CEB attained the second level of EDGE certification, "Move", which confirms the absence of a statistically significant gender pay gap in favour of men. This achievement reflects the CEB's efforts to ensure that salaries align with the EDGE standard and meet the criteria for equal pay for equivalent work. In 2024, the CEB has been working on implementing the EDGE Action Plan. Eventually, other dimensions of diversity will be considered in order to build a broader inclusive culture.

Number of staff members by role (grade group) and by gender



2. **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 organizations, are national diversity and gender.

In terms of role distribution, 10% of staff hold senior managerial roles (A5-A7) (6% men, 4% women). Senior expert/ managerial roles (A3-A5) account for 38% of the workforce (19% men, 19% women). Specialized roles (A1-A2) make up 27% (10% men, 16% women). Technical and coordination roles (B4-B6) represent 16% (5% men, 16% women). Support and administrative roles (C, B1-B3) account for 4% (1% men, 3% women).

At 31 December 2024, 33 of the CEB's 43 member countries were represented among the 231 staff members, 34 when adding the four elected officials. In terms of gender, as at 31 December 2024, the CEB had six women (55%) on its General Management team (Directorate/Head of Office level) or seven women (47%) when including elected officials.

11. As outlined in the Sustainability Report 2023, the Bank's new 2024 Key Performance Indicators approved by the Administrative Council now include KPI 15 on "Gender Balance Index" and KPI 16 on "Women in management".

Geographical breakdown per employee/staff nationality

Staff nationality	Women	Men	Total	Share in workforce
Albania	2	1	3	1.3%
Belgium	5	5	10	4.3%
Bosnia and Herzegovina		1	1	0.4%
Bulgaria	1	1	2	0.9%
Croatia	1		1	0.4%
Cyprus		2	2	0.9%
Estonia	2		2	0.9%
Finland	3		3	1.3%
France	35	40	75	32.5%
Georgia	1		1	0.4%
Germany	6	11	17	7.4%
Greece	3	4	7	3.0%
Hungary	2	2	4	1.7%
Ireland	3	4	7	3.0%
Italy	15	9	24	10.4%
Kosovo	1		1	0.4%
Latvia	2		2	0.9%
Lithuania	2		2	0.9%
Malta	1		1	0.4%
Republic of Moldova	1	1	2	0.9%
Montenegro	2		2	0.9%
Netherlands		2	2	0.9%
North Macedonia	3		3	1.3%
Poland	4	2	6	2.6%
Portugal	1	2	3	1.3%
Romania	9	1	10	4.3%
Serbia	6	1	7	3.0%
Slovak Republic	3	1	4	1.7%
Spain	7	5	12	5.2%
Sweden	3	1	4	1.7%
Switzerland	2		2	0.9%
Türkiye	6	1	7	3.0%
Ukraine	2		2	0.9%
TOTAL	**134**	**97**	**231**	**100%**

Each country is also represented on the Governing Board and on the Administrative Council. The Governing Board is currently chaired by a man, the Administrative Council by a woman.

Governing Board composition including the Chairperson, as at 19 December 2024

Gender		Professional background			
Women	Men	Ambassador/ Permanent Representative to the Council of Europe	Special envoy (Holy See)	Consul General	Deputy Permanent Representative to the Council of Europe
19	**23**	**40**	**1**	**1**	**0**

Pending nominations: 2

Administrative Council composition including the Chairperson, as at 19 December 2024

Gender		Professional background			
Women	Men	Ministry of Finance	Ministry of Foreign Affairs	Ministry of Economy	Other
21	**23**	**31**	**3**	**4**	**6**

Pending nominations: 0

For further details on Board and Council members, see here.

405-2 Ratio of basic salary and remuneration of women to men

The Bank is committed to gender equality in the workplace, including ensuring equal pay for equal work. HR continues to remind managers and staff through the CEB intranet site and different guidelines that decisions to grant promotions, step advancement, bonuses and career progression must be taken without regard to gender, age, racial or ethnic origin, religion or beliefs, sexual orientation/identity, or disability.

In the run-up to 2023 EDGE recertification, a gender pay gap assessment was performed, which concluded that there is a -1.66% pay gap when comparing women's and men's salaries. This is within the EDGE threshold of +/-3%, showing that there is no high risk associated with an unexplained gender pay gap in the organisation.

In 2024, the overall average basic salary (women and men together) was €9 613. The median was €9 023.

Monthly average and median pay by role (grade group) and by gender in euros

		Senior managerial roles (A5-A7)	Senior expert/ managerial roles (A3-A5)	Specialised roles (A1-A2)	Technical/ coordination roles (B4-B6)	Support/ administrative roles (B1-B3, C)	Total
Average	Women	15 452	11 129	7 808	6 634	4 615	8 976
	Men	15 906	11 437	7 856	6 243	4 079	10 494
Median	Women	15 883	10 758	7 901	6 651	4 386	8 293
	Men	15 883	11 031	7 607	6 186	4 079	10 295

Note that the values provided in the above table were calculated based on basic salaries and do not include bonuses, etc. and are not adjusted, for instance, for tenure.

The complete CEB salary scale is accessible online.

NON-DISCRIMINATION – GRI 406

3-3 Management of material topics

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

The CEB is fully committed to respecting diversity, and has zero tolerance to any kind of discrimination, as stated in the CEB Code of Conduct. More explicitly, the CEB Code of Conduct applicable to the Governor, Vice- Governors, staff members and contractual collaborators prohibits any form of 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 lifestyle choices. Any act of discrimination constitutes a breach of the Code of Conduct and is subject to disciplinary measures by the Governor. Furthermore, the CEB has an internal rule on protection of dignity at work, aimed at enhancing a speak-up culture and fostering a respectful working environment.

Article 2 of the Staff Regulations states that: *"The Bank shall at all times act with fairness and due care in its relations with staff members. In particular, the Bank shall guarantee staff members' rights to:*

- *the protection of human dignity at work, including the right to a workplace free from harassment;*
- *equal treatment without discrimination;*

- *respect for their private life, including their right to protection of personal data;*
- *freedom of association and assembly, including the right to strike;*
- *an effective remedy and a fair trial;*
- *be free from retaliation for filing a claim or grievance or reporting wrongdoing;*
- *a safe and healthy working environment.*

Staff members may seek the assistance of the Bank to protect their interests where these interests have been harmed by actions directed against them by reason of their being staff members. The Governor decides on the type and extent of any assistance the Bank may provide."

406-1 Incidents of discrimination and corrective actions taken

No incident of discrimination filed.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING – GRI 407

3-3 Management of material topics

The CEB is an international organisation governed by public international law which, according to its Articles of Agreement, operates as an international financial institution. As a consequence, based on the CEB's legal status as an international organisation with its privileges and immunities conferred by the Third Protocol to the General Agreement on Privileges and Immunities of the Council of Europe, neither the host country's labour laws nor those of its member countries, nor the International Labour Organization (ILO) conventions, apply to its staff members.

Nonetheless, the Staff Regulations, approved by the CEB's Administrative Council, and related texts offer a framework which brings equivalent protection in terms, among other issues, of staff representation or non-discrimination. In particular, the Staff Regulations, Article 2 – Rights, provide that:

"The Bank shall at all times act with fairness and due care in its relations with staff members. In particular, the Bank shall guarantee staff members' rights to: [...] freedom of association and assembly, including the right to strike".

The CEB has two staff representative bodies, the Staff Committee and the General Meeting of Staff (see Item 2-30), which facilitate dialogue between the administration and staff on employment conditions and other relevant issues.

407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

As a service sector organisation with its office based in Paris, France, and financing operations in Europe only, the Bank is not aware of any such significant risks in its operations or with its suppliers.

SUPPLIER SOCIAL ASSESSMENT – GRI 414

3-3 Management of material topics

For details on the management of this topic, see GRI 308 above.

414-1 New suppliers that were screened using social criteria

Percentage of new suppliers that were screened using social criteria: No such data is currently available.

414-2 Negative social impacts in the supply chain and actions taken

414-2-a Number of suppliers assessed for social impacts: none.
414-2-b Number of suppliers identified as having significant actual and potential negative social impacts: none.
414-2-c Significant actual and potential negative social impacts identified in the supply chain: As a non-physical service provider, the CEB's potential "negative impact" from its supply chain is mainly limited to the office products it buys and the external services it procures, especially cleaning, security and IT services.

For actions taken on these items over the course of 2024, see the most recent Sustainability Report.

CUSTOMER PRIVACY – GRI 418

3-3 Management of material topics

As a multilateral development bank whose customers are mostly member states, local or regional authorities, public entities, financial institutions and non-profit organisations, the CEB is exposed to less personal data than commercial banks.

Nevertheless, the CEB has been adopting high standards in term of protection of personal data in general. In 2022, the Bank published new Personal Data Protection Regulations, defining clear rules regarding the processing of personal data within the Bank. In line with this regulation, the CEB has also appointed two specific roles in order to ensure a proper application of these regulations: A Data Protection Officer (DPO) and a Data Protection Commissioner (DPC).

Over the past two years, the Bank did not face any major personal data breach. In addition, as a matter of example of regular awareness raising around data privacy, in November 2023, the CEB's DPO developed and shared with all staff guidelines on best practices on the use of AI tools, including on personal, contractual and client data.

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

The organisation has not identified any substantiated complaints in the reporting period.