Sustainability at the CEB

Due to the CEB’s exclusive social mandate, sustainability is engrained in all the Bank’s projects and defines how our activities are managed.

- At the core of the CEB: sustainability

This report will use the term ‘sustainability’ in the broad sense and aligning with the European Commission’s definition of corporate social responsibility (CSR) as “the responsibility of enterprises for their impact on society”.

On a strategic level, the Development Plan 2020-2022, approved by the Governing Board, sets out the CEB’s social purpose and links it to environmental and social sustainability.

With regards to the operational level, the Bank is strongly committed to fostering environmental sustainability in its project financing (see the Environmental and Social Safeguards Policy) and also in its own internal operations (see the Environmental Statement).

- Sustainability is actively managed

At the CEB, the Unit for Corporate Social Responsibility manages sustainability topics concerning the organisation as a whole, including reporting and disclosure, ESG ratings, stakeholder engagement, and coordination between directorates.

Complementary to this, numerous different teams and their experts focus on other sustainability-related topics:

- Compliance, working on integrity and transparency in the conduct of all the CEB’s activities, ranging from anti-money laundering, to whistleblowing, to IT systems security.
- Corporate Services, working on human resources, e.g. gender equality and wellbeing, and issues related to facility management, e.g. office energy consumption and waste management.
- Evaluation, working on independent evaluations of CEB-financed projects to assess their social performance and derive lessons learnt for the CEB’s future work.
- Finance, working on funding the Bank’s project financing on competitive terms, and accelerating the development of the social bond market, for example 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 adequately reflected in contractual instruments.
- Loans & Social Development, working with borrowers to develop their projects and maximise their social value added in close cooperation with sector and thematic experts in Technical Assessment & Monitoring.
- Risk & Control, addressing risks touching upon the Bank’s own internal operations and, starting in 2021, looking to integrate climate-related and environmental risk considerations in counterparty risk assessment and the risk appetite framework.
- Technical Assessment & Monitoring, working with borrowers on maximising environmental, social and climate-related benefits and managing environmental, social and climate-related risks and negative impacts throughout the project cycle; greening project-related and CEB corporate procurement; providing advisory support for clients on sustainability aspects either directly or through external experts.

- Regular disclosure and transparency

The CEB has been providing an annual account of its corporate responsibility efforts through a Sustainability Report since 2008.¹ The 2020 Report follows the Global Reporting Initiative (GRI) ‘Standards: Core option’, accompanied by a detailed GRI Content Index, backed up by a full materiality assessment performed in 2019. The reports are also available on the GRI Sustainability Disclosure Database.

In addition, the Bank uses dedicated channels to disclose on its Social Inclusion Bonds (a report twelve months after each bond issuance, including the Bonds’ link to the Sustainable Development Goals), and to report on lessons learnt from its project monitoring and evaluation activities (see the Publications section of the CEB’s website).

¹ Until 2019, these annual publications were entitled ‘Corporate Social Responsibility Report’.
Highlights in 2020

GRI 102-15

■ New in 2020

• The CEB approved 56 projects totalling a record € 6 billion, of which € 3.1 billion went to loans for COVID-19 response measures which benefitted 21 projects in 18 countries.
• In June, Andorra became the Bank’s 42nd member country.
• With the issuance of two COVID-19 Response Social Inclusion Bonds, worth € 1 billion and $ 0.5 billion respectively, the CEB tripled the volume of previous annual issuances of its Social Bonds.
• For all projects approved during the year, a set of key Sustainable Development Goals was identified according to the objectives and characteristics of each project.
• With business up 50% (measured in loan approvals), CEB staff managed to handle the increased workload while switching to work exclusively from home. New remote services and training opportunities were put in place to keep staff connected, engaged and well.
• Building on the CEB’s 2018 Gender Strategy, a global certification for gender equality was performed and CEB staff were invited to participate in a survey to assess their perceptions of gender practices at the Bank.
• Working with CEB stakeholders in a most transparent and meaningful way, the Bank updated its Public Information Policy.
• At the Paris office, the strategy to reduce and recycle waste was further implemented: a socially responsible enterprise helps the CEB to capture additional streams of material, and the cafeteria’s vending machines now offer more healthy and sustainable snacks and lunch options.

■ Key financial data at end-2020

<table>
<thead>
<tr>
<th>Projects approved</th>
<th>Loans outstanding</th>
<th>Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ 6 billion</td>
<td>€ 17.4 billion</td>
<td>€ 4.5 billion</td>
</tr>
<tr>
<td>Loans disbursed</td>
<td>Equity</td>
<td>Total assets</td>
</tr>
<tr>
<td>€ 4.5 billion</td>
<td>€ 3.1 billion</td>
<td>€ 27.9 billion</td>
</tr>
</tbody>
</table>

■ Key extra-financial data at end-2020

Human Resources

209 permanent staff members
and four appointed officials
(Governor and Vice-Governors)

33 nationalities

54% female

46% male

CEB’s own carbon footprint

Total greenhouse gas emissions

336 tonnes

CO₂ or 1.6 tCO₂/employee

Carbon footprint of projects approved in tonnes of CO₂ eq. per year

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute emissions from projects approved</td>
<td>50 000</td>
<td>70 000</td>
<td>50 000</td>
<td>-</td>
</tr>
<tr>
<td>Emission savings from mitigation projects approved</td>
<td>- 60 000</td>
<td>- 170 000</td>
<td>- 130 000</td>
<td>- 30 000</td>
</tr>
</tbody>
</table>

Climate action financing in € millions

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate action financing total</td>
<td>323</td>
<td>629</td>
<td>1 037</td>
<td>798</td>
</tr>
</tbody>
</table>
I am pleased to share with you the Sustainability Report for 2020 along with the Global Reporting Initiative (GRI) index, providing an overview of how the CEB supported social, environmental, financial, and operational sustainability in the course of last year.

Sustainability continues to be a key part of our activity and we have been reporting about it for over a decade. As we are striving to support our members on the path to recovery, reporting on the multiple ways in which we contributed in the advancement of sustainable development in Europe has acquired renewed importance. Sustainability issues are central to the CEB Development Plan 2020-2022 and firmly embedded in our strategic planning and operations through inter alia the CEB Environmental and Social Safeguards Policy, with emphasis placed upon helping CEB members to achieve the UN Sustainable Development Goals (SDGs).

In 2020, not only did we continue to provide financing and technical assistance for projects with a high social content across Europe, but we actually increased our lending activity by 50% to support our members in a timely, flexible, targeted way. We focused on health to reinforce medical capacity and also on creating and maintaining jobs in micro-, small and medium-sized enterprises. Half of the total volume of € 6 billion for 56 projects approved was earmarked for COVID-19 response measures benefiting vulnerable groups in 18 countries.

Our two COVID-19 Response Social Inclusion Bonds of € 1 billion and $ 500 million issued in April and June, respectively, proved highly successful. The impact of these bonds will be presented in dedicated reports, as has been the case with our Social Inclusion Bonds in the previous three years.

In internal business operations, we managed to decrease our carbon footprint in 2020, while continuing to promote gender equality as well as staff well-being and engagement. The CEB's Corporate Social Responsibility unit is in constant co-operation with numerous teams at the CEB, including from Facility Management and Security, Finance, Human Resources, Loans and Social Development, Technical Assessment and Monitoring, and the Office of the Chief Compliance Officer, to co-ordinate action on sustainability-related matters in accordance with the highest standards and international best practices.

Our efforts have been receiving steady recognition from non-financial rating agencies, who last year rated the CEB as ‘Prime’ (ISS ESG), ‘Leader’ (MSCI ESG), ‘Negligible ESG Risk’ (Sustainalytics) and ‘Advanced’ (Vigeo-Eiris) in terms of its ESG (environmental, social, and governance) performance.

These excellent results have increased even more our drive to promote sustainability and inclusive growth as the social development bank for Europe.

Paris, 2 March 2021
Rolf WENZEL
CEB Governor
External assessment of the CEB’s sustainability

GRI 103-2 • 103-3

Non-financial rating agencies regularly analyse the Bank’s sustainability and their ratings underline the CEB’s robust practices.

- The link between the CEB’s core business and non-financial rating agencies

The Bank is strongly committed towards environment, social and governance (ESG) topics. Following recent trends, 2020 also saw increasing interest in using ESG data to make investment decisions.

In this situation, financial market participants find comfort in the CEB’s long track record of detailed ESG disclosures, and in its willingness to continuously improve its practices. One case in point are the Bank’s Social Inclusion Bonds, issued since 2017, which bring together investor appetite for impactful, sustainable projects and the CEB’s social mandate (see ‘Social Inclusion Bonds expanded to include health projects’); another factor of appeal is the CEB’s low ESG risk as assessed by a number of non-financial rating agencies.

- What do the non-financial rating agencies say?

Ratings by non-financial rating agencies are a good way to highlight the CEB’s ESG performance to the financial markets. This is why the Bank actively seeks to engage with rating agencies and, in 2020, Vigeo-Eiris onboarded the CEB to its database.

By way of illustration, four such ‘unsolicited’ ratings are presented below:

- ‘Prime’ by ISS ESG (February 2020),
- ‘Leader’ by MSCI ESG (December 2020),
- ‘Negligible ESG Risk’ by Sustainalytics (December 2020),

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2 The use by the CEB of any MSCI ESG Research LLC or its affiliates (“MSCI”) data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of the CEB by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided ‘as-is’ and without warranty. MSCI names and logos are trademarks or service marks of MSCI.
A strategy advancing sustainability

The key goal during the 2020 health crisis was for the CEB to make available financing that would enable member states to meet the various challenges stemming from the COVID-19 outbreak.

Under the heading “Timely. Flexible. Targeted.” the CEB approved €3.1 billion in loans to finance COVID-19 response measures which benefitted 21 projects in 18 countries.

**Timely:** The CEB has always provided a swift response, helping member states to counter the knock-on effects of, for instance, the migrant and refugee flows of the mid-2010s. With coronavirus sweeping through countries, rapid and decisive action through special ‘fast track project approval’ was more vital than ever.

**Flexible:** The Bank adapted its Public Finance Facility (PFF), a financing instrument aimed at national and sub-national public sector partners, to include expenditures for acquiring medical equipment and consumables under emergency procedures, for rehabilitating and transforming spaces into medical units, for supporting civil protection entities and for mobilising additional expertise.

**Targeted:** The CEB’s aim was twofold. First, to bolster health care capacity by financing member states’ extraordinary expenditures. Second, to engage with governments and national promotional banks so that they continued to support micro, small and medium-sized enterprises (MSMEs) and municipal companies, not least by making available funding for working capital.
65 years of promoting social cohesion in Europe

The CEB’s sustainable business model is based on:

- Its **Social Mandate**: promoting inclusive growth, supporting vulnerable groups, and safeguarding the environment
- The close cooperation with the **Council of Europe** and the promotion of its values

**Our funding**

- 42 member states as shareholders
- Offers competitive project financing, incl. through our Social Inclusion Bonds
- Financial sustainability: Strong credit ratings
- ESG compliance: Strong non-financial ratings

**Our projects**

- Social investment...
- ...in Europe’s 42 member countries
- Borrowers: Governments, regions, cities, public & private financial institutions
**Our know how**

- Experience with complex projects, e.g. difficult institutional, cultural, financial, or technical contexts
- Environmental & social safeguards for projects
- Project evaluation
- Grants & technical assistance, e.g. Green Social Investment Fund

**Our internal operations**

- Integrity & compliance
- Environmental Statement
- Staff engagement, gender, well-being
- Disclosure & transparency

**Our objectives**

- Improving people’s lives, including the most vulnerable
- Sustainable Development Goals
- Climate mitigation and adaptation
- Help clients cope with disasters & crises, e.g. COVID-19
A strategy advancing sustainability

Aiming for sustainability

The CEB, a bank with a sustainable strategy

Building on the Bank’s mission-driven approach to be the social development Bank for Europe as laid out in the CEB’s founding Articles of Agreement, the medium-term strategy until 2022 sets out three priority lines of actions:

- **Inclusive growth**: working to promote access to economic opportunities to ensure a prosperous future for all. The CEB aims to support inclusive growth and especially investments in sectors such as housing and social care, health and education, and micro, small and medium enterprises (MSMEs).

- **Support for vulnerable groups**: helping to integrate the most vulnerable citizens by tackling complex subjects such as gender, age, homelessness, disability, migrant background or emergency response.

- **Environmental sustainability**: promoting the protection of the environment, climate mitigation and adaptation by emphasising these aspects in all its projects. Project screening will be reinforced so that misalignments with the Paris Climate Agreement can be identified early on.

The decisive value that following this strategy represents for the CEB’s member countries was reinforced in June 2020 when Andorra became the 42nd member of the Bank. The three priorities are directly aligned with stakeholder expectations on sustainability, and were confirmed through a materiality assessment conducted in 2019 (see the GRI Index).

Contributing to the Sustainable Development Goals

With a portfolio and a pipeline of social and sustainable projects, the CEB is set to support its member countries in achieving the Sustainable Development Goals (SDGs).

In 2020, the Bank put into practice its framework for mapping CEB-financed projects against the SDGs. In order to get ready to take this step, the CEB had previously selected a set of ten key SDGs closest to the Bank’s mandate and three lines of action. Grouped into three distinct categories – **Alignment with CEB’s core social mandate**, **Cross-cutting issues**, and **Project-specific, sector-based relevance** – the CEB’s ten key SDGs are presented on the right:

For more on SDGs, see the CEB’s website and the CEB Handbook for the Preparation and Implementation of Projects which was revised in early 2020 to include the SDGs.

For all 56 projects approved in 2020, totalling €6 billion, a set of relevant key SDGs were identified according to the objectives and characteristics of each operation. This was done right at the outset of the project cycle during the project appraisal phase, where all potential projects are screened on numerous issues, including the SDGs (see also the section on ‘Environmental & Social Safeguards’).
The figure below provides an overview of the more than fifty projects approved in 2020 and their links to the SDGs. Each project can be mapped to several SDGs. Based on the CEB’s current approach:

- **In a first instance, each project is scanned for its potential alignment with the CEB’s strategic social mandate**, reflected by SDG 1 – No Poverty and SDG 10 – Reduced Inequalities. In 2020, three projects were identified with a link to SDG 1, 47 projects with a link to SDG 10 and six projects as contributing to both SDG 1 and SDG 10.

- **In a second step, the SDGs grouped as ‘cross-cutting’ and ‘sector-based’ were identified for all projects approved**, based on the relevant SDG targets, with projects contributing most frequently to three SDGs:
  - SDG 11 – Sustainable Cities and Communities: 24 projects
  - SDG 3 – Good Health and Well-Being: 24 projects
  - SDG 13 – Climate Action: 15 projects

Since 2020 was the first full year that the CEB assessed the projects entering its pipeline against the SDGs, it is not yet possible to publish detailed data on, for instance, the number of beneficiaries, or other tangible indicators.
In December 2020, the CEB joined a group of 11 multilateral development banks (MDBs) and the International Monetary Fund (IMF) in launching a first-ever joint report on financing the SDGs. The joint report highlights collective and individual MDBs’ efforts to support countries in achieving all 17 SDGs. It showcases examples of how their financing directly contributes to advancing SDGs that empower people, protect the planet, foster prosperity for all and develop sustainable quality infrastructure.

Commenting on the launch of the report, CEB Governor Wenzel said: “The world is at a critical juncture as we usher in a Decade of Action while simultaneously mitigating the fallout of the COVID-19 pandemic. Achieving SDGs will require concerted and collaborative efforts by all MDBs […]. The MDB report is an important step in deepening our partnership in support of SDGs.”

Launched in early 2020, the CEB Award for Social Cohesion is an annual competition to recognise a project that addresses pressing social issues in one of the CEB’s 42 member countries. Eighty-four eligible applications were submitted by individuals and organisations, and assessed on impact, sustainability and innovation/replicability by CEB experts. The shortlisted entries hailed from Croatia, France, Greece, and Turkey.

In June, the winner of the competition was announced: Hedona d.o.o., a social enterprise producing chocolate and confectionary products in Croatia and employing mainly people with disabilities. Recognising social entrepreneurship as a way to approach existing social problems in an innovative way, the company contributes to combating poverty and increasing the quality of life of persons with disabilities.

Five independent judges from the fields of social development, social entrepreneurship, academia and civil society selected the winning project after virtual deliberations. Snežana Samardžić-Marković, Director General of Democracy at the Council of Europe, presided over the Jury, which also included Guillaume Capelle, Founder of SINGA; Dominique Lamiot, Chair of the CEB Governing Board; Eva Maydell, Member of the European Parliament; and Christine Whitehead, LSE Emeritus Professor in Housing Economics.

“Precisely because of the unfortunate situation [of COVID-19] we all find ourselves in, it is becoming clear how important it is for the survival of society to care for those who are discriminated against in any way in the business world.”

Alemka Lončar,
CEO Hedona
Safeguarding projects and securing sustainable funding

The COVID-19 crisis required quick and forceful responses. How did the CEB answer the demand for flexible financing during this emergency situation while upholding its sustainability standards? How did the CEB’s funding react to the sudden demand for scaling up project financing? In both cases, the response was the same: resiliently.

GRI 102-11

Environmental & Social Safeguards

The CEB actively supports the development and financing of projects that yield tangible social and environmental benefits and which are designed to respect appropriate environmental and social standards. For this purpose, the CEB has put in place its Environmental and Social Safeguards Policy (ESSP) and a set of Environmental and Social Safeguard Standards (ESSS) which define the principles and requirements that projects and borrowers are expected to meet.

The ESSP also outlines the environmental and social due-diligence process that is applied to projects considered for CEB funding.

To ensure harmonised implementation of the ESSP, the Bank screens and monitors social and environmental risks and impacts throughout the project cycle. In 2020, the CEB undertook preliminary screening at the pre-appraisal stage of all project proposals presented to it, and issued the final categorisation of all 56 projects approved in 2020. To be able to deploy the emergency fast-track COVID loans in a timely manner, the Bank adjusted its risk review process to propose mitigation measures for potential risks and specific ESS clauses for the borrowers.

GRI 102-11 • 102-12 • 305-3 • 305-5

Financing for climate action

Despite a marked shift in the CEB’s portfolio towards the use of more flexible financial instruments for multi-sector investment programmes and projects that responded to the COVID emergency needs, the Bank remains committed to progressively aligning its project portfolio with the Paris Agreement on Climate Change, improving the tracking of green and climate action finance and increasing the identification of climate and green components in projects.

For the projects approved in 2020 the CEB’s technical staff reviewed the climate change parameters (e.g. greenhouse gas emission potential and contribution to mitigation and adaptation objectives) as part of its due diligence. Out of the 56 approved projects, climate change aspects could only be reviewed in more detail for 35 operations (excluding all COVID loans), representing €2.9 billion. The CEB identified climate action components in 24 of them, with several operations including both mitigation and adaptation components:

- 21 project proposals contributed at least partially to climate change mitigation,
- 11 made a contribution to increase climate change resilience.

For the 21 fast-track COVID loans, any review of climate change aspects was considered non-applicable given their scope.

The savings in GHG emissions that could be computed for the operations financed in 2020 were much lower compared to previous years (see Table 1). This is mainly due to the large share of COVID loans. Furthermore, the CEB approved fewer projects that could be fully accounted for as climate finance. These projects were also smaller, due to the increased granularity of the portfolio and the CEB’s refocus on sub-sovereign entities. In addition, a high number of multi-sector investment programmes were approved in 2020, for which the exact nature and scope of the investments often still remains to be defined at approval (mainly financed through the CEB’s Public Sector Financing Facility, representing 60% of projects). For such loans, the lack of ex-ante information makes it difficult to assess potential contributions to climate mitigation and adaptation or to make any assessment of absolute GHG emissions. Considering the above, in 2020, the CEB only approved a small number of projects for which there was sufficient data to assess their carbon footprint, leading to non-comparable data with previous years. Given the evolving nature of the Bank’s portfolio and being conservative with its estimates, the CEB will not report on absolute emissions this year.

1 The standards are part of the Handbook for the Preparation and Implementation of Projects and include requirements on e.g. safeguard assessments, land acquisition, displacement and resettlement, and an exclusion list for certain activities.
Table 1 - Estimated greenhouse gas emissions for projects approved during 2017-2020 in tonnes of CO₂ eq. per year, as per the CEB’s internal methodology⁴

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<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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</thead>
<tbody>
<tr>
<td>Absolute emissions</td>
<td>50 000</td>
<td>70 000</td>
<td>50 000</td>
<td>-</td>
</tr>
<tr>
<td>Relative emissions, i.e. savings from mitigation projects</td>
<td>60 000</td>
<td>170 000</td>
<td>130 000</td>
<td>30 000</td>
</tr>
</tbody>
</table>

In 2020, in line with the CEB’s commitments to finance resilient and sustainable social infrastructure, the tracking of mitigation and adaptation was further refined and is becoming more granular. This shift towards more granular and credible tracking and reporting of the CEB’s climate finance figures is also in line with the principles of the EU taxonomy on climate action activities. Table 2 presents the total CEB financing for climate action approved from 2017 to 2020. While 2020 financing is well below the 2019 record, even when faced with the unusual circumstances of COVID, the Bank managed to keep the level of its climate financing relatively stable.

Table 2 - CEB climate action financing: mitigation and adaptation in 2017-2020 in € millions

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<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate action financing total (% of total approved)</td>
<td>323 (8%)</td>
<td>629 (16%)</td>
<td>1 037 (26%)</td>
<td>798 (13%)</td>
</tr>
<tr>
<td>Climate action mitigation financing</td>
<td>233</td>
<td>584</td>
<td>703</td>
<td>649</td>
</tr>
<tr>
<td>Climate action adaptation financing</td>
<td>90</td>
<td>45</td>
<td>334</td>
<td>149</td>
</tr>
</tbody>
</table>

⁴ Calculations are based on standard methodologies, e.g. ADEME’s Bilan Carbone for buildings, and include estimates of construction-related emissions where feasible.

Julie Becker, recently appointed CEO Luxembourg Stock Exchange and founder of Luxembourg Green Exchange

“When the COVID-19 pandemic swept across the world, we saw an immediate uptick in new social bond issuance […]. For the first time since 2016, new social and sustainability bonds displayed on LGX year-to-date have surpassed that of new green bonds in terms of amount issued, clearly reflecting the new focus on Social in these unprecedented times.”

Mainstreaming climate risk

In 2021, a CEB working group will explore climate risk topics by following the recent financial regulatory proposals and market trends in the financial sector (e.g. Task Force on Climate-related Financial Disclosures, EU Non-Financial Reporting Directive, ESG rating agencies). The ultimate goal will be to evaluate the effect of climate change risk on the CEB’s portfolio and eventually on the CEB’s capital charge.
Social Inclusion Bonds expanded to include health projects

The CEB’s first three issuances of its Social Inclusion Bonds (in 2017, 2018 and 2019) each focused on raising funding in the capital market in order to finance projects on social housing, education and micro, small and medium-sized enterprises (MSMEs).

Driven by the quick development of the pandemic, a fast reaction was needed in order to raise capital to support the Bank’s response. Both the sectorial focus and the scale were adjusted in a timely and flexible manner; in particular, for the money to be channelled to COVID-19 projects, the CEB’s Social Inclusion Bond Framework was amended to include health as the fourth eligible project sector. The Bank then went to the market with two new COVID-19 Response Social Inclusion Bonds in April and in June 2020, raising an upsized €1 billion and $0.5 billion, respectively. In addition to being the largest Social Inclusion Bond benchmark ever issued, the April deal gathered the largest orderbook of any CEB benchmark to date, with final books standing in excess of €4.5bn, a testimony to the relevance of CEB’s framework update.

The CEB Social Inclusion Bond Framework

As a pioneering social bond issuer, the CEB developed its Social Inclusion Bond Framework back in 2016 based on the industry-leading Social Bond Principles drawn up by the International Capital Market Association (ICMA). Through this scheme, the Bank transparently commits to a set of requirements well-appreciated by investors.

The Framework details the types and characteristics of projects eligible for funding under the social bond scheme:

- **Social housing for low-income households**: housing renovation, construction or refurbishing and conversion of buildings into housing.
- **Education and vocational training**: education, including vocational training, and related basic infrastructure that provides access to education and vocational training.
- **Supporting MSMEs for the creation and preservation of viable jobs**: access to credit for MSMEs in order to promote the creation and preservation of viable jobs.
- **Health**: projects concerning health and related infrastructure with the aim to improve and protect public health, in particular for vulnerable populations (added in 2020 in response to the COVID-19 pandemic).

This means not only that funding through this type of sustainable bond made up about a third of the CEB’s total issuance under its Borrowing Authorisation for 2020 but also that the Bank almost doubled the outstanding volume of its Social Inclusion Bonds. At the same time, it provided a first opportunity for an SIB to tap the USD market.

In addition, the CEB commits to reporting, at the latest by the end of the second calendar year following the year in which the Social Inclusion Bond is issued, on the following aspects:

- the allocation of the proceeds, e.g. sectors and project types,
- the social impact, e.g. people affected,
- the SDGs that the financed projects help to support.

In order to ensure the validity of these disclosures, Sustainalytics, an external sustainability consultancy firm, issues an opinion on the social quality of the financed eligible social loans and confirms that the projects financed are aligned with the CEB’s Social Inclusion Bond Framework, the Banks overall sustainability objectives, and ICMA’s Social Bond Principles. Complementary to this, the Bank’s independent external auditors – i.e. Ernest & Young (EY) – review the allocation of proceeds to social loans.

Access the CEB’s latest Social Inclusion Bond Report.
Advisory: the CEB supports other organisations looking into issuing social bonds

Social bond teach-ins have been organised for a number of the Bank’s clients that are interested in issuing their own social bonds. The CEB’s expert team shares insights from its journey to adapt these bonds and helps to develop the market for sustainable financial products.

If your organisation is considering issuing a social bond, contact the CEB’s Investor Relations.

Tangible impact of the CEB’s Social Inclusion Bonds

It is mostly sustainability-conscious investors that invest in the CEB’s Social Inclusion Bonds, but also some more conventional ones. Whatever their background and rationale, most of the investors are interested in the actual impact of these social bonds.

In 2018, one year after the inaugural issuance, the CEB published its first SIB Report in order to draw a direct link between the bonds’ proceeds and specific projects that have a solid social value. The latest Report is available on the CEB website.

For the past seven years, the Bank, via its Treasury team, has been investing in green, social and sustainability bond transactions, adhering to what have become the ICMA Principles. The CEB has also developed a list of exclusion criteria, e.g. no investment in oil, gas or weapons manufacturers, etc. Meetings with the issuers of these sustainability-related bonds are usually held once a year.

As of 31 December 2020, the Bank’s ‘responsible investments’ amounted to 7.8% of the its total investment portfolio.

The CEB Treasury’s ESG Investments

Felix Grote, Head of Long-Term Funding Operations at the CEB

“The CEB’s response to COVID-19 came in strongly and we were able to nearly double the amount of our outstanding Social Inclusion Bonds including our inaugural one in USD.”
A strategy advancing sustainability

Social projects fostering sustainability

The CEB was among the first MDBs to be able to put in place the necessary mechanisms to help mitigate the health, economic and social fallout from the COVID-19 pandemic in an efficient and timely manner. By maintaining close dialogue with its member countries and its long-term, mostly sovereign, borrowers on their emerging needs and in support of unprecedented and unexpected demands, new projects were elaborated and some existing loans were restructured to allow for their rapid deployment as emergency support in response to the COVID health crisis.

COVID-19-related projects sought to provide timely funding to help strengthen service delivery and continuity during the on-going health emergency, while laying down initial measures for resilient socio-economic recovery. The CEB adapted its financing instruments and introduced derogations and waivers to permit rapid disbursement of emergency funding. As time was of essence, the CEB instituted fast-track procedures (e.g. a tailored approach to appraising technical, ESS and procurement aspects) to process the loan requests promptly.

Meetings of the internal validation instances were held with increased frequency, often passing from monthly to weekly scheduling. Underlining the commitment of the Bank’s governing bodies to supporting member states during these unprecedented times, CEB Administrative Council’s meetings were held on a monthly basis through remote means and the projects were approved through a speeded-up written procedure.

The large share of fast-track COVID-loans and the predominant use of more flexible financing instruments have challenged the way the CEB’s financial and technical appraisal and monitoring activities are carried out. Going forward, the CEB’s higher than usual flexibility to adapt to borrowers’ evolving needs will be counter-balanced by close monitoring and ex post accountability mechanisms. In this way, the Bank’s experts will ensure that the COVID projects approved meet all the highest quality standards.

COVID-19 response: Increasing support for the health crisis

GRI 203-1 • 203-2
Social projects fostering sustainability

COVID-19-specific project financing in 2020

Number of COVID projects: 21

Number of countries: 18

Countries: Andorra, Croatia, Czech Republic, Estonia, Greece, Hungary, Italy, Kosovo, Latvia, Lithuania, Montenegro, Republic of Moldova, Romania, San Marino, Serbia, Slovak Republic, Spain, Turkey

Commitments: € 3.13 billion

Selected project examples

Central & local government budget expenses
- San Marino Government
- City of Madrid

Health project
- Kosovo health sector support
- Czech Republic health sector support

Multisector project
- Education & mobility in Lithuania
- Support for Romania’s MSMEs

Financing inclusive and sustainable projects

Each year, the CEB finances a wide range of projects. The red thread for all of them is their focus on vulnerable groups. While 2020 was a particularly challenging year for many, it clearly showed that well-designed investments, for instance, in health, education and housing, can make societies more resilient to external shocks. It is the CEB’s mission to help realise these investments.

GRI 102-2 • 102-6 • 203-1 • 203-2

Focusing on vulnerable groups

Social infrastructure, job creation and environmental protection are the key themes that the Bank aims to develop in cooperation with its borrowers. Out of the total € 17.4 billion in loans outstanding, 21% went to MSMEs, and about 15% each to Improving living conditions in urban and rural areas and Social housing and aid to refugees and migrants, followed by 14% to Health (Table 3).

Table 3 - Breakdown by sector: Total loans outstanding in € thousands

<table>
<thead>
<tr>
<th>Sector</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting MSMEs for the creation and preservation of viable jobs</td>
<td>3 664 808</td>
<td>21%</td>
</tr>
<tr>
<td>Improving living conditions in urban and rural areas</td>
<td>2 656 326</td>
<td>15.2%</td>
</tr>
<tr>
<td>Social housing and aid to refugees, migrants and vulnerable groups</td>
<td>2 554 864</td>
<td>14.7%</td>
</tr>
<tr>
<td>Health</td>
<td>2 452 198</td>
<td>14.1%</td>
</tr>
<tr>
<td>Education and vocational training</td>
<td>2 431 542</td>
<td>14%</td>
</tr>
<tr>
<td>Protection of the environment</td>
<td>2 098 678</td>
<td>12%</td>
</tr>
<tr>
<td>Natural or ecological disasters</td>
<td>801 438</td>
<td>4.6%</td>
</tr>
<tr>
<td>Other</td>
<td>766 951</td>
<td>4.4%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>17 426 805</td>
<td>100%</td>
</tr>
</tbody>
</table>

Note that the CEB often finances comprehensive programmes developing social housing, supporting people with low incomes and including aid to refugees, migrants and other vulnerable groups. Therefore, those project loans are aggregated. Please also note that ‘Other’ groups projects for the ‘Protection of cultural heritage’, development of ‘Administrative and judicial infrastructure’, and ‘Cross sector loans’.
Zooming in on the year 2020, almost half of the loan commitments made by the CEB were for Health projects in order to help our member countries to cope with COVID-19, while Improving living conditions in urban and rural areas and MSMEs made up about 18% and 14%, respectively (Table 4).

Noteworthy too is the total amount of financing committed during the year: with € 6 billion it marks a 50% increase compared to the previous 12 months. Again, this is mainly due to pandemic aid made available through COVID emergency funding.

Table 4 - Breakdown by sector: Projects approved in 2020 in € thousands

<table>
<thead>
<tr>
<th>Sector</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>2 854 600</td>
<td>47.4%</td>
</tr>
<tr>
<td>Improving living conditions in urban and rural areas</td>
<td>1 067 500</td>
<td>17.7%</td>
</tr>
<tr>
<td>Supporting MSMEs for the creation and preservation of viable jobs</td>
<td>824 400</td>
<td>13.7%</td>
</tr>
<tr>
<td>Education and vocational training</td>
<td>605 500</td>
<td>10.0%</td>
</tr>
<tr>
<td>Protection of the environment</td>
<td>410 100</td>
<td>6.8%</td>
</tr>
<tr>
<td>Social housing and aid to refugees, migrants and vulnerable groups</td>
<td>167 200</td>
<td>2.8%</td>
</tr>
<tr>
<td>Natural or ecological disasters</td>
<td>42 000</td>
<td>0.7%</td>
</tr>
<tr>
<td>Other</td>
<td>53 700</td>
<td>0.9%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>6 025 000</td>
<td>100%</td>
</tr>
</tbody>
</table>

The case studies presented below provide a deeper dive into the way the CEB supports its borrowers in developing social and sustainable projects. The Bank’s country managers, monitoring and technical advisors, and evaluators play an important role in enabling the projects to attain tangible results, outcomes and impacts, always keeping in mind the CEB’s mission to be the social development bank for Europe.

**Green Social Investment Fund**

The CEB is committed to helping to accelerate the much-needed transition towards low carbon and climate resilient development. Climate change affects all segments of society but it is the poorer, marginalised and vulnerable population groups who are most acutely affected. Climate mitigation measures are often not accessible to vulnerable groups. This was the rationale behind the CEB establishing the Green Social Investment Fund (GSIF) in March 2020. The specific objectives of the GSIF are to:

- Scale up the de-carbonisation and climate proofing of social infrastructure
- Make climate action measures more socially affordable and accessible to vulnerable groups.

The Fund provides support for projects with both a positive social impact and a positive climate action impact. Support from the GSIF must complement a potential or actual CEB loan. The Fund provides investment grants (e.g. rendering CEB loans even more affordable) and technical assistance grants (e.g. integrating in the project design opportunities for increasing resilience to climate change and for reducing GHG emissions).

The GSIF aims, for instance, to support projects which enhance energy efficiency in public buildings and strengthen social infrastructure to build resilience to climate change. The Fund may also be used to increase the social impact of projects related to low carbon public transport systems such as tramways, electric buses, or cycle paths in disadvantaged urban areas.

Projects in all CEB member states are eligible for Fund support, with preference given to CEB target countries. An initial seed contribution of € 5 million was allocated from the Bank’s annual profit and the Fund is open for further funding from member countries.

For a broader overview on 2020 donor and grant activity and how it contributes to making CEB projects even more sustainable, see the Annual Donor Report.
Case Study 1: COVID-19 emergency response in Greece

In the wake of the COVID-19 outbreak, governments have been called on to make a sizeable and credible effort to deal with the pandemic’s multifaceted consequences and to provide the necessary immediate spending to support strained healthcare systems. In March 2020, the Greek government announced a €10 billion emergency package financed from domestic and EU resources, including an extraordinary budgetary support of €500 million for the health sector.

With its fast-track COVID loan to Greece, the CEB is supporting the country in its efforts to provide medical services to those affected by COVID-19 through a €200 million loan to partially finance extraordinary budgetary expenditures resulting from the pandemic.

In Greece, 25% of the population is over 60 and 15% over 70. Moreover, only 2.1% of the 26,000 public hospital beds available at the outbreak of the health crisis were adequate for intensive care patients, with some remote areas such as the country’s 117 inhabited islands having only very limited access to intensive care units. Finally, for more than a decade, Greece has been operating its healthcare system under severely constrained fiscal limits, as evidenced by one of the lowest healthcare expenditure ratios in the EU. All this challenged the Government’s efforts to cope with the influx of COVID-19 patients and ensure effective care.

The CEB’s COVID loan supports Greece in its effort to address the health emergency situation. It includes the purchasing of supplementary medical and pharmaceutical supplies and specialised equipment such as ventilators, the hiring of additional medical staff and the contracting of supplementary cleaning, security and disinfection services. Additionally, and in line with the CEB’s social mandate, the project contributes to support a country hosting a large number of migrants, asylum seekers and refugees by partially covering the costs of medical assistance due to COVID-19.
**Project overview**

<table>
<thead>
<tr>
<th>Total project cost / CEB loan</th>
<th>€500 million / €200 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector</td>
<td>COVID-19 Emergency Response - Health</td>
</tr>
<tr>
<td>Country</td>
<td>Greece</td>
</tr>
<tr>
<td>CEB approval date / project schedule</td>
<td>April 2020 / 2020-2021</td>
</tr>
</tbody>
</table>

**Expected outputs / outcome:**

- Minimise the loss of lives and improving the health of people in Greece
- Bridge budgetary gaps swiftly to allow deployment of the COVID emergency action plan at a time where it is the most needed
- Increase the healthcare system preparedness to deal with COVID patient influx
- Partially cover healthcare for migrants, asylum seekers and refugees, who are particularly exposed and vulnerable to the virus

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**Thomas Kergall,**  
CEB Technical Advisor – Health

“This COVID loan to Greece, a country in which the CEB had not worked in the health sector for more than two decades, supported the authorities in their swift management of the first wave of COVID-19 infection to respond to urgent needs. This project contributed to allowing the Greek healthcare system deliver under pressure in a country still reeling from more than a decade of austerity.”
Case Study 2: COVID-19 multisector project in the Republic of Moldova

Health systems are facing the most serious global pandemic in decades, and economies are affected by the measures put in place to contain the COVID-19 pandemic. In March 2020, the Parliament of the Republic of Moldova imposed a 60-day national state of emergency aimed at containing the pandemic. As a consequence of the state of emergency, the Government expects up to €390 million in extraordinary expenditures for medical assistance and economic support, representing 15% of the state budget planned for 2020.

The Ministry of Health, Labour and Social Protection, jointly with the World Health Organisation, conducted a needs assessment and elaborated scenarios of necessary actions with a list of urgent measures to support the health sector. Moreover, the lockdown adopted by the Parliament threatened the survival of many businesses as MSMEs faced lower activity and revenues in most segments due to the restrictions.

The CEB’s €70 million multisector fast-track COVID loan to the Republic of Moldova aimed to support the Government in its efforts to provide medical care to those affected by COVID-19 while alleviating the impact of the crisis on MSMEs.

Out of the total, €40 million is dedicated to health, partially financing the extraordinary budget expenditures resulting from COVID-19 and the related mitigation measures put in place to respond to the emergency situation. Specifically, this loan component will cover, under emergency procedures, the costs of acquiring medical equipment and consumables, rehabilitating and transforming medical spaces and units, and mobilising additional expertise.

Another €30 million is available to support MSMEs by providing financing mainly for working capital needs to help businesses cope with the consequences of the restrictive measures enacted by the authorities to contain the COVID-19 pandemic. The financing takes the form of on-lending to final beneficiaries through participating financial institutions.
Social projects fostering sustainability

Project overview

<table>
<thead>
<tr>
<th>Total project cost / CEB loan</th>
<th>€ 70 million / € 78 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector</td>
<td>COVID Emergency Response – Multisector i.e. Health &amp; MSMEs</td>
</tr>
<tr>
<td>Country</td>
<td>Republic of Moldova</td>
</tr>
<tr>
<td>CEB approval date / project schedule</td>
<td>May 2020 / 2020-2022</td>
</tr>
</tbody>
</table>

Expected outputs / outcome:

- Minimise loss of lives and improve the health of inhabitants of the Republic of Moldova while buttressing the MSME sector
- Allow rapid access to financing for the Government in order to address pandemic-driven expenditure needs in the health sector and deploy its emergency action plan to support the economy
- Finance healthcare needs such as drugs, equipment, accessories and consumables, waste management, vehicles, burden incentives for the doctors and nurses and psychological support
- Support training activities on infection prevention and control, clinical management for public health professionals, and monitoring of related activities
- Support MSMEs by bolstering their liquidity in order to preserve jobs
- Final beneficiaries are the inhabitants of the Republic of Moldova, in particular medical staff, the elderly and people seeking medical treatment, as well as employees of crisis-struck MSMEs

“As the COVID-19 continues to weigh heavily on economies and societies, it is vital that our member countries increase their response capacities. We are pleased to support Republic of Moldova in its efforts to bolster the health system as well as to provide much needed help to small business impacted by the crisis.”

Rolf Wenzel, CEB Governor
Case Study 3: Social housing in Ireland

Access to adequate and affordable housing is a human right and vital for building inclusive societies. In Ireland, the housing situation is difficult for those on lower incomes, with rents rising sharply and access to the housing market for prospective owner-occupants remaining a major challenge. There are about 72,000 households in the country which have qualified for social housing support but are on a waiting list. Moreover, the after-effects of the global financial crisis and the consequential tightening of the supply of housing finance have contributed to increased homelessness; between 2016 and 2019 the number of adults in Ireland who were registered as homeless doubled.

The Irish government aims to deliver around 30,000 new units between 2019 and 2021 to meet the needs of households qualifying for social housing support. In addition to local authorities and the state, which provide income-based support for tenants and landlords in the private rental sector, approved housing bodies (AHBs) have been identified as a major complementary source of social housing, expected to contribute a third of the required new social housing units.

AHBs are independent, not-for-profit organisations that provide affordable rental housing for vulnerable people who may be on low incomes, have additional needs, or be homeless. AHBs and local authorities receive attractive long-term financing from the state-owned Housing Finance Agency (HFA).

Based on successful previous cooperation with the borrower, the CEB has approved a new, €150 million loan to HFA. Philipp Voswinkel, the CEB Country Manager in charge of this project, points out that “the cooperation between the not-for-profit sector, local government and the HFA in Ireland is distinctive. It is rewarding to help close the financing gap for these exceptionally targeted projects.”

The funds will be used for the retrofitting of existing housing units and the construction of new, energy-efficient social housing. Thanks to the CEB loan, AHBs and local authorities are able to take advantage of long-term fixed-rate financing in a market that usually operates on variable rates.
Social projects fostering sustainability

Project overview

<table>
<thead>
<tr>
<th>Total project cost / CEB loan</th>
<th>€ 425 million / € 150 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector</td>
<td>Social housing for low-income persons</td>
</tr>
<tr>
<td>Country</td>
<td>Ireland</td>
</tr>
<tr>
<td>CEB approval date / project schedule</td>
<td>September 2019 / 2019-2023</td>
</tr>
</tbody>
</table>

Expected result / outcome:

- Create an expected 230,000 m² of dwelling space, providing at least 8,000 low-income persons with decent, energy-efficient homes

- Tenants are nominated by AHBs and local authorities, mainly based on the grounds of income, which has to be below a certain threshold that applies in the housing authority’s area

- Applicants for the new homes will generally be living in the area covered by the relevant housing authority or have a local connection

- Based on the previous loan, it is expected that funding will mainly go to the construction of new housing benefitting, in particular, families on low incomes receiving social welfare, single parents, the elderly, people with disabilities and homeless people

“Amy son has additional needs and required a bedroom of his own and more space. The move has been the best decision ever for us. Our family doctor is located across the way. I have no doubt this is the right house for me and my family.” — Amanda, tenant

“The quality of the house is amazing. I still walk in the door and go ‘wow’! I used to spend a huge amount of money trying to heat my own place. My electricity bill now is nothing in comparison.” — Sylvia, tenant
Generating and sharing knowledge along the way

The CEB's project financing is accompanied by a number of processes and initiatives that help the Bank to acquire know-how and knowledge so as to learn and transfer the insights gained to new projects in the pipeline. Doing so helps us to understand how to improve the quality of the CEB's projects even further.

Learning and Consultative Group (LCG) on the CEB's support to social impact lending through a cooperative bank

For evaluations with a high level of complexity or learning potential, the CEB's Office of Evaluation (EVO) establishes a Learning and Consultation Group (LCG). This group serves as a means to ensure constructive exchanges between EVO and operational directorates throughout the evaluation process; it also facilitates stronger uptake by the latter of the evaluation lessons and recommendations. The LCG brings together relevant CEB staff with a strong interest and/or involvement in the theme, subject or operations covered by the evaluation.

In 2020, EVO started evaluating the first CEB loan ever extended to support a social impact loan programme implemented by a cooperative financial institution (Rabobank in the Netherlands, 2016). Through the exchanges occurring within the LCG, the learnings from this evaluation will inform future CEB operations in support of sustainable finance schemes.

The loan was intended to target private enterprises operating in health and education sectors committed to achieving social and environmentally responsible business conducts. The sectorial orientation and the social focus are distinguishing features of the evaluated loan. The loan stands out for its innovative content and objectives, if compared to the CEB's other private sector operations that are typically targeted to creating or preserving employment.

Luigi Cuna,
Senior Evaluator at the CEB

"Urban planning and design do not only shape the physical fabric of metropolitan areas, cities and villages. Urban planning shapes the concept of society we want to create."

UN High Level Policy Forum on SDGs

In February 2020, alongside numerous other experts, the CEB's EVO contributed to the on-line consultation for the United Nations High-level Political Forum on Sustainable Development (HLPF) on the theme "Bolstering local action to control the pandemic and accelerate implementation" in relation to the challenges of achieving SDG 11 - Sustainable cities and communities. The CEB's input was based on the Bank’s solid evaluation experience in the areas of sustainable urban development and social inclusion. The CEB was the only international financial institution to provide input to this theme and the only institution that looked at the matter from an evaluation point of view.

The CEB's contribution was embedded in the recommendations of the HLPF's final document as follows: "Sustainable cities will not arise organically – evidence-based, participatory and efficient urban planning is at the heart of liveable, smart cities. Inclusive and participatory planning, together with all relevant stakeholders, can help ensure that the needs of the most vulnerable are met and that context-specific synergies and trade-offs are addressed at the planning phase. Appropriate indicators and disaggregated data are essential to improve evidence-based decision-making at all levels."

GRI 103-3 • 413-1

GRI 102-12

Generating and sharing knowledge along the way

Finance in Common Summit

Taking place in November 2020, the Finance in Common Summit was the first gathering of more than 450 public development banks (PDB). The objective of the Summit was to form a global coalition seeking to make investments more sustainable and to fight against climate change and social inequalities.

As a partner in the event and a member of the Executive Committee for the organisation of the Summit, the CEB was especially pleased to see the strong messages included in the meeting’s key deliverables:

- Joint Declaration of All Public Development Banks, also signed by the CEB,
- Ten additional declarations,
- the ‘PDBs in Action’ projects, one featuring a CEB health project in Serbia,
- 16 research papers.

The Joint Declaration was at the heart of the event: not only is it ambitious but the statement includes a concrete roadmap, a timeline, and a process for achieving collective results at scale. The signatories will shift their strategy, investment patterns and operational modalities, in order to contribute to the achievement of the SDGs and the Paris Agreement.

At one of the Summit’s high-level events, Rosa María Sánchez-Yebra Alonso, CEB Vice-Governor, emphasised that

“If properly designed and implemented, social infrastructure investments can simultaneously address social, environmental and economic objectives. In order to build back better after COVID-19 and to deliver on Agenda 2030 we must promote social investment for people, planet and prosperity.”

Rosa María Sánchez-Yebra Alonso, CEB Vice-Governor
Making sustainability everyday practice

COVID-19 response: Adjusting operations

Business continuity: CEB funding project work

As a testimony to the CEB’s operational resilience, members of the project team switched to virtual communication channels which minimised disruptions to work arrangements and established procedures despite, at times, challenging new remote working conditions and travel bans.

To ensure the continuity of its project monitoring activities, including for non-COVID projects, the CEB swiftly adapted its operating model to deliver the necessary high-quality technical backstopping. New work modalities were introduced, ranging from innovative tools for distance project reviews (such as video recordings of project outcomes, seminars, desk and online reviews) to the close overseeing of outsourced field monitoring missions led by carefully selected (local) consultants.

Business continuity: internal operations

Sanitary measures were taken and protective equipment was distributed even before the first lockdown in France. All staff was provided with new laptops, enabling everyone to telework with up-to-date equipment. Guidelines on working at the CEB were published on the intranet, giving clear instructions to staff on the sanitary measures to follow when being on CEB premises.

In order to help staff maintain their physical and mental wellbeing, a teleworking guideline was developed. Furthermore, the CEB provided online services such as external psychological support via the Bank’s medical insurance, available 24/7 in English and French, and online access to consultations, upon request, with the CEB’s medical doctor. The mediator, helping to settle staff disputes, shifted from a monthly presence to online flexible consultations on demand.

The HR team also increased the frequency of its internal communications, sharing information with staff on an almost weekly basis, holding regular consultations with the Staff Committee and taking stock of staff and management experiences. Staff feedback was crucial in maintaining contact with staff members. In addition to receiving and acting upon feedback from staff and managers in direct conversations, meetings and interviews, HR carefully monitored anonymous feedback channels and carried out a staff survey at the end of the first lockdown in May 2020. The results were used to follow up with a specific question on remote working conditions in the EDGE staff survey in September (see more below).

Switching to remote working also contributed to drive down the Bank’s operational footprint (e.g. decreased carbon emissions due to less travel, be it commuting or business travel, digitalisation of processes, less paper use, etc.) and the challenge ahead will be to perpetuate some of the progress made once the pandemic is over.
Managing talent

In 2020, despite the pandemic, the CEB’s diverse staff body proved resilient, agile and productive. Throughout the year, the human resources team played its role as an enabler for the Bank, recruiting, advising staff and managers, ensuring pay and staff administration services, providing development opportunities, and supporting the transition to different ways of working.

Amongst the new ways of working, telework became the new normal for all staff. Before the pandemic, 18% of staff had obtained a regular teleworking agreement, limited to one day per week, and about half of the staff had occasionally worked from home, at an average of around five days per year. This changed with the first lockdown in March 2020, when suddenly all staff were working from home full time. On the technical side, this was made possible through the support of IT, Security and HR.

To ensure good teleworking practices, HR also stressed the importance of flexibility, for parents in particular, and managers addressed the challenges related to managing remote teams effectively. The EDGE staff survey showed that the managers had proved themselves to be flexible and enabled a good work-life balance for staff. In fact, 83% of women and 87% of men agreed or strongly agreed that, during the pandemic, their immediate manager had given them the flexibility they needed to carry out their work without compromising their personal life.

GRI 102-16

Further steps to implement the CEB’s Gender Strategy

In 2018, following the approval of the CEB’s Gender Strategy, the Bank obtained EDGE Global Certification for Gender Equality. The Bank can proudly and formally count itself as part of a global community of organisations committed to giving equal opportunities to men and women in the workplace.

In 2020, the Bank went through a recertification process which calls for an assessment every other year based on statistical data, evidence of CEB policies and practices related to equality, and employee perceptions. Therefore, staff members participated in an online staff survey by EDGE Strategy. Staff perceptions, by both men and women, have improved on the majority of topics. The assessment looked at how the CEB evolved between 2017 and 2019. The gender representation remained relatively stable across staff groups. The effectiveness of policies and practices to ensure equitable career flows improved for recruitment and promotion, leadership development training and mentoring, and flexible working. The effectiveness of policies remained stable in the area of equal pay for equivalent work. The EDGE assessment enabled the HR team to look at areas for improvement, define actions and update the CEB’s Gender Strategy.

Furthermore, as part of CEB’s gender diversity work, three staff members (one woman and two men) formed the CEB’s delegation to the virtual Women’s Forum Global Meeting in November 2020. After the event, the delegation reported back to the General Management Committee and HR to share their findings. The Gender Diversity Group, bringing together staff representatives from numerous CEB directorates and meeting on a regular basis to advise on gender issues, will further draw upon the take-aways from this event to improve gender aspects at the Bank and in the CEB’s activities.
Training & Mentoring Programme

With the sudden shift to a fully remote environment, the Bank continued to promote continuous learning by providing language, technical, core competency and IT training.

Overall, 67% of full and part time staff participated in training, either language, technical, core competency or health and safety. Participating staff spent on average 3.6 days per year in training. A slightly higher percentage of women (56%) than men (44%) participated in training. For support staff, 78% of participants were women and 22% men, which reflects the gender representation at these levels. Women at support level (B-grade) participated in a mix of language, core competency and health and safety training whereas support-level (B-grade) men mostly participated in language training.

Since March 2020, all language classes and most technical and core competency training changed from a classroom setting to a fully digital experience. HR provided staff with online learning recommendations such as MOOCs (Massive Open Online Courses), articles, videos and podcasts to develop key technical skills and core competencies. In addition, HR also provided guidance and support to managers by giving tips and online resources to help strengthen their leadership capacity in a remote environment.

In October 2020, HR launched a training suite on effective writing and presentation skills, with an online learning module available to all staff at all times and 3 instructor-led remote sessions on report writing offered to 34 authors of both external and internal CEB reports. The initiative will continue with several other courses in 2021.

In addition, four staff with increased management responsibilities or senior expertise and one recently appointed upper manager (3 men and 2 women of 4 different nationalities) participated in the Emerging Leadership Programme organised by a peer institution with the Wharton School, providing an opportunity to enhance people management skills and to network with participants from other international organisations.

Furthermore, individual coaching, including career transition guidance, was provided to five professional-level staff (A-grade) (3 women and 2 men).

Finally, fostering gender sensitive management is an important element of the CEB’s Gender Strategy. In 2019, HR launched the first mentoring programme in which 12 women from support to professional levels (grades B6 to A3) and nine mentors (3 women, 6 men, grades A4 to A6) paired up. In 2020, the mentoring programme was continued and concluded through webinars with both mentees and mentors. All participants shared the main learnings and provided recommendations for the next round of the programme, to be launched in 2021.

Staff health, well-being and engagement

Through its medical insurer and with a specialised doctor, the CEB organised information sessions on COVID-19 for staff in English and French in early February. The Bank also carried out flu vaccine on premises.

Given the sudden and extensive use of remote working in the year, CEB staff were invited to participate in a collective online workshop and individual sessions to benefit from advice on home office ergonomics in order to help staff create a more pleasant home office and a healthier work environment. HR also organised a stress management webinar. As part of the regular health and safety offer, first aid training was also organised for 18% of voluntary staff: 14 staff received their certification and 24 updated their skills by following refresher sessions.
Finally, communication was key to conveying clear information, guidelines and a sense of belonging to a tight-knit community. Therefore, messages were issued regularly to staff, summarising host country recommendations, information on measures taken within the CEB premises to ensure health and safety, and guidelines on teleworking. HR also wrote numerous articles on the CEB intranet, ranging from professional matters to tips on sports and leisure activities adapted to lockdown and sanitary measures in place. In order to provide space for active engagement and exchange, both internally and externally, the Bank started publishing brief personal staff insights on LinkedIn and Twitter, and also developed a new remote format for internal discussion and sharing: the Friday Talks. Each week, a colleague or a team is invited to present their work, or talk about a topic of current interest touching upon their professional expertise.

GRI 102-8 • 401-1 • 405-1

**Recruitment in 2020**

The Bank seized the opportunity to renew and diversify the CEB staff body through 17 new appointments, one of which was made following an internal competition.
Recruitment activity was maintained thanks to remote tools, such as video-recorded interviews, allowing recruitment panels to assess larger and more diverse groups of candidates prior to short-listing. Along with written tests, video-recorded interviews are used to understand the candidates’ motivation and general fit for the role and to assess their technical and language skills. During lockdown, several new joiners also successfully integrated the bank through remote onboarding.

The CEB tracks three main diversity dimensions in appointed staff: gender, nationality and professional background. In 2020, HR obtained LinkedIn licences to increase and diversify our candidate pools.

Overall, women accounted for 71% of the appointments in 2020, thus continuing the constant upward trend over the past five years; these appointments included professional-level staff (A-grades) and roles at the senior or management levels (grade A4 and above). In 2020, out of the 16 external hires, 11 were women and five were men. Out of the 11 externally hired women, one was hired at managerial level, six at professional level and four at support level. Out of the five men, four were hired at professional level and one at support level. The two posts open at managerial level were offered to women: one external recruitment (Director of Technical Assessment & Monitoring) and one internal promotion (Head of the Evaluation Office). This is aligned with the CEB’s Gender Diversity Strategy. It was not however possible to identify male profiles that met the criteria for final selection in support staff grades.

### Breakdown of appointments by category and by gender

<table>
<thead>
<tr>
<th>Category</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Professional</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Support</td>
<td>4</td>
<td>1</td>
</tr>
</tbody>
</table>

**Legend:** Blue = Internal staff movements  Green = New hires

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“It can be challenging to start a new job remotely, especially during COVID, but my first months at the CEB have run very smoothly. Just like in the virtual recruitment process, HR gave me clear guidance and information throughout my onboarding process. The IT team has provided very effective support, shared knowledge, and equipped me with all the tools I need. I also appreciate the CEB’s ‘buddy scheme’. My buddy helps me discover the organisation in a more transversal way.”

Maria Agustina Cibran, new CEB Head of IT Architecture

Key HR data at end 2020

At year-end 2020, the CEB’s workforce amounted to 209 permanent staff, with the following characteristics:

- **Number of nationalities represented:** 33
- **Staff turnover:** 7.23%
- **Breakdown by gender (209):**
  - 54% women and 46% men
    - Professional staff, including managerial (144): 44% women and 56% men
    - Support staff (65): 75% women and 25% men
- **Average age:** 49 years
- **Average job tenure:** 11 years
- **Percentage of staff following one or more training courses:** 67%
Making sustainability everyday practice

Being accountable & transparent

Conducting project lending in a transparent and accountable manner is a key component of the way the CEB does business.

GRI 102-16 • 205-2

Compliance: highlights in 2020

In 2020, due to the pandemic crisis and the necessary operational changes required, the Office of the Chief Compliance Officer (OCCO) swiftly transformed its activities to a virtual environment and teamed up with its development bank peer group in order to jointly support COVID-19-related projects and the sustainable recovery of the mostly affected economic sectors.

OCCO continued to safeguard the CEB from potential project-related financial and non-financial risks via Integrity Due Diligence exercises, Individual Compliance Risk Assessments, Portfolio Compliance Risk Assessments and continuous counterparty monitoring, and to ensure the highest ethical standards of the CEB’s counterparties.

The Bank’s compliance team is committed to staying abreast with all international best practices and current developments around anti-money laundering, counter terrorist financing, tax good practices and business ethics. To this end, the CEB’s Chief Compliance Officer (CCO) participated in relevant virtual meetings, international fora and reference bodies, i.e. MONEVAL, GRECO, OECD Global Forum, OECD Anti-Corruption Network and International Investigation Network.

This year, OCCO hosted the first virtual ‘European Chief Compliance Officers Meeting 2020’, bringing together more than twenty compliance professionals from European International Financial Institutions. In addition, after becoming a member of the Ethics Network of Multilateral Organisations in 2019, the CCO participated in the World Bank Ethics Office’s annual ethics meeting, exchanging knowledge and experience with senior ethics professionals from forty multilateral organisations.

To ensure that the CEB and its operations adhere to the latest decisions and rating lists from international reference bodies, the CCO presented and discussed with the CEB’s General Management Committee relevant updates and outcomes regarding the FATF plenary, the EU list of non-cooperative jurisdictions for tax purposes and the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes.

As every year, awareness raising and training was among OCCO’s top priorities; the Compliance Induction Course for new CEB employees took place in November, this time virtually. A new e-learning tool on Personal Data Protection was also launched in 2020, using a novel Compliance Learning Management System enabling staff to access virtual learning material on various compliance topics.

GRI 102-17

Handling stakeholder complaints & grievances

OCCO received less than five complaints related to CEB projects in 2020, all registered with an intake process and a preliminary assessment and closed in the preliminary assessment phase. The content of the complaints concerned different issues, e.g. project procurement, negative press news, allegations of potential corruption or fraud. The Bank continued to closely monitor the process, and attended the monitoring review on one case first filed by a civil society organisation in 2018.

If you wish to raise an issue with OCCO, use: compliance@coebank.org or whistleblowing@coebank.org.

To learn more about the CEB’s complaints process, see the GRI Index: 102-17.
EU Pillar Assessment

The management of EU funds can be entrusted to public authorities and international organisations, who must undergo an assessment of their policies and procedures by an independent auditor. The aim of this review, named ‘Pillar Assessment’, is to provide assurance to the European Commission that the entity has the necessary systems and procedures in place to manage EU funds in accordance with EU standards.

At end 2020, the CEB underwent a new and enhanced Pillar Assessment in order to reconfirm its capability to be a partner to the EU in implementing projects with EU funds and grants. This is 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, SMEs, and social investments and skills.

The independent external audit performed by Deloitte assessed the CEB’s rules, procedures and systems for handling Grants, Financial Instruments, Exclusion from access to funding, Publication of Information on Recipients, and Protection of Personal Data.

As expected, limited gaps were identified and addressed. As a result, the CEB inter alia upgraded the processes for the Protection of Personal Data. A new policy is going to follow, including an advanced and modern framework in line with best General Data Protection Regulation European (GDPR) standards and with the revamped Convention 108+ of the Council of Europe, soon to be concluded.

The Pillar Assessment process is expected to be completed in the first half of 2021.

Transparency, accountability and trust

Being a public organisation, the Bank is accountable for the use of its funds to its member states and more broadly, to society at large. In order to fulfil this commitment and responsibility, the CEB is guided by the overarching principle of transparency and applies a presumption of disclosure.

In mid-2020, the Bank updated its Public Information Policy in order to strengthen the Policy’s three guiding principles: transparency, accountability and trust, while also aligning with the additional requirements of the EU Pillar Assessment. The goal is to facilitate the widest possible access to information about the Bank, in conditions that are appropriate to the specific nature of the institution.

The Policy’s new section ‘Access to Information’ underlines the CEB’s commitment to enhancing transparency, not only by making relevant information publicly available, but also by facilitating the right to access information through specific requests and the handling of such requests by the Bank.

Information on the CEB’s loan and grant financing is included in specific databases and structured around (i) a ‘project summary document’ for each approved loan and (ii) ‘a grant summary document’ for all on-going grants.

While prior to this update to the Policy the Bank’s website already provided information on the projects and grants approved, at end 2020, the CEB started work on modernising its online presence so that the website content not only follows the provisions of the Public Information Policy, but also makes it easier to access information.

“As a development bank with a social mandate, the CEB is committed to transparency and good governance. Our updated public information policy, including its annex on ‘publication of information’, embodies this commitment, which is at the heart of corporate responsibility.”

Jérôme Halb,
Deputy Director for European & External Affairs, Head of Corporate Responsibility & Communication Division of the CEB

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6 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.
Addressing the CEB’s own environmental footprint

With a large portion of the CEB staff working from home during 2020, the Bank’s environmental footprint from its own operations saw a significant decrease. Going forward, a key question will be how to safeguard, at least in part, this ‘greener way of working’.

### Foundations for internal action

The CEB’s approach for addressing its own environmental impact, and for setting priority areas for further improvement, is laid out in the Environmental Statement. At the Bank, the main focus is on responsibly handling business travel, waste management, office heating and cooling, materials consumption such as water, plastic and paper. The tools with which to achieve additional progress on these matters are sustainable procurement, staff awareness and support, and emissions compensation where no other solution is readily available.

At end 2020, the CEB’s teams for facility management, procurement and corporate responsibility started a project with GreenFlex, the sustainability consultancy firm also assisting the Bank with annually evaluating its operational carbon emissions, in order to support the CEB with:

- Drafting a sustainable procurement policy and procedure and phasing in of sustainable selection criteria where appropriate
- Switching to renewable electricity for the Paris office
- Identifying a suitable carbon offsetting mechanism.

It is a long-established practice at the Bank, when selecting suppliers and supplies, to consider ecological labels or the use of environmentally friendly products (e.g. in cleaning services, FSC paper products).

### Operational footprint in 2020

Not only for the CEB’s core lending business was 2020 an exceptional year; the environmental footprint of the Bank’s operations was strongly influenced by the pandemic and the lockdowns. To adapt calculation of the footprint to most of the staff working from home, the electricity consumption of computers at home and the new IT equipment distributed to staff were included in this year’s assessment (see Table 5):

- A 87% decrease in emissions from business travel
- A 64% decrease in emissions from commuting
- A 18% decrease in emissions from heating and cooling
- A 4% increase in emissions from electricity consumption
- A 61% increase in emissions from the purchase of IT equipment.

The figures presented above show that the emission data is heavily skewed to the downside and some rebound to the usual more gradual downward sloping trend should be expected for 2021.

### Key actions taken

During the year 2020, the Bank advanced its internal corporate practices. Aiming to limit the overall greenhouse gas emissions and environmental impacts and improve its environmental performance, the CEB:

- Connected its new IT technical room to the Paris refrigeration network instead of using air conditioners,
- Reduced the size of its hot water tanks by 15%,
- Cleaned all radiators to increase their performance,
- Continued the phased switch to double-glazed windows (24% of the windows have already been replaced) and LED lighting,
- Doubled the size of the bicycle parking area.

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7 Note that, since the 2019 GHG assessment, IT equipment has been part of the calculation, and has also been retroactively added for 2018.
Supporting local start ups and innovative social enterprises

In addition to the action outlined above, the Bank decided to replace the conventional vending machines for soft drinks and snacks with a more sustainable offering that contributes to well-being at the CEB, thus reducing our carbon footprint and waste and offering a range of good quality food at reasonable prices.

The new supplier is an environmentally responsible start up called Le Bon Bocal that offers their snack and lunch options in re-usable, 100% recyclable glass jars. The food options are fresh, seasonal and locally sourced. Meals that are not sold are collected and resold using, for instance, a smartphone app, or are donated to charities.

The CEB also hired recycling experts from Le Petit Plus, a social enterprise, in order to properly capture additional waste streams, e.g. plastic, glass, batteries and light bulbs. More than half of the staff employed by Le Petit Plus, located in the greater Paris area, are people with disabilities.

“*We tested several potential suppliers offering a high quality diet and fresh snacks. Le Bon Bocal stood out with their philosophy around re-use, recycling and zero food waste. It aligns well with the CEB’s ambition to continuously improve the impact of our internal operations.*”

Karine Der-Ohanessian, Maître d’hôtel at the CEB
Sources and trends in GHG emissions

In total, the Bank’s greenhouse gas emissions for 2020 stand at 336 tonnes of CO₂, representing 1.6 tCO₂e/employee, down from 865 tonnes of CO₂, or 4.2 tCO₂e/employee for the previous year, according to the Bilan Carbone methodology. It is important to note that 2020 was an atypical year and it is unlikely that this drastic reduction in emissions can be reproduced next year.

For more on the CEB’s absolute emissions over time, see the GRI Index, GRI 305-5.

For a deeper dive into the Bank’s GHG emissions from own operations and their trend over the past five years, see the overview below (Table 5).

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8 For some general background on the Bilan Carbone methodology, see the GRI Index, Emissions — GRI 305.
Table 5: The CEB’s detailed GHG emissions by source in tonnes of CO₂ equivalent

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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total variation</td>
<td>Variation</td>
<td>Per employee</td>
<td>Total</td>
<td>Per employee</td>
<td>Total</td>
<td>Per employee</td>
<td>Total</td>
<td>Per employee</td>
<td>Total</td>
</tr>
<tr>
<td>Surface - m²</td>
<td>+1%</td>
<td>-5%</td>
<td>7 675.0</td>
<td>36.7</td>
<td>7 600</td>
<td>36.9</td>
<td>7 600.0</td>
<td>38.6</td>
<td></td>
<td></td>
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<td>CEB personnel - FTE</td>
<td>+6%</td>
<td>0%</td>
<td>209.0</td>
<td>1.0</td>
<td>206.0</td>
<td>1.0</td>
<td>197.0</td>
<td>1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall emissions</td>
<td>-63%</td>
<td>-65%</td>
<td>336.2</td>
<td>1.6</td>
<td>865.2</td>
<td>4.2</td>
<td>908.0</td>
<td>4.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings - Heating &amp; cooling</td>
<td>-15%</td>
<td>-20%</td>
<td>118.4</td>
<td>0.6</td>
<td>145.2</td>
<td>0.7</td>
<td>139.3</td>
<td>0.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vapour network emission</td>
<td>-15%</td>
<td>-20%</td>
<td>118.1</td>
<td>0.6</td>
<td>144.9</td>
<td>0.7</td>
<td>139.3</td>
<td>0.7</td>
<td></td>
<td></td>
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<tr>
<td>Cooling use emissions</td>
<td>-</td>
<td>-</td>
<td>0.2</td>
<td>0.0</td>
<td>0.3</td>
<td>0.0</td>
<td>Not available</td>
<td>Not available</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings - Electricity</td>
<td>-33%</td>
<td>-37%</td>
<td>41.8</td>
<td>0.2</td>
<td>40.3</td>
<td>0.2</td>
<td>62.6</td>
<td>0.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity emissions</td>
<td>-33%</td>
<td>-37%</td>
<td>41.8</td>
<td>0.2</td>
<td>40.3</td>
<td>0.2</td>
<td>62.6</td>
<td>0.3</td>
<td></td>
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<tr>
<td>Travelling - Commuting</td>
<td>-36%</td>
<td>-40%</td>
<td>28.4</td>
<td>0.1</td>
<td>79.9</td>
<td>0.4</td>
<td>44.3</td>
<td>0.2</td>
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<td>Emissions linked to commuting by car</td>
<td>-37%</td>
<td>-40%</td>
<td>25.4</td>
<td>0.1</td>
<td>71.5</td>
<td>0.3</td>
<td>40.3</td>
<td>0.2</td>
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<td>Emissions linked to commuting by moto</td>
<td>-</td>
<td>-</td>
<td>1.4</td>
<td>0.0</td>
<td>4.1</td>
<td>0.0</td>
<td>Not available</td>
<td>Not available</td>
<td></td>
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</tr>
<tr>
<td>Emissions linked to commuting by public transport</td>
<td>-62%</td>
<td>-64%</td>
<td>1.5</td>
<td>0.0</td>
<td>4.3</td>
<td>0.0</td>
<td>4.0</td>
<td>0.0</td>
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<tr>
<td>Travelling - Business travelling</td>
<td>-90%</td>
<td>-91%</td>
<td>62.9</td>
<td>0.3</td>
<td>474.3</td>
<td>2.3</td>
<td>648.6</td>
<td>3.3</td>
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<tr>
<td>Emissions linked to travelling by plane</td>
<td>-90%</td>
<td>-91%</td>
<td>59.9</td>
<td>0.3</td>
<td>462.7</td>
<td>2.2</td>
<td>607.0</td>
<td>3.1</td>
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<tr>
<td>Emissions linked to travelling by train</td>
<td>-69%</td>
<td>-71%</td>
<td>0.2</td>
<td>0.0</td>
<td>0.8</td>
<td>0.0</td>
<td>0.6</td>
<td>0.0</td>
<td></td>
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</tr>
<tr>
<td>Emissions linked to travelling by car and taxi</td>
<td>-93%</td>
<td>-94%</td>
<td>2.8</td>
<td>0.0</td>
<td>10.8</td>
<td>0.1</td>
<td>41.4</td>
<td>0.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paper &amp; consumables</td>
<td>-</td>
<td>-</td>
<td>65.2</td>
<td>0.3</td>
<td>88.1</td>
<td>0.4</td>
<td>9.2</td>
<td>0.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emissions linked to water bottles</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.4</td>
<td>0.0</td>
<td>Not available</td>
<td>Not available</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emissions linked to consumables</td>
<td>-</td>
<td>-</td>
<td>14.1</td>
<td>0.1</td>
<td>32.4</td>
<td>0.2</td>
<td>Not available</td>
<td>Not available</td>
<td></td>
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<tr>
<td>Emissions linked to post services</td>
<td>-</td>
<td>-</td>
<td>9.6</td>
<td>0.0</td>
<td>10.3</td>
<td>0.1</td>
<td>Not available</td>
<td>Not available</td>
<td></td>
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<tr>
<td>Emissions linked to magazines and newspapers</td>
<td>-</td>
<td>-</td>
<td>37.1</td>
<td>0.2</td>
<td>33.5</td>
<td>0.2</td>
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<tr>
<td>Emissions linked to printing brochures</td>
<td>-</td>
<td>-</td>
<td>1.6</td>
<td>0.0</td>
<td>5.3</td>
<td>0.0</td>
<td>Not available</td>
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<tr>
<td>Emissions linked to printing paper</td>
<td>-70%</td>
<td>-72%</td>
<td>2.8</td>
<td>0.0</td>
<td>5.2</td>
<td>0.0</td>
<td>9.2</td>
<td>0.0</td>
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<tr>
<td>Waste disposal and wastewater</td>
<td>-</td>
<td>-</td>
<td>11.9</td>
<td>0.1</td>
<td>32.7</td>
<td>0.2</td>
<td>4.0</td>
<td>0.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emissions linked to wastewater</td>
<td>-</td>
<td>-</td>
<td>0.7</td>
<td>0.0</td>
<td>0.6</td>
<td>0.0</td>
<td>Not available</td>
<td>Not available</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emissions linked to garbage</td>
<td>+181%</td>
<td>+165%</td>
<td>11.2</td>
<td>0.1</td>
<td>32.1</td>
<td>0.2</td>
<td>4.0</td>
<td>0.0</td>
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<tr>
<td>IT equipment</td>
<td>-</td>
<td>-</td>
<td>7.8</td>
<td>0.0</td>
<td>4.8</td>
<td>0.0</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emissions linked to printers</td>
<td>-</td>
<td>-</td>
<td>0.6</td>
<td>0.0</td>
<td>0.6</td>
<td>0.0</td>
<td>Not available</td>
<td>Not available</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emissions linked to computers</td>
<td>-</td>
<td>-</td>
<td>2.3</td>
<td>0.0</td>
<td>2.0</td>
<td>0.0</td>
<td>Not available</td>
<td>Not available</td>
<td></td>
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</tr>
<tr>
<td>Emissions linked to large screens</td>
<td>-</td>
<td>-</td>
<td>4.9</td>
<td>0.0</td>
<td>2.2</td>
<td>0.0</td>
<td>Not available</td>
<td>Not available</td>
<td></td>
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</tr>
</tbody>
</table>

Note that, for the baseline year 2016, when the previous methodology for tracking GHG was still being used, some data was not available or has not been assessed and is therefore marked as “Not available.”

Also note that, for 2020, the calculations were done under the assumption that, on a regular day, 30% of staff were at the office. This is a rather conservative estimate and the real staff presence was much lower.
Appendix - GRI Content Index for 2020

GRI 102-54 • 102-55

The 2020 index of sustainability indicators was prepared on the basis of the internationally recognised standard for sustainability reporting, namely the Global Reporting Initiative (GRI) Standards, and was prepared in accordance with the ‘GRI Standards: Core option’.

The GRI Index provides an overview of sustainability considerations in the CEB’s lending and non-lending services and in its day-to-day functioning and staff management.

You can download the GRI Content Index 2020 from the CEB’s website as a separate document. The CEB’s full report, including the GRI Index, is also available on the GRI Sustainability Disclosure Database.
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ORGANISATIONAL PROFILE

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

102-2 Primary brands, products, and services
The CEB invests in social projects that foster inclusion and contribute to improving the living conditions of the most vulnerable populations across Europe. To this effect, the CEB provides loans and guarantees in its 42 member states to finance projects meeting a certain number of criteria. Potential borrowers include governments, local or regional authorities and financial institutions. Loan applications are rigorously reviewed, and related projects are designed and implemented within national sectorial policies, when applicable. From a financing perspective, the CEB has at its disposal a number of different lending instruments (Project loans, Programme loans, Public co-finance facility, EU co-finance facility, Cross-sectoral loans), financing of public private partnerships, guarantees and, through specific programmes (such as Migrant and Refugee Fund) or, on an ad-hoc basis, grants.

102-3 Location of headquarters
Paris, France.

102-4 Location of operations
According to its mandate, the CEB can provide loans and guarantees in any of its 42 member states. The Bank may also receive voluntary contributions from its members, through fiduciary accounts.

As a sign of solidarity among the CEB member states, the Bank is able to provide increased support to a group of 22 “target countries” in Central, Eastern and South-Eastern Europe: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Georgia, Hungary, Kosovo, Latvia, Lithuania, Malta, Moldova (Republic of), Montenegro, North Macedonia, Poland, Romania, Serbia, Slovak Republic, Slovenia and Turkey.

In 2020, the Bank welcomed its 42nd member country: Andorra.

102-5 Ownership and legal form
The CEB is an international organisation governed by public international law which, according to its mandate, operates as an international financial institution. As an international financial institution, the CEB is owned by its shareholders, namely its 42 member states.

102-6 Markets served
The CEB invests in social projects that foster inclusion and contribute to improving the living conditions of the most vulnerable populations across Europe.

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

For more details, see:
- the Loan and Project Financing Policy
- the Handbook for the Preparation and Implementation of Projects

102-7 Scale of organisation

As at 31 December 2020, the CEB had 209 staff members - plus 4 appointed officials (Governor and 3 Vice-Governors). The Bank approved 56 project loans for a total amount of € 6 billion. The profit for the year 2020 stood at € 74.8 million.

102-8 Information on employees and other workers

As at 31 December 2020, the CEB’s workforce was made up of 209 staff members (54% women / 46% men). Of these staff members, 69% were professional staff (44% women / 56% men) and 31% were support staff (75% women / 25% men) comprising 33 different nationalities. Out of the 209 staff members, 149 were on indefinite-term contracts and 60 on fixed-term contracts. The CEB has only one office, located in Paris.

102-9 Supply chain

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

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

It is the CEB’s policy that its Procurement Guidelines and procedures follow the principles of:
- equal treatment
- non-discrimination
- transparency

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

The CEB also aims to ensure that the purchase of supplies, works and services required for the satisfactory operation of the CEB:
- is handled in a timely, efficient and effective manner with due regard to the Bank’s needs, including a high level of qualifications and quality of services, efficiency and economic use of resources. The notion of quality of services includes compliance with best practices in terms of occupational health and safety policies.
- takes into account sustainability issues with respect to human resources and the environment, in line with its Environmental and Social Safeguards Policy.

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

These rules are aligned with those of other international organisations.

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

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

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

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

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

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

From an environmental perspective, inter alia, the CEB has signed the Declaration on the European Principles for the Environment (EPE) concerning the environmental management component in the financing of projects; the CEB has also been working together with its stakeholders and peers to reflect on the design of adaptation strategies and to elaborate guidance for resilient project development including for urban centres, as well as exploring metrics for measuring adaptation outcomes (in particular, within the EUFIWACC - European Financing Institutions Working Group on Adaptation to Climate Change); furthermore, in 2017, the CEB joined the global Climate action in financial institutions initiative, thereby endorsing five voluntary principles for mainstreaming climate action. The CEB joined the coalition as part of the multilateral development bank (MDB) group. In 2018, the CEB obtained permanent observer status to the UN Framework Convention on Climate Change (UN FCCC) and joined the initiative for Harmonized Indicators for Private Sector Operation (HIPSO). As a founding member of the ICMA Social Bond Working Group, the CEB helped develop the Social Bond Principles and contributed to a sub-working group on impact reporting.

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

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

For more details, see:
- the “Donors and Partnerships” section in the 2020 Report of the Governor
- the web sections “Partnerships” and “Donors and trust funds”

At end 2020, the CEB underwent a new and 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. This is 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, SMEs and social investments and skills. The Pillar Assessment process is expected to be completed in the first half of 2021.

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**STRATEGY**

102-14 Statement from senior decision-maker

See the ‘Foreword by the Governor’ in the 2020 Sustainability Report.

102-15 Key impacts, risks, and opportunities

The CEB is a multilateral bank with a unique social vocation. The CEB is tasked to contribute to the social cohesion and sustainable social development of its 42 member states, which are also its shareholders.

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

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

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**ETHICS AND INTEGRITY**

102-16 Values, principles, standards and norms of behaviour

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

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

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1 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.
102-17 Mechanisms for advice and concerns about ethics

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

OCCO identifies compliance risk, assesses compliance risk, advises the Governor and management committees on relevant rules and standards and ensures that the CEB is aware of, and follows, best market principles and international standards regarding the prevention of money laundering and terrorist financing, fraud and corruption and other prohibited practices. OCCO also designs, recommends and maintains the policies, rules and procedures governing dignity, ethical behaviour and integrity towards counterparties and third parties, advises staff and gives guidance on conflicts of interest, prevention of insider trading, protection of confidential information and ethical issues. When a request for opinion arises, the entry points used as advice and help lines, both internally and externally, are compliance@coebank.org and whistleblowing@coebank.org.

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

At the CEB, there are several complaint mechanisms:

1) **Whistleblowing**: the Office of the Chief Compliance Officer handles the information and tip-offs received from whistle-blowers, and complaints 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.

2) **Project-related complaints**: For projects financed by the CEB, the Handbook for the Preparation and Implementation of Projects contains a requirement that the Borrower establish a procedure that will address concerns or complaints of persons who are adversely affected by direct environmental and/or social impacts related to the project’s implementation.

3) **Procurement-related complaints**, for projects, are handled as per the Procurement Guidelines, and the CEB’s own procurement is handled under the Guidelines on the internal procurement of services, supplies and works.

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

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

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**GOVERNANCE**

102-18 Governance structure

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

1) the **Governing Board**, which is the CEB’s “supreme body”, competent for all matters not delegated to the Administrative Council;

2) the **Administrative Council**, which, amongst its delegated powers, approves lending operations in favour of proposed projects and gives its opinion on all decisions having financial consequences;

3) the **Auditing Board**, which is independent from all the other statutory bodies and inspects the CEB’s annual accounts.

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

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

102-19 Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees

102-20 Executive-level responsibility for economic, environmental, and social topics

As the social development bank for Europe, economic, environmental and social considerations are embedded in almost all our activities. While the Bank’s Governor is ultimately responsible for these topics, numerous directorates and teams also work on diverse sustainability-related topics:

- **Unit for Corporate Social Responsibility**, in charge of topics concerning the whole organisation, e.g. ESG ratings, stakeholder engagement, disclosure, and coordination between directorates
- **Compliance**, working on integrity and transparency in the conduct of all the CEB’s activities, ranging from anti-money laundering, to whistleblowing, to IT systems security.
- **Corporate Services**, working on human resources, e.g. gender equality and wellbeing, and issues related to facility management, e.g. office energy consumption and waste management.
- **Evaluation**, working on independent evaluations of CEB-financed projects to assess their social performance and derive lessons learnt for the CEB’s future work.
- **Finance**, working on funding the Bank’s project financing on competitive terms, and accelerating the development of the social bond market, for example 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 adequately reflected in contractual instruments.
- **Loans & Social Development**, working with borrowers to develop their projects and maximise their social value added in close cooperation with sector and thematic experts in Technical Assessment & Monitoring.
- **Risk & Control**, addressing risks touching upon the Bank’s own internal operations and, starting in 2021, looking to integrate climate-related and environmental risk considerations in counterparty risk assessment and the risk appetite framework.
- **Technical Assessment & Monitoring**, working with borrowers on maximising environmental, social and climate-related benefits and managing environmental, social and climate-related risks and negative impacts throughout the project cycle; greening project-related and CEB corporate procurement; providing advisory support for clients on sustainability aspects either directly or through external experts.

102-22 Composition of the highest governance body and its committees

Both the Governing Board and the Administrative Council are composed of a chairperson and one representative appointed by each member state.

For an overview of the members of the CEB’s governing bodies, see the Bank’s website and GRI 405-1.

102-23 Chair of the highest governance body

Both the Governing Board and the Administrative Council chairpersons are elected by the Governing Board. The chairpersons do not have voting powers.

102-25 Conflicts of interest

The CEB has 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,
contractual collaborators, and service providers) 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 Governing Board on 27 November 2009 and effective as of 1 January 2010, apply respectively to:

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

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

102-26 Role of highest governance body in setting purpose, values and strategies

The Governing Board, which, pursuant to the CEB’s Articles of Agreement, is the 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.

For an overview of the topics that have been on the agenda of these bodies, see Governing Board ‘Meetings in 2021’ and Administrative Council ‘Meetings in 2021’ on the website.

102-29 Identifying and managing economic, environmental and social impacts

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

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

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

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

In 2020, the Bank put into practice its framework for mapping CEB-financed projects against the SDGs. For all the 56 projects approved in 2020 totalling € 6 billion, a set of relevant key SDGs were identified according to the objectives and characteristics of each operation.
102-30 Effectiveness of risk management processes

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

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

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

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

- The **Regular Credit Risk Committee (CRC)** meets on a weekly basis and takes credit decisions in relation to lending and treasury exposure, based on internal credit risk assessments and recommendations. In addition, a special CRC meeting takes place once a month to deal with specific topics and issues within an extended committee.
- The **Asset & Liability Management Committee (ALCO)** meets on a monthly basis to formulate strategic orientations and, on a forward-looking basis, to address interest rate, foreign exchange rate and liquidity risks arising throughout the balance sheet. In addition, on a quarterly basis, a “Special ALCO” meeting addresses ALM and funding issues.
- Capital market information is provided at the weekly meetings of the **General Management Committee**.
- The **Committee for Operational Risks & Organisation** reviews operational risk issues at the CEB on a semi-annual basis and ensures that adequate steps are taken to mitigate, monitor and control these risks.
- The **IT Steering Committee** reviews information systems issues and takes the appropriate actions to ensure operational resilience and business continuity.

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

In 2021, a CEB working group will explore climate risk topics by following the recent financial regulatory proposals and market trends in the financial sector (e.g. Task Force on Climate-related Financial Disclosures, EU Non-Financial Reporting Directive, ESG rating agencies). The ultimate goal will be to evaluate the effect of climate change risk on the CEB’s portfolio and eventually on the CEB’s capital charge.

102-31 Review of economic, environmental and social topics

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

It is also worth noting that, among the CEB’s statutory bodies, the Administrative Council is the body responsible, among other things, for approving lending operations in favour of projects.
Its decisions are based on: (i) the Activity Report including the anticipated economic, environmental and social impacts of the project; and (ii) the opinion of the Secretary General of the Council of Europe as to the admissibility of the project, based on its conformity with the political and social aims of the Council of Europe.

102-32 Highest governance body’s role in sustainability reporting

The Bank’s Annual Sustainability Report is on the agenda at every ‘Spring meeting’ of the Administrative Council and the Governing Board.

102-35 Remuneration policies

102-36 Process for determining remuneration

102-37 Stakeholders’ involvement in remuneration

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

STAKEHOLDER ENGAGEMENT

102-40 List of stakeholder groups engaged by the organisation

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

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

To learn more about the CEB’s materiality assessment see the items 102-42, 102-43, 102-46 and 102-47 below.

102-42 Identifying and selecting stakeholders

102-43 Approach to stakeholder engagement

The 2019 materiality assessment helps the CEB to further tailor not only its reporting and disclosure, but also its actions on the sustainability issues raised. The outcome of the exercise directly fed into the process of defining the CEB’s medium-term strategy, i.e. the Development Plan 2020-2022.

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

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

102-44 Key topics and concerns raised

The key message from this stakeholder outreach was that the CEB’s strategy and reporting are closely aligned with stakeholder expectations. The Bank’s three lines of action, as set forth in the Development Plan 2020-2022 drafted in parallel with the materiality assessment, were mentioned by stakeholders as ‘top priorities’:

<table>
<thead>
<tr>
<th>CEB Development Plan - lines of action</th>
<th>CEB Materiality - top priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inclusive growth</td>
<td>Inclusive economic growth</td>
</tr>
<tr>
<td>Environmental sustainability</td>
<td>Climate mitigation &amp; adaption</td>
</tr>
<tr>
<td>Support for vulnerable groups</td>
<td>Support for vulnerable groups &amp; human rights</td>
</tr>
</tbody>
</table>
In addition, the exercise also shed light on the importance of issues related to governance and ethics, e.g. compliance, anti-corruption, reporting and transparency, gender and women’s empowerment.

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

Stakeholders underlined the importance of the UN SDGs and want the CEB to contribute to them.

To learn more about the CEB’s materiality assessment, see items 102-46 and 102-47 below.

102-41 Percentage of total employees covered by collective bargaining agreements

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

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

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

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

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

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

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

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

The Joint Committee is a consultative organ in charge of facilitating cooperation between the Administration and staff on questions of a general nature. It may be consulted by the Governor or by the Staff Committee accordingly. It also gives its opinion on measures for the termination of service, as provided for in the Regulations on indemnity for loss of job.
Approach for determining Materiality
Over the course of 2019, the Bank performed a materiality assessment, engaging with internal and external stakeholders in order to map out different pre-defined sustainability issues according to their individual importance. For the CEB’s materiality assessment, participants had to rate each issue for two different aspects:

- Importance according to their own view (‘Importance to Stakeholders’),
- Their perception of where the CEB can be most impactful (‘CEB Impact’).

Supported by Deloitte France at all stages, the project followed good practice and a robust materiality methodology, along the following steps:

1. **Issue list:** A list of 16 potentially material issues was developed based on a desk review, e.g. SASB, GRI, SDGs, ISS-ESG and Sustainalytics, and Deloitte expertise. The 16 identified issues were grouped into four categories: Operations, Employees, Governance & Ethics and Project Impact.

2. **Insights gathered:** An online survey was sent to internal and external stakeholders. A similar set of questions was discussed during interviews with the CEB’s top management. Overall, 79 stakeholders shared their insights with the CEB.

3. **Materiality analysis:** The data was collected with Deloitte’s survey tool, and converted into a materiality tool customised to the CEB that allows for mapping of these issues (see the figure below). Based on the findings, the consultant developed recommendations.

The 16 material topics identified were the following:

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

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

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

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

The stakeholders’ assessments of the relevance and importance of these topics to the CEB are summarised in the materiality matrix depicted below.
Figure – The CEB’s materiality matrix

For more information on the assessment methodology used, see the main body of the 2019 CSR Report.

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

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

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

102-48 Restatements of information
In the overview of Social Impact Bonds on page 14 of the CSR Report 2019, the figure for ‘Total Project Financing leveraged’ was incorrectly stated with € 4.3 billion. The correct figure is € 4.9 billion. We apologise for this mistake.

102-49 Changes in reporting
While the title of the annual report has changed from CSR Report to Sustainability Report with this 2020 edition, it has not impacted the content items touched upon for the report.

102-50 Reporting period
The CEB reports on a calendar year basis, from 1 January to 31 December. This report covers the year 2020.

102-51 Date of most recent previous report
April 2020.
102-52 Reporting cycle
Annual.

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

102-54 Claims of reporting in accordance with the GRI Standards
‘This report has been prepared in accordance with the GRI Standards: Core option’

102-55 GRI content index
The GRI Index 2020 is available on the Bank’s website. The CEB’s full report, including the GRI Index, is also available on the GRI Sustainability Disclosure Database.

102-56 External assurance
The CEB does not seek external assurance for its sustainability reporting. The 2019 materiality assessment was performed with the support of Deloitte France.

103-1 Explanation of the material topic and its boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach
In 2019, the CEB completed a full materiality assessment which largely supported the Bank’s management approach, as outlined in 102-44, 102-46 and 102-47. The management approach for issues deemed material is presented individually in the chapters on ‘Operational Impacts’ and ‘Corporate Impacts’ below.
Specific Disclosures

OPERATIONAL IMPACTS

ECONOMIC – GRI 200

ECONOMIC PERFORMANCE – GRI 201

Management approach

The CEB provides loans to co-finance projects in any of its 42 member states, in accordance with its social mandate. Potential borrowers include governments, regional or local authorities, and public or private financial institutions and banks. Benefitting from its excellent rating (AAA outlook stable with Standard & Poor’s, AAA outlook stable (unsolicited) with Scope Ratings, Aa1 outlook stable with Moody’s, and AA+ outlook stable with Fitch Ratings\(^2\)), the CEB has access to the most favourable funding conditions on the international capital markets, which enables the Bank to offer attractive interest rates to its borrowers. Along with its peers, the CEB faces a challenging economic and financial operating environment that generate a reduction of its net profit, while remaining in line with the Bank’s expectations.

201-1 Direct economic value generated and distributed

See the 2020 Financial Report (including the Key Figures and the Financial Summary) for extensive information.

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

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

201-4 Financial assistance received from government

The CEB is owned by its 42 member states. In accordance with its Articles of Agreement, the CEB’s capital is subscribed by the member states. The CEB may borrow on the capital markets to raise the funds necessary for fulfilling its mandate. In certain cases, it may be entrusted with funds from member states, the Council of Europe and, subject to certain requirements, third parties (such as the EU) to implement activities supporting its mandate.

\(^2\) On 29 July 2020, Fitch Ratings changed the outlook of its rating from ‘positive’ to ‘stable’. Scope Ratings started assessing the CEB in 2020.
MARKET PRESENCE – GRI 202

Management approach

As an international organisation with 42 member states and active business relations with most of its member countries, the CEB aims for diversity of nationalities (from its member states) for its senior management team.

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

Not applicable. See the CEB’s salary scale.

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

In 2020, 33 out of 42 CEB member countries were represented among the 209 staff members. Out of the 15 people in senior management positions, i.e. Governor, Vice-Governors and director level, three are from France, the CEB’s host country, three from Italy, two from Germany, and one each from Belgium, the Czech Republic, Luxembourg, the Netherlands, Norway, Spain and Turkey.

INDIRECT ECONOMIC IMPACT – GRI 203

Management approach

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

203-1 Infrastructure investments and services supported

Most CEB investments are in physical infrastructure projects but it can also support “soft” investments in supporting equipment and services, such as access to vocational training schemes. For a detailed sector breakdown of financing provided by the CEB, see the main body of the Sustainability Report.

203-2 Significant indirect economic impacts

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

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

ANTI-CORRUPTION – GRI 205

Management approach

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

205-1 Operations assessed for risks related to corruption

On average, the bank’s compliance function conducts specific investigations into less than five claims of corruption related to CEB-financed operations per year.

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

Each year, OCCO delivers a mandatory induction class to newly recruited staff members. OCCO issued two newsletters for staff in 2020, with topics mainly covering increased and new risks arising from the teleworking environment.

For the second year in a row, the CEB joined its peers in the international community in marking International Anti-Corruption Day on December 9th. The Governor addressed all the employees, reconfirming the CEB’s determination to fight corruption. This ‘tone from the top’ goes hand in hand with staff training and awareness raising. OCCO has procured a Learning Management System for e-learning and access to a comprehensive e-library that will amplify the training, awareness raising and information on numerous compliance topics, including anti-corruption.

205-3 Confirmed incidents of corruption and actions taken

None.

ANTICOMPETITIVE BEHAVIOUR – GRI 206

206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices

None.

TAX – GRI 207

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

The CEB is an international organisation. Pursuant to its constitutive treaty, the Third Protocol to the General Agreement on Privileges and Immunities of the Council of Europe, the CEB and its assets, income and other property are exempt from all direct 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.

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

In 2014, the CEB enshrined this commitment by means of a Policy on Non-Compliant/Uncooperative Jurisdictions approved by its Administrative Council. In light of developments that have occurred since then, the CEB upgraded this Policy in 2019 in order to reflect the latest developments in the area of tax good governance and transparency, fair taxation, base erosion and profit shifting (BEPS), in alignment with the
CEB’s peer group of multilateral development banks. The updates place emphasis on the rationale for the
tax good governance principles promoted by the EU, and the OECD Global Forum on transparency and
Exchange of Information for Tax Purposes. In particular, the 2019 update of the CEB’s Policy on Non-
Compliant/Uncooperative Jurisdictions introduced immediately applying the EU list of non-compliant
jurisdictions for tax purposes. Assessment of concerns related to tax standards is part of the integrity due
diligence performed by the CEB’s services.

The procedures for assessing the projects and entities that cover the tax avoidance and prohibitions of the
entities established in non-compliant/uncooperative jurisdictions are set out in CEB’s Integrity Due Diligence
Guidelines and Procedures, and in an internal tool for procedure description.

Each of the CEB’s potential counterparties is subject to the Compliance Risk Assessment. This assessment
encompasses integrity due diligence checks and assessment that include past or current issues related to tax
avoidance or tax evasion or other tax harmful practices. In addition, the assessment also covers the country
where the counterparty is established/has its headquarters or operates from.

In addition, the projects and treasury operations are assessed and analysed on multiple levels, starting from
identification within the Loans & Social Development Directorate, credit risk analysis and integrity due
diligence.

The 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 Development and Project Committee, and finally approved by the Administrative Council.

In addition, each counterparty - borrower, country or brokers - is reviewed annually by the Credit Risk Committee. The Office of the Chief Compliance Officer provides a Compliance Risk Assessment for each counterparty.

ENVIRONMENTAL – GRI 300

Management approach (Materials 301 – Energy 302 – Water and Effluents 303 – Biodiversity 304 –
Emissions 305 – Waste 306 – Environmental Compliance 307 – Supplier Environmental Assessment 308)

The CEB assesses the environmental impact of the projects it finances. The Bank’s management approach to
these issues is framed through the relevant applicable policies such as the Environmental and Social
Safeguards Policy, the Loan and Project Financing Policy, the Handbook for the Preparation and
Implementation of Projects, and the Procurement Guidelines. Taking the examples of Biodiversity GRI 304
and Emissions GRI 305, the paragraphs below provide insights into how the CEB assesses project impacts on
environmental issues.

BIODIVERSITY – GRI 304

Management approach (additional information)

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

304-3 Habitats protected or restored

In accordance with its Loan and Project Financing Policy, the CEB may finance projects that aim to protect
and develop biodiversity (e.g. ecological corridors).
EMISSIONS – GRI 305

Management approach (additional information)
The issue of project greenhouse gas emissions is addressed in the CEB’s Environmental and Social Safeguards Policy (section 2.4). The CEB applies greenhouse gas emission (GHG) screening to all projects proposed for CEB financing to establish a preliminary estimate of the expected GHG emissions from a project and, in the case of mitigation projects, the relative decrease in GHG emissions. The screening methodology distinguishes three levels of CO₂ equivalent emissions:

- High: > 20 000 tonnes CO₂
- Medium: 10 - 20 000 tonnes CO₂
- Low: <10 000 tonnes CO₂

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

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

305-2 Energy indirect (Scope 2) GHG emissions
305-3 Other indirect (Scope 3) GHG emissions
305-4 GHG emissions intensity
305-5 Reduction of GHG emissions
305-6 Emissions of ozone-depleting substances (ODS) 15
305-7 Nitrogen oxides, sulfur oxides, and other significant air emissions

See the section ‘Financing for climate action’ in the main body of the Annual Sustainability Report.

SOCIAL – GRI 400

HUMAN RIGHTS ASSESSMENT – GRI 412

Management approach
Although the CEB has a separate legal identity and full financial independence, as a partial agreement of the Council of Europe, it nevertheless operates under the Council of Europe’s “supreme authority” (Article I “Establishment of the Bank” of the CEB’s Articles of Agreement). The Council of Europe 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, held at the highest political level of Heads of State and Government, have each given new impetus to the CEB’s action and contributed to shaping its current identity as the social development bank 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.
Thus, acting within the framework of the Council of Europe, the CEB supports its principles, values and overall objectives. The Bank’s approach in terms of social responsibility draws upon the principles enshrined in the Council of Europe’s Convention for the Protection of Human Rights and Fundamental Freedoms and European Social Charter.

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

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

In accordance with 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 under the CEB loan regulations and/or demand early reimbursement of disbursed amounts.

LOCAL COMMUNITIES – GRI 413

Management approach
413-1 Operations with local community engagement, impact assessments and development programs
413-2 Operations with significant actual and potential negative impacts on local communities

Loans to local communities can be made on a direct basis or via on-lending through a financial institution. Given the specificity of the CEB’s overarching social mission, the Bank’s loans are to be considered for the most part and in more general terms as resulting in tangible “community engagement”, since the final beneficiaries of CEB loans are members of local communities in the Bank’s member states.

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

Over the course of 2020, fewer than five complaints with the potential to trigger some negative impacts on local communities were brought to the Bank’s attention. The Bank continued closely to monitor the process, and attended the monitoring review on one case first filed by a civil society organisation in 2018.

PUBLIC POLICY – GRI 415

Management approach
415-1 Political contributions

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

SOCIO-ECONOMIC COMPLIANCE – GRI 419

Management approach

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

419-1 Non-compliance with laws and regulations in the social and economic area

None.
Specific Disclosures

CORPORATE IMPACTS

ECONOMIC – GRI 200

ECONOMIC PERFORMANCE – GRI 201

Management approach
201-3 Defined benefit plan obligations and other retirement plans

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

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

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

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

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

ENVIRONMENTAL – GRI 300


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 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 up a more comprehensive Environmental Management System (e.g. responsibilities, timeline, KPIs) to reduce its environmental impact and increase its operating efficiency. In 2019, this was supplemented by the Governor’s Environmental Statement, laying out specific areas for improvement and goals.
At end 2020, a working group made up of the CEB’s teams for facility management, procurement 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 with:

- Drafting sustainable a procurement policy and procedure and phasing in of sustainable selection criteria where appropriate (led by CEB procurement)
- Switching to renewable electricity for the Paris office (led by CEB facility management),
- Identifying a suitable carbon offsetting mechanism (led by CEB corporate responsibility).

Most of this work will be carried out over the course of 2021.

### MATERIALS – GRI 301

#### 301-1 Materials used by weight or volume

In 2020, the CEB used 3.00 tonnes of office paper (FSC quality), compared to 5.67 tonnes in 2019, 6.62 tonnes in 2018 and 7.25 tonnes in 2017. The large decrease in paper used is also due to staff working from home due to the COVID-pandemic.

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

#### 301-2 Recycled input materials used
#### 301-3 Reclaimed products and their packaging materials

As a non-physical service provider, the CEB is not concerned by this topic.

### ENERGY – GRI 302

#### Management approach (additional information)

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

#### 302-1 Energy consumption within the organisation

Energy consumption by type over 2017 - 2020

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity* (MWh)</td>
<td>862</td>
<td>788</td>
<td>705</td>
<td>741</td>
</tr>
<tr>
<td>Heating (tonnes of steam)</td>
<td>1 245</td>
<td>1 162</td>
<td>1 094</td>
<td>892</td>
</tr>
<tr>
<td>Cooling (MWh cold)</td>
<td>36.8</td>
<td>33.6</td>
<td>38.7</td>
<td>31.1</td>
</tr>
<tr>
<td>Fuel** (litres)</td>
<td>3 458</td>
<td>4 118</td>
<td>2 934</td>
<td>782</td>
</tr>
</tbody>
</table>

* To adapt the footprint to most the staff working from home, electricity consumption of IT equipment (e.g. computers at home) was included in the 2020 assessment for electricity. Assumption: 2/3 of staff working from home. ** CEB service vehicles

#### 302-2 Energy consumption outside of the organisation

The CEB being an organisation located in a single building, energy consumption outside the CEB mainly stems from business travel (see GRI 305).
302-3 Energy intensity

The CEB being a non-physical service provider, the energy intensity ratio is presented per employee (where the number of employees is 209), and also per square metre (where the total office space is 7675 m²). Office space up until 2019: 7600 m².

To calculate the two energy intensity ratios below, the electricity consumed was taken as a basis (i.e. heating and cooling is excluded). Energy intensity 2017 – 2020:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy intensity (kWh / employee)</td>
<td>4 376</td>
<td>3 826</td>
<td>3 424</td>
<td>3 564</td>
</tr>
<tr>
<td>Energy intensity (kWh / m²)</td>
<td>113</td>
<td>104</td>
<td>93</td>
<td>96</td>
</tr>
</tbody>
</table>

302-4 Reduction of energy consumption

Figure – 13% reduction in energy consumption over the period 2017-2020, electricity (kWh)

To adapt the footprint to most the staff working from home, electricity consumption of IT equipment (e.g. computers at home) was included in the 2020 assessment for electricity. Assumption: 2/3 of staff working from home.

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

Municipal water use: 2 672 m³ in 2020, compared to 2 250 m³ in 2019, 2 250 m³ in 2018 and 2 595 m³ in 2017. The increased water use in 2020 was mainly due to increased sanitary and hygiene measures, and the first full year of using water dispensers to replace plastic water bottles.
**303-4 Water discharge**

**303-5 Water consumption**

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

- Approximate volume of water discharges: around 2 140 m\(^3\) in 2020 (2019: 1 800 m\(^3\), 2018: 1 800 m\(^3\), 2017: 2 000 m\(^3\))
- Destination of water discharge: municipal water treatment plant
- Quality of water discharges: domestic waste water
- The water discharges will be used again in the municipal water system

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**EMISSIONS – GRI 305**

**Management approach (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 metrics) which feed into the environmental management approach.

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

The methodology used for assessing the GHG emissions follows version 8.4 (2020) of Bilan Carbone\(^6\), the official French methodology for calculating the GHG emissions of organisations according to the latest international references (GHG Protocol, ISO 14069, Carbon Disclosure Project etc.).

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

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

The base year for 305-1, 305-2, 305-3 and 305-4 is 2020.

**305-1 Direct (Scope 1) GHG emissions**

Gross direct (Scope 1) GHG emissions: 2.2 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: 160 tonnes of CO\(_2\) equivalent.

The CEB’s gross location-based energy indirect GHG emissions are associated with the electricity consumption (42t CO\(_2\) eq) and the municipal heating and cooling systems (118t CO\(_2\) eq).

**305-3 Other indirect (Scope 3) GHG emissions**

Gross other indirect (Scope 3) GHG emissions: 174 tonnes of CO\(_2\) equivalent.

The CEB’s gross other indirect GHG emissions are mainly associated with the goods and services bought and used by the organisation, business travel, employee commuting and IT equipment.

The CEB’s office building assets are not taken into account as the building dates back to the 19th century. The 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 209). All types of GHG emissions are included (i.e. scopes 1, 2 and 3).

2020 GHG emissions intensity ratio for the organisation: 1.6 CO\textsubscript{2eq}/employee, based on the Bilan Carbone methodology (2019: 4.2 CO\textsubscript{2eq}/employee).

305-5 Reduction of GHG emissions

<table>
<thead>
<tr>
<th>Scope</th>
<th>GHG sources</th>
<th>2016</th>
<th>2017*</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>Own service vehicles</td>
<td>33</td>
<td>10</td>
<td>12</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>Scope 2</td>
<td>Heating &amp; cooling</td>
<td>139</td>
<td>187</td>
<td>175</td>
<td>145</td>
<td>118</td>
</tr>
<tr>
<td></td>
<td>Electricity consumption</td>
<td>48</td>
<td>65</td>
<td>59</td>
<td>40</td>
<td>42**</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Business travel, incl. taxi</td>
<td>616</td>
<td>507</td>
<td>561</td>
<td>466</td>
<td>61</td>
</tr>
<tr>
<td></td>
<td>Home-to-work commuting</td>
<td>44</td>
<td>76</td>
<td>84</td>
<td>80</td>
<td>28***</td>
</tr>
<tr>
<td></td>
<td>Paper &amp; consumables</td>
<td>9</td>
<td>88</td>
<td>92</td>
<td>88</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>Waste &amp; water disposal</td>
<td>4</td>
<td>7</td>
<td>7</td>
<td>33</td>
<td>12***</td>
</tr>
<tr>
<td></td>
<td>IT equipment</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td>5</td>
<td>8</td>
</tr>
</tbody>
</table>

* Since 2017, a new methodology has been used to calculate GHG emissions. For more information, see the CEB’s CSR Report 2017, page 29. ** To adapt the footprint to most the staff working from home, electricity consumption of IT equipment (e.g. computers at home) was included in the 2020 assessment for electricity. *** The emissions were calculated from estimated values based on estimated office occupation. The occupation was estimated at 1/3 of its maximum capacity.

306-1 Waste generation and significant waste-related impacts

The CEB, as a service sector company, mainly generates office related waste and manages it with the aim to recycle as much as 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). By the start of 2020, the scheme was fully operational, and later in the year new vending machines were introduced in the cafeteria that offer snack and lunch options in reusable glass containers, instead of paper and plastic wrapping.

306-2 Management of significant waste-related impacts

306-3 Waste generated

306-5 Waste directed to disposal


306-4 Waste diverted from disposal

In 2020, the waste streams captured and recycled with the help of the socially responsible enterprise, Le Petit Plus were the following:

- Paper, paper towels and paperboard: 357 Kg
- Plastic bottles and cups: 230 Kg
- Coffee capsules: 44 Kg
- Glass: 28 Kg
SUPPLIER ENVIRONMENTAL ASSESSMENT – GRI 308

Management approach

The organisation’s supply chain for its own operational needs is governed by the Guidelines on the Internal Procurement of Services, Supplies and Works by the CEB. The related Internal Procurement Procedures were updated in 2017.

In addition to this, the Environmental and Social Safeguards Policy which is complemented by the Environmental Statement of 26 July 2019, underlines the importance of enhancing environmental and social considerations in procurement decisions for the Bank’s own operational needs.

At end 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 with drafting a sustainable procurement policy and procedure and phasing in of sustainable selection criteria where appropriate.

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

As a non-physical service provider, the CEB’s ‘negative impact’ from its supply chain, as explained above, is mainly limited to its energy consumption, travel, paper and office materials bought, and waste produced.

For the actions taken on those items in the course of 2020, see the main body of the 2020 Sustainability Report.

SOCIAL – GRI 400

EMPLOYMENT – GRI 401

Management approach

The Bank supports measures that help maintain and develop its staff members. When staff members join the CEB, they are immediately considered as part of their teams and benefit from the same resources in terms of training and guidance on their development needs as any other staff member, regardless of their contract type or grade. In 2020, 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 years (10 years for men and 11 years for women).

The CEB also seeks to attract talented people through a recruitment process and procedures which provide clarity, dialogue, transparency, contractual clarification and flexibility. The recruitment process at the Bank follows different steps including preliminary selection, assessment, and interviews. Newly hired staff members also participate in an induction session to help them integrate the Bank smoothly and meet their peers.

401-1 New employee hires and employee turnover

The turnover is defined as the total number of Bank staff leaving the organisation in a given financial year divided by the total population in the same year. In 2020, the CEB’s turnover rate was 7.23%. The CEB’s low turnover is rather similar to other international organisations with similar contractual policies.

Any national of one of the Bank’s member states may apply for employment. Nationals of countries that have joined since 1994 are particularly encouraged to apply. A total of 17 appointments were made in 2020, with only one internal competition and 16 new hires (69% women and 31% men), representing 12 different nationalities. Out of the 16 new hires, five were managerial staff (20% women and 80% men), 10 were professional staff (60% women and 40% men) and 5 were support staff (80% women and 20% men). Out of
the 15 staff departures, 12 were professional staff (75% women and 25% men) and 3 were support staff (67% women and 33% men). This low turnover rate is a consequence of the Bank having a large number of staff members on indefinite-term contracts who develop their careers at the Bank over long periods of time.

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

Part-time staff members receive the same benefits as full-time staff members.

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

401-3 Parental leave

The table below summarises 2020 data for parental leave by a total number of women and men.

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees entitled to parental leave</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Employees taking parental leave</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Employees returning to work in the reporting period after parental leave ended</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Employees returning to work after parental leave ended that were still employed 12 months after their return to work</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Return to work &amp; retention rate of employees that took parental leave</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

LABOUR/MANAGEMENT RELATIONS – GRI 402

Management approach

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

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

402-1 Minimum notice periods regarding operational changes

There is no system of collective bargaining agreements and, as stated above, the staff members’ employment-related issues are governed by the Staff Regulations and their implementing rules.

For termination notices, reference is made to Articles 17 and 23 of the Staff Regulations, and to Articles 11 and 14 of Appendix II to the Staff Regulations. As to operational changes, particular reference is made to the abolition of posts (Article 23.b.i) and internal transfers and secondments (Article 5 of Appendix II to the Staff Regulations).
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 taken into account, but staff well-being is also included in many communication and management training sessions. For many years now, the Bank has trained volunteer staff members to participate in the first aid programme and in the business continuity plan. A total of 18% of staff members are therefore trained in emergency first aid measures and fire safety. In addition, the CEB’s travel management programme provides staff members who travel for professional reasons with travel management systems and services. The CEB offers its staff 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 regular or occasional teleworking. Occasional teleworking: not exceeding 20 working days per calendar year. Regular teleworking: not exceeding 1 day per week and/or 5 days per month. Before the pandemic, 18% of staff had obtained a regular teleworking agreement, limited to one day per week, and about half of the staff had occasionally worked from home, for an average of 4.7 days per year. This drastically changed with the first lockdown in France in March, when suddenly all staff were working from home 5 days per week. It should be noted that 83% of women and 87% of men agreed or strongly agreed that during the pandemic, their immediate manager had given them the flexibility they needed to carry out their work without compromising their personal life. Furthermore, all staff were offered a workshop and individual advice on home office ergonomics, and a stress management webinar. Teleworking guidelines were shared with staff to help them in setting up good practices while maintaining their physical and mental wellbeing.

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

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

403-3 Occupational health services

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

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

The Health and Safety Committee is composed of:

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

The Health and Safety Committee may, with the Governor’s consent, consult any qualified person within or outside the CEB. The CEB provides services such as external psychological support via the Bank’s medical insurance and consultations, upon request, with the CEB’s medical doctor. Staff is invited to do an occupational health check up every other year.

403-5 Worker training on occupational health and safety

403-6 Promotion of worker health

Please see the main body of the Report.
403-9 Work-related injuries
403-10 Work-related ill health

Staff members may be on uncertified leave for health reasons for up to 4 days per year. They may also benefit from 6 days per child to take care of their children under the age of 16 (subject to medical certificates under certain conditions). The total period of absence for health reasons cannot exceed 36 months (or until stabilisation of the staff member’s state of health in 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 3 days per year for each case).

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

As at 31 December 2020, the rate of short-term absenteeism stood at an average of 8.8 days per staff member per year for short-term illnesses.

Only 0.9% of staff were on long-term illness, which is below the 5% key performance indicator.

Table - Accident frequency rate

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 accident * 200 000 / 206 staff * 37.5h * 50 weeks</td>
<td>5 accidents * 200 000 / 209 staff * 37.5h * 50 weeks</td>
</tr>
<tr>
<td></td>
<td>= 0.518</td>
<td>= 2.552</td>
</tr>
</tbody>
</table>

TRAINING AND EDUCATION – GRI 404

Management approach

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

404-1 Average hours of training per year per employee

In 2020, on average, staff members spent 3.6 days in training – about the same time for women and for men.

404-2 Programs upgrading employee skills and transition assistance programmes

Constant changes in the outside environment impact each and every organisation: there is therefore a need for adjusted training and development to help the workforce remain competitive and respond quickly to these changes. The CEB has organised an increasing amount of in-house inter-disciplinary team training in technical and communication areas, thereby enhancing knowledge transfer and team cooperation. Staff members’ training and development are fundamental to keeping the workforce engaged and ready to face future challenges. In 2020, 67% of staff participated in training, whether language, technical, core competencies (soft skills) or health and safety. 20% of training participants followed core competency training while 35% followed language training, 10% followed technical training and 35% followed health and safety training. The CEB also offers its staff members the opportunity to follow a specialty certification programme enabling them to reinforce their knowledge or acquire life-long education certificates.

The CEB aims to keep its staff employable and flexible through targeted staff development. The appraisal system, which includes both performance and development reviews, enables the Human Resources teams to move towards a more strategic partnership with both managers and staff by keeping abreast of needed skillsets, identifying job bridges and building better customised and efficient training paths. During the development review, the technical and behavioural competencies of staff members are assessed by the managers.
404-3 Percentage of employees receiving regular performance and career development reviews

All staff members no longer in their probationary period must undergo both an annual performance review and a development review. Staff members in their probationary period must undergo more frequent performance reviews.

**DIVERSITY AND EQUAL OPPORTUNITY – GRI 405**

Management approach

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

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

a. **Gender**: In the event of equal merit between a woman and a man, both of whom are candidates in an external recruitment or internal competition procedure, preference shall be given to the candidate of the gender which is under-represented in the grade and category to which the vacancy belongs. One gender is under-represented in relation to the other when the proportion of staff of that gender in the grade and category to which the vacancy belongs is below 40 percent. Although women are generally well represented at the Bank, efforts are undertaken to enhance the representation of women at senior levels and in management positions.

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

405-1 Diversity of governance bodies and employees

While the concept of “diversity” covers a wide variety of individual and cultural characteristics, the CEB’s main areas of focus, as is generally the case with other international organisations, are on national diversity and gender.

At 31 December 2020, 33 out of 42 CEB member countries were represented among the 209 staff members. In terms of gender, as at 31 December 2020, the CEB had one female Vice-Governor (25% of its appointed officials) and three women (20%) on its Management team.

The Bank’s workforce is made up of 209 staff members (97 men - 46% and 112 women - 54%). Of the 209 staff members, 144 are professional staff (81 men - 56% and 63 women - 44%) and 65 are support staff (16 men - 25% and 49 women - 75%).
Each country is also represented on the Governing Board and on the Administrative Council. The Administrative Council and the Governing Board are both currently chaired by women.

### Table - Geographical breakdown per employee / staff nationality

<table>
<thead>
<tr>
<th>Staff nationality</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
<th>Share in workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1.0%</td>
</tr>
<tr>
<td>Belgium</td>
<td>4</td>
<td>4</td>
<td>8</td>
<td>3.8%</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>1.0%</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1.0%</td>
</tr>
<tr>
<td>Croatia</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1.0%</td>
</tr>
<tr>
<td>Cyprus</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1.0%</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1.0%</td>
</tr>
<tr>
<td>Estonia</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1.0%</td>
</tr>
<tr>
<td>Finland</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>1.0%</td>
</tr>
<tr>
<td>Germany</td>
<td>5</td>
<td>12</td>
<td>17</td>
<td>8.1%</td>
</tr>
<tr>
<td>Greece</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>2.9%</td>
</tr>
<tr>
<td>Hungary</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1.4%</td>
</tr>
<tr>
<td>Ireland</td>
<td>4</td>
<td>4</td>
<td>8</td>
<td>3.8%</td>
</tr>
<tr>
<td>Italy</td>
<td>14</td>
<td>10</td>
<td>24</td>
<td>11.5%</td>
</tr>
<tr>
<td>Latvia</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>1.0%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>1.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>112</td>
<td>97</td>
<td>209</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Table - Governing Board composition including the Chairperson, as at 18 January 2021

<table>
<thead>
<tr>
<th>Gender</th>
<th>Professional background</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>28</td>
<td>14</td>
</tr>
<tr>
<td>35</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

Pending nomination: 1

### Table - Administrative Council composition including the Chairperson, as at 18 January 2021

<table>
<thead>
<tr>
<th>Gender</th>
<th>Professional background</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>26</td>
<td>14</td>
</tr>
<tr>
<td>28</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>6</td>
</tr>
</tbody>
</table>

Pending nominations: 3

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

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

The simple average grade level of men is grade A3 step 4 (€ 8 728), while for women, the average grade level is A1 step 6 (€ 5 872) per month.

The median grade level of men is grade A3 step 6 (€ 9182), while for women, the median grade level is A2 step 1 (€ 6 522) per month.

The complete CEB salary scale is accessible online.
Management approach

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

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

406-1 Incidents of discrimination and corrective actions taken

No incident of discrimination filed.