



Sustainability Report 2022



Sustainability Report

2022



About the CEB

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2-6* The Council of Europe Development Bank (CEB) is a multilateral development bank with a unique mission to promote social cohesion throughout Europe.

The CEB finances investment in social sectors, including education, health and affordable housing, with a focus on the needs of vulnerable people. Borrowers include governments, local and regional authorities, public and private banks, non-profit organisations and others. As a multilateral bank with an excellent credit rating, the CEB funds itself on the international capital markets. It approves projects according to strict social, environmental and governance criteria, and provides technical assistance. In addition, the CEB receives funds from donors to complement its activities.

The CEB has 42 member states. It was established as a partial agreement of the Council of Europe, but is legally and financially separate from it. The CEB is Europe's oldest multilateral development bank, having started out as a refugee resettlement fund in 1956.

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

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Highlights of 2022

- Strong assessments by leading environmental, social and governance (ESG) rating agencies end-2022.
- The CEB continued to lend to a wide range of projects, in response to the Ukraine refugee crisis and otherwise, that benefit social cohesion and serve the most vulnerable across Europe.
- Largest funding programme to date with €6 billion issued, including a record 34% of it in Social Inclusion Bonds targeted to support refugees from Ukraine. Furthermore, the CEB became a member of the Nasdaq Sustainable Bond Framework (NSBN) and received the “2023 Best ESG issuer” award by CMDportal.
- New CEB Strategic Framework 2023-2027, backed by a maximum of €4.25 billion increase in subscribed capital, of which up to €1.2 billion paid-in.
- 2030 Agenda for Sustainable Development: all 149 CEB projects approved since 2020 screened against ten key SDGs.
- First year of implementation of the CEB’s Paris alignment framework and phased roadmap, including the definition of a methodology for aligning the Bank’s direct lending operations approved from 2023 onwards with the objectives of the Paris Climate Agreement. In 2022, the CEB also performed climate change due diligence for all 36 approved projects.
- Preparations have progressed for a new (forthcoming 2023) climate & financial disclosure report according to the TCFD recommendations, expanding CEB’s cross-cutting sustainability reporting framework. The Bank published its Integrity and Compliance Report 2021 for the first time.
- Work begins on preparing a Green and Social Procurement Implementation Strategy.
- New CEB Diversity and Inclusion Group to promote a cohesive working environment.

Key financial data at end-2022 (in € billion)

Projects approved	Loans disbursed	Loans outstanding	Equity	Issuance	Total assets
4.2	3.5	19.9	3.4	6.0	31.5

Key extra-financial data at end-2022

Human Resources				The CEB’s own carbon footprint
211 permanent staff members and four appointed officials (Governor and three Vice-Governors)	33 nationalities	54% female	46% male	Total greenhouse gas emissions: 501 tonnes CO ₂ eq. or 2.4 tCO ₂ / employee

Carbon footprint of projects approved (tonnes of CO₂ eq. per year)

	2018	2019	2020	2021	2022
Absolute emissions from projects approved	70 000	50 000	#	110 000	52 000
Emission savings from mitigation projects approved	-170 000	-130 000	-30 000	-65 000	-110 000

Note that in 2020, the CEB approved only a small number of projects for which there was sufficient data to assess their carbon footprint, leading to non-comparable data with previous years.

Climate action financing

	2018	2019	2020	2021	2022
in € million	629	1 037	798	525	867
in % of total approved	16%	26%	13%	13%	20%

Message from the Governor

Sustainability and the social agenda

The Council of Europe Development Bank (CEB) invests in projects with a strong social impact. Whether in the areas of affordable housing, education, healthcare or assistance to refugees, our borrowers rely on the Bank for support and advice as they develop their projects.



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“Sustainability” is embedded in the CEB’s work because it is integral to the Bank’s social mandate.

The success of those projects relies on ensuring impeccable standards in how the CEB governs its internal procedures as an institution, the choice of projects it invests in and how it engages with its shareholders and stakeholders. These standards are as much about integrity, transparency and accountability in business transactions, as about the contribution CEB-supported operations make towards social, and environmental goals. They are also essential for building public trust, which is so important for social cohesion; as a multilateral development bank, the CEB must lead by example and rigorously apply environmental, social and governance (ESG) standards right across the board.

In this light, the very positive assessments of the CEB’s “non-financial” performance by the world’s leading ESG rating agencies for 2022 is testimony to its commitment. It adds to the clear vote of confidence the CEB received from its member states when they agreed to a historic increase in the Bank’s capital base in December 2022.

But more than simply meeting high standards, the CEB endeavours to promote them. “Sustainability” is embedded in the CEB’s work because it is integral to the Bank’s social mandate. This is evident in the Bank’s approach to climate change, for instance, which is an urgent priority for Europe, as confirmed yet again by the International Panel on Climate Change in 2022, a year in which several climate-related events cost lives and human suffering. The Bank understands that climate change affects lower-income and vulnerable people disproportionately, and is committed to do its utmost to ensure that the climate transition should leave no one behind. We also believe that just as the climate emergency exacerbates inequalities, so addressing inequality can help strengthen climate action.

Sustainability can be advanced by harnessing this social inclusion-climate change nexus, which is a core principle in guiding the Bank's operations as emphasised in its [Strategic Framework 2023-2027](#). The CEB's approved projects in 2022 demonstrate the effectiveness of this approach, such as loans for affordable, low-energy housing in Germany and Lithuania, for instance, which prioritise vulnerable families and help achieve emission reductions, too.

The CEB strongly supports the UN Sustainable Development Goals (SDGs) and the Paris Agreement on climate change, both agreed in 2015, and through its social mission, will continue to bolster member states' efforts on these fronts.

In 2022 the Bank approved its first three grants totalling €1.3 million from the Green Social Investment Fund (GSIF), set up in 2020 to help accelerate transition. It performed climate change due diligence on all newly approved projects, of which a third made a strong contribution to climate mitigation in addition to social inclusion. Moreover, as well as systematically estimating the carbon footprint of its projects, the CEB has started rolling out a roadmap to activate its [2021 Paris alignment framework](#), thus connecting social inclusion more closely with the climate agenda.

The CEB's attention since February 2022 has been absorbed by Russia's aggression against Ukraine, which is causing a heavy loss of life and has already forced millions of people to flee their homes. The CEB promptly responded by providing grants and loans to help meet the immediate needs of refugees in areas such as healthcare, shelter, education and other social imperatives. To help finance this response, the Bank issued EUR 1 billion in Social Inclusion Bonds in April, and USD 1 billion in June; in fact, social bond issuance accounted for a record 34% of the CEB 2022 funding programme.

The CEB is therefore very well-placed to promote sustainability by leveraging the growing interest in socially responsible investments on international capital markets. The CEB's [Social Inclusion Bond Framework](#) updated in March is becoming a reference and in October the CEB joined the Nasdaq Sustainable Bond Network (NSBN), a global information collection tool for social and sustainability bond issuers and investors, which will further CEB's commitment to provide transparency and disclosure to investors.

Paris, 1 March 2023

Carlo Monticelli



Sustainability at the CEB

“Sustainability” refers to the way the CEB delivers on its social mandate, so as to make a lasting positive impact on people, especially the most vulnerable, on society and on the planet.



A cross-cutting approach to sustainability

Sustainability is embedded in all the CEB's activities, **from its core business to its internal operations**, taking into account both the CEB's mission to promote social cohesion in Europe by financing projects that serve vulnerable people, and its own means and resources.

The CEB helps lead the global trend towards a just and socially inclusive climate transition in its 42 member states.

Furthermore, the CEB commits to be **transparent and accountable**, and to conduct its business according to the highest standards of integrity and compliance.

To implement and further mainstream sustainability in both financing activities and internal operations, the CEB relies on a **comprehensive and integrated operational framework**. Of note:

- The **Strategic Framework 2023-2027**, approved by the Governing Board in December 2022, will set the course for supporting inclusive, resilient and sustainable economies and societies over the next five years. This will be consistently reflected in the CEB's major corporate policies at operational level.
- The CEB addresses sustainability both on impacts inward, i.e. how the Bank could be affected by sustainability issues, and on impacts outward, i.e. how the CEB impacts society, the environment and ultimately people's lives. Together, these two impacts constitute the CEB's approach to "double materiality".
- The CEB's drive towards sustainable development rests on four pillars: **complying with ESG** (environmental, social and governance) criteria at corporate level; **ensuring environmental and social safeguards** at project level; **addressing climate change** with a people-centred focus, especially for the most vulnerable; and **contributing to the 2030 Agenda for**

Sustainable Development, in particular to a set of ten key SDGs which closely align with the CEB's social mandate.

- The different dimensions of sustainability are ingrained in the **day-to-day** activities across the CEB. As an example, the Environmental and Social Sustainability-Climate Change Unit is in charge of screening, assessing and monitoring the social and environmental risks and impacts of all projects financed by the CEB throughout the project cycle, as well as the actions of the Bank's clients to manage risks and opportunities and address impacts. In addition, Bank-wide sustainability-related issues are addressed by the Corporate Responsibility & ESG Reporting Division which leverages on an internal network of ESG correspondents, while the CEB's implementation of the Paris alignment framework and phased roadmap is coordinated by a dedicated Steering Committee and Working Group.
- The CEB seeks to **engage with a diverse range of stakeholders**.
- The CEB regularly **monitors** sustainability-related performance, risks and opportunities, and **reports** on progress according to good practices and internationally-recognised standards.

The CEB Sustainability Report elaborates on the above, providing an annual account of the implementation of this operational framework.

Managing sustainability

Managing the cross-cutting approach to sustainability as developed by the CEB involves well-defined roles and responsibilities at all levels and Bank-wide, key strategies and policies in place, clear definition of what is material, appropriate reporting and disclosures, as well as continuous stakeholder engagement.

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The Bank's governance structure

According to its Articles of Agreement, the CEB "is organised, administered and controlled" by four "organs", namely: the **Governing Board**, which *inter alia* sets out the general direction for the Bank's activity; the **Administrative Council**, which exercises the powers delegated to it by the Governing Board; the **Governor** (assisted by Vice-Governors), who is the Bank's legal representative and head of the Bank's operations and responsible for the staff under the general supervision of the Administrative Council; and the **Auditing Board**, which checks the accuracy of the annual accounts after they have been examined by an external auditor.

As at 31 December 2022, the Chairperson of the Governing Board is Ms Marinela Petrova; the Chairperson of the Administrative Council is Ms Miglė Tuskiénė; the Governor is Mr Carlo Monticelli, assisted by three Vice-Governors: Mr Tomáš Boček (Target Group Countries), Ms Sandrine Gaudin (Financial Strategy) and Mr Johannes, Mr Böhmer (Social Development Strategy). The secretariat for the CEB's governing, administrative and control organs is provided by the Secretariat of the Partial Agreement of the Council of Europe Development Bank. (See Report of the Governor 2022, from page 47)

Sustainability governance and management

At the CEB, the Governing Board together with the Administrative Council are ultimately responsible for overseeing the Bank's engagement on sustainability, both for internal operations and project financing. At management level, various directorates and offices are in charge of specific items around sustainability and ensure that the relevant dimensions of sustainability are ingrained in the day-to-day activities. The Corporate

Responsibility & ESG Reporting Division handles matters of a general and bank-wide nature, such as corporate sustainability disclosure and reporting, ESG ratings and coordination between directorates through a network of ESG Correspondents.

The list of the directorates and offices that have specific responsibilities with regards to sustainability – in alphabetical order – is as follows:

- Compliance: works 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: works on human resources, e.g. gender equality and wellbeing, and issues related to facility management, e.g. office energy consumption and waste management.
- Evaluation: works on independent evaluations of CEB-financed projects to assess their social performance and derive lessons learnt for the CEB's future work.
- Finance: works on funding the Bank's project financing on competitive terms, and accelerating the development of the social bond market, e.g. by issuing the CEB's Social Inclusion Bonds.
- General Counsel: in charge of ensuring that policy commitments in connection with sustainability (environmental and social safeguards, fraud, corruption and other prohibited practices) are consistent with the Bank's legal framework and adequately reflected in contractual instruments.

- Loans & Social Development: works 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: addresses risks touching upon the Bank's own internal operations and, and from 2022, assesses climate risk for sovereign counterparties.
- Technical Assessment & Monitoring: works with borrowers throughout the project cycle on managing risks and maximising positive impact related to social, economic, environmental and climate-related

aspects; greening project-related and CEB corporate procurement; provides advisory support for clients on sustainability aspects either directly or through external experts.

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

Key policies

At strategic level, the CEB's new Strategic Framework 2023-2027, approved by the Governing Board, sets the vision for the Bank's operations over the next five years and is intrinsically linked to social and environmental sustainability. The Paris alignment framework, and accompanying roadmap, defines the Bank's climate approach.

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

“ Managing the cross-cutting approach to sustainability as developed by the CEB involves well-defined roles and responsibilities at all levels and Bank-wide.



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Environmental and Social Safeguards (ESS) in the project cycle

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

The [Environmental and Social Safeguards Policy](#) (ESSP), which includes the need to take into account climate-related risk at project level, is applicable to all projects financed by the CEB. It is complemented by two Environmental and Social Safeguards Standards included in the [CEB Handbook for the Preparation and Implementation of Projects](#). Both documents are publicly available.

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

- Comply with appropriate social and environmental standards;
- Minimise adverse environmental and social impacts;
- Maximise social and environmental benefits, with a special focus on vulnerable groups.

While borrowers bear the ultimate responsibility for managing both the environmental aspects, including climate-related elements, and the social aspects of CEB-financed projects, the CEB's Directorate for Technical Assessment and Monitoring (TAM) is responsible for screening, assessing and monitoring the social and environmental risks and impacts of all projects financed by the Bank throughout the project cycle, and of the

actions that the Bank's clients undertake to manage those risks and address impacts. In 2022, the CEB undertook preliminary screening at the pre-appraisal stage of all project proposals submitted to the Bank; all 36 operations approved throughout the year were categorised in accordance with their project-related environmental and social risks, in line with the ESSP and associated standards and procedures.

The CEB is mandated to invest in projects that boost social inclusion and integration, while also supporting environmental sustainability and resilience. Hence, social impact is a key aspect that the CEB's services take into consideration and endeavour to enhance during appraisal, with social benefits clearly identified and substantiated for each project. TAM reviews all operations to ascertain that they will indeed generate the expected social outcomes. In addition, the CEB actively seeks out opportunities for further developing climate and non-climate-related environmental benefits associated with its projects. It does so by identifying such opportunities early in the project cycle and by supporting borrowers to undertake environmental sustainability actions wherever appropriate and feasible. The environmentally positive impacts of the projects are identified at appraisal and, if possible and feasible, are then quantified and tracked.

The CEB does not finance fossil fuel-based energy projects or projects in the transport sector other than sustainable low-carbon local public transport and local roads. As regards its support for productive activities, the CEB will continue financing solely micro, small and medium-sized enterprises (as per the EU definition). For the projects and sectors the CEB cannot finance ('exclusion list'), see the GRI Report "Strategy, Policies and Practices" (Item 2-23-e).

Double materiality, regular disclosure and transparency

The starting point for defining the Bank's material sustainability topics is to assess its impacts inwards – how the CEB could be affected by sustainability issues – and its impacts outwards – how the Bank impacts society, the environment and ultimately people's lives, both

constituting the CEB's approach to "double materiality". The Sustainability Report presents information on the topics that were assessed as material during a dedicated stakeholder outreach exercise in 2019 and slightly updated over time, e.g. considering the growing importance of

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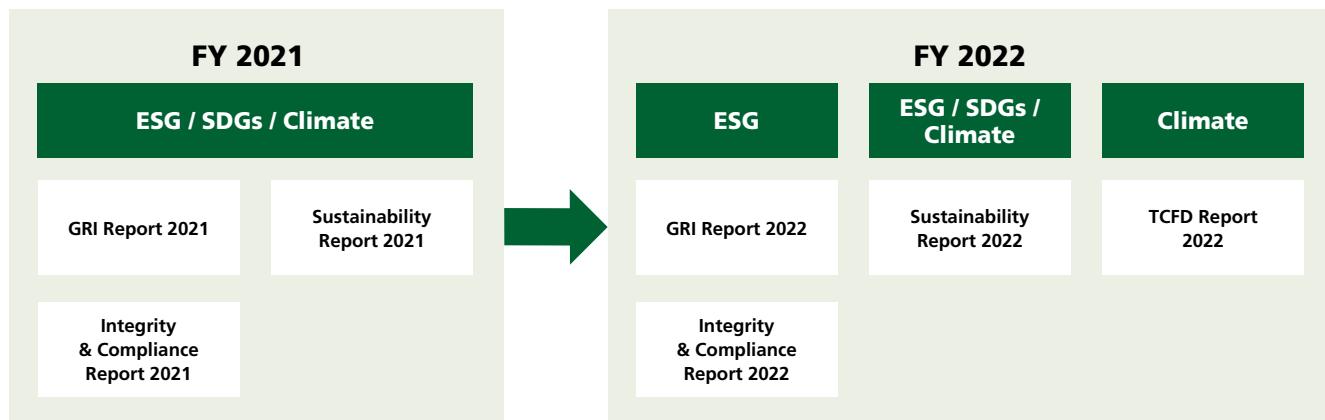
climate change. For more information on the materiality assessment and a list of material topics, see the GRI Report item 3-2.

This Sustainability Report follows the 2021 GRI Standards and is accompanied by a standalone GRI Report and Content Index. The reporting period is January 1 to December 31 2022. In 2023, the CEB will also publish its first Report according to the standards set by the Task Force on Climate-related Financial Disclosures (TCFD).

In addition, there is dedicated reporting on Integrity and Compliance, and the CEB's Social Inclusion Bonds (including the Bonds' link to the Sustainable Development Goals), and disclosure on lessons learnt from the Bank's project monitoring and evaluation activities.

As shown by Figure 1, within this expanded reporting framework 2022, the Sustainability Report plays a central role as both an umbrella and a gateway to more technical reports.

Figure 1: The CEB's expanded suite of sustainability-related reports

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Stakeholder engagement

As a public institution, the CEB has to be appropriately accountable for its action to a wide range of stakeholders (see the stakeholder map below). The Bank uses targeted outreaches to numerous stakeholders that work on specific topics close to the CEB's core business.

The CEB engages with its member states as shareholders, with borrowers, with investors and with other key stakeholders for multiple purposes, including (i) delivering projects with a high social impact more sustainably, both financially and operationally, thanks to donor funds; (ii) exchanging best practices and sharing knowledge and expertise; (iii) advocating for social investment; promoting and rewarding social innovation initiatives; (iv) better understanding the needs.

In 2022, the many forms of co-operation included the CEB's active contribution to the Finance in Common (FICS) initiative, at both strategic and operational

level (e.g. The CEB joined the new FICS "Coalition on Resilient Cities and Regions", in addition to its ongoing co-leading role with Agence Française de Développement of the FICS "Coalition for Social Investment"), as well as the Bank's participation in COP-27, where the CEB was one of the signatories of the joint MDB statement to expand support for countries seeking climate-resilient sustainable transition.

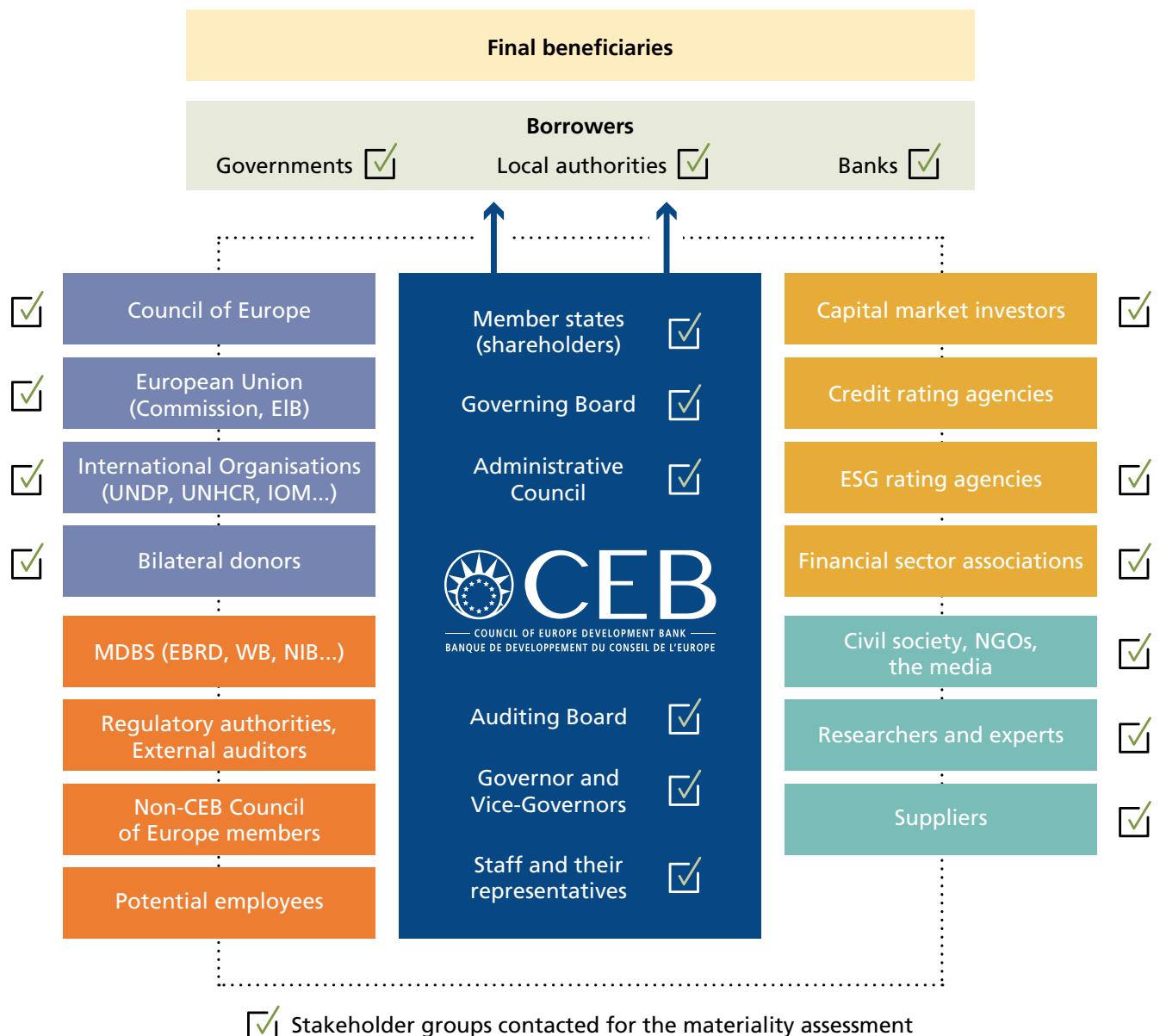
The CEB also continued to strengthen its longstanding key partnership with the EU. After the Bank successfully passed a new and enlarged EU Pillar Assessment early 2022 (see more details in the Sustainability Report 2021), this was evidenced by the InvestEU agreement signed with the European Commission in November 2022, which is expected to mobilise around €500 million in additional financing for social projects in the EU, and by the co-chairing with the Commission of a multi-stakeholder working group on funding solutions for

homelessness under the umbrella of the European Platform on Combatting Homelessness.

Launched in 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. The Award stems from the CEB's social mandate, centred on a belief that the right investments in the social sector can have profoundly positive economic and social impacts on society at large.

It is also the opportunity for the Bank to connect with numerous stakeholders, for instance social enterprises or NGOs, that are essential to the social economy but sometimes too small for CEB financing. For this third edition of the award, [Artscape](#) won a €25,000 prize for significantly contributing to social cohesion in an innovative and effective way through its 'Creative Missions' projects. 'Creative missions' are organised and led by Artscape as regular visits by artists-educators to refugee reception and registration centres in Lithuania.

Figure 2: CEB's stakeholder map



For more information, see the GRI Report: "Stakeholder Engagement", item 2-29.

ACCOUNTABILITY AND IMPROVEMENT

Ensuring compliance and evaluation

The Bank continued to upgrade its compliance function to reflect latest evolutions and safeguard the CEB's transparency and accountability. Evaluation also contributes to the Bank's accountability and learning by undertaking independent evaluations of CEB-financed projects. Both functions, compliance and evaluation, are strong assets for a social Bank that seeks to lead by example.

Integrity, Ethics and Compliance

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As a further step towards transparency and accountability, the CEB made public its **"Integrity and Compliance Report 2021"**, which until 2022, was addressed only to its Collegial Organs, i.e. Governing Board and Administrative Council. This publication enables a better understanding of how the CEB ensures its high standards in ethics, integrity, anti-money laundering, and the fight against fraud and corruption while contributing to transparency.

In 2022, the Bank's Office of the Chief Compliance Officer (OCCO) continued its cooperation with MONEYVAL and GRECO and with leading intergovernmental consultative bodies in the areas of anti-money laundering/counter-terrorist financing, tax good governance, and anti-corruption.

The Strategic Framework 2023-2027 reaffirms the CEB's commitment to business integrity in its activities, most importantly in its future projects. Integration of environmental, social, and governance elements within its scope as the second line of defence, and of complaints handling, marks a significant step towards promoting integrity and accountability.

To ensure that the CEB maintains the highest standards of integrity and upholds its reputation, OCCO continued to conduct comprehensive integrity due diligence

on all projects in 2022, including those funded from fiduciary accounts and trust funds ('grants'). OCCO also continued to play an important preventive role in supporting the CEB's efforts to ensure integrity in internal procurement processes by validating the choice of procurement procedure and carefully analysing requests for extensions and exceptions for certain purchases.

OCCO conducted compulsory training for newly recruited staff, organised thematic online events, and shared compliance-related information through internal newsletters, to continue fostering a respectful workplace with no discrimination, developing a speak-up culture, and promoting gender equality.

Regarding information security and personal data protection, the Bank's Administrative Council has adopted the **CEB's Data Protection Regulation**, which introduced a new data protection governance marked by the appointment of a Data Protection Officer and an independent Data Protection Commissioner.

Compliance cases

OCCO leads the handling of complaints and grievances from stakeholders and coordinates the relevant services in ensuring a timely and relevant response.

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

Moreover, complaints' analysis and resolution provide valuable insights into areas for lessons learned and continuous improvement, resulting in higher social impact and increased project effectiveness.

Table 1: Registered, confirmed, closed cases and actions taken

	Registered cases	Confirmed cases	Closed cases	Disciplinary procedures and corrective measures taken
2022	9	5	4	No disciplinary procedures as deemed not appropriate for the cases handled; for the closed cases, the measures taken were enhanced follow-up, increased information exchange with co-financiers and two fact-finding missions.
2021	6	1	5	Corrective measure on one signed project contract
2020	3	0	3	Not applicable
2019	4	3	4	No disciplinary procedures as deemed not appropriate for the cases handled; in one case, project monitoring reporting was adjusted to include additional information; in another case, the borrower took immediate adequate action.

Addressing stakeholders' complaints in a timely and effective manner greatly contributes to building trust and credibility, enhances accountability, and plays a paramount role in safeguarding the CEB's reputation.

To contact OCCO, use: compliance@coebank.org or OCDO-whistleblowing@coebank.org. To learn more about the CEB's complaints process, see the GRI Report: 2-26.

Independent evaluation: highlights from 2022

Independent evaluations of CEB-financed projects with the aim of drawing lessons to help improve the performance of future financing activities contribute to the Bank's accountability and learning.

In 2022, the dedicated Office of Evaluation (EVO) assessed the CEB's engagement with national development and promotional banks whose policy implementing and countercyclical role has gained significant importance in the wake of the recent financial, sanitary and environmental crises. The two evaluations completed in 2022 focused on the CEB's lending through the Croatian Bank for Reconstruction and Development (HBOR) and the Bulgarian Development Bank (BDB) over the past decade.

In the case of HBOR, the evaluation analysed the social and environmental effects of the CEB financing

for urban and rural development and the impact of HBOR's direct and intermediary lending schemes in support of Croatian MSMEs. The evaluation pointed to the specific types of investments that had particularly positive effects in terms of environmental sustainability as well as their contribution to the SDGs at loan portfolio level. The evaluation's findings provide an opportunity for the CEB to reflect on the possibility of targeting its lending towards more specifically defined objectives and of considering sustainable portfolio growth at the level of the borrowing financial institution as part of its monitoring and social results reporting framework.

The evaluation of the CEB's engagement with BDB covered finance schemes aimed at promoting MSMEs' growth and a national programme for energy efficiency in residential buildings. The efficiency programme co-financed by the CEB was particularly relevant

considering the current energy crisis and the fact that Bulgaria ranks among the least energy-efficient countries in the EU. The programme allowed the rehabilitation of more than 2,000 large residential buildings despite significant challenges due to the socio-economic heterogeneity of the building's residents, limited condominium administration capacity and a considerable maintenance backlog. The evaluation provided further lessons for national stakeholders to respond to the challenge of scaling

up future energy efficiency programmes through targeted subsidies with the aim of enhancing their environmental and social impact.

Both evaluations also underscored the relevance for the CEB of promoting the catalytic role of national development banks in enhancing ESG standards of the commercial banks that intermediate their financing by encouraging them to support socially inclusive and environmentally sustainable activities.

ESG ratings

Non-financial rating agencies regularly analyse the Bank's sustainability and their ratings underline the CEB's robust practices and overall ESG performance.

GRI 3-3 CEB being regularly assessed by ESG Rating Agencies

The Bank is strongly committed to good environmental, social and governance (ESG) practices. Financial market participants find comfort in the CEB's long track record of detailed ESG disclosures, and in its commitment to

continuously improve its practices.

At the end of 2022, the CEB held the following "unsolicited" **ESG rating assessments**:

 <p>Prime</p> <p>“Prime”: 2nd decile of best performance August 2021</p>	<p>ISS ESG's Prime status being awarded to companies with an ESG performance above the sector-specific Prime threshold, which means that they fulfil ambitious absolute performance requirements.</p>
<p>Moody's ESG Solutions</p> <p>“Advanced”: score 65/100 October 2022</p>	<p>Moody's ESG Solutions ranks the Bank in the best performance category.</p>
 <p>“Leader”: rating AAA April 2021</p>	<p>MSCI ESG's assessment shows that CEB is leading in its industry in managing most significant ESG risks and opportunities.¹</p>
 <p>“Negligible ESG Risk”: rank 6/113 in development banks February 2022</p>	<p>Sustainalytics sees the CEB having the lowest ESG Risk out of the five categories of ESG risk severity that could impact a company's enterprise value.</p>

In addition to these ESG ratings, ESG criteria are also factored into Credit Rating Agencies' assessments of the CEB with a specific section on ESG included in each credit rating report issued.

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Financing activities

Following two years marked by the COVID pandemic, CEB's financing activity in 2022 was largely defined by the Bank's rapid and strong support to refugees fleeing the war in Ukraine, as a purposeful instrument of European solidarity, with a positive social impact.



PROJECT FINANCING

Making a positive social impact

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With €4.2 billion in new projects approved in 2022, the volume of **project lending** remained broadly the same as in 2021, in line with the operational targets set out in the Development Plan 2020-2022.

While the number of projects approved decreased to 36 in 2022 from 57 in 2021, the average project size increased considerably. This was mainly due to the six Ukraine-related projects approved that alone made up about one third of the total lending activity in 2022 – including the CEB's biggest loan to date amounting to €450 million to support refugees from Ukraine in Poland.

 **Social housing and aid to refugees accounted for 33% of new project financing followed by approvals on the "Health" and "MSMEs" sectors with 17% and 16% respectively.**

In terms of projects approved over the course of 2022, the CEB increased its lending activity to support refugees from the conflict in Ukraine, with "Social housing and aid to refugees" accounting for 33% of new project financing, followed by approvals on the "Health" and "MSMEs" sectors with 17% and 16% respectively (for

more information on the sectors the CEB is financing, see the GRI Report "Activities, value chain, and other business relationships", item 2-6).

The CEB also uses funds raised from donors to provide extra support to projects and enhance their social impact. Grants are used to make CEB's high impact projects more sustainable, both financially and operationally. The extra support can take the form of technical assistance to help borrowers implement projects in line with best practices. It can also consist of investment grants or interest subsidies to reduce the financial burden for borrowers. Lastly, the Bank also uses donor funds to guarantee projects which would otherwise not be eligible for CEB loans due to their risk profile.

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In 2022, the Bank approved €46 million in grants and guaranteed €15 million in loans.

Focus on the Bank's response to help refugees from Ukraine

Russia's aggression against Ukraine has caused widespread destruction and forced millions of people to flee their homes: at the end of 2022, nearly 14 million persons, or almost a third of the Ukrainian population, had been displaced either inside Ukraine or across its borders. As a social development bank founded after the WWII to address forced displacements in Europe, the CEB has consistently supported timely and effective responses to relieve suffering and restore dignity to refugees and migrants since inception. The CEB was the first multilateral development bank to disburse grants to provide immediate aid to refugees from Ukraine, while also addressing long-term needs with its loans, totalling more than €1.3 billion by the end of 2022.

CEB lending for Ukraine-related projects include the provision of essential social services, rebuilding of healthcare infrastructure, reconstruction of housing, and financial support for those most in need (see the detail in Table 6, with the spotlight on the project to displaced people fleeing the conflict in Ukraine and arriving to Lithuania).

In addition to loans, **CEB grants** were allocated €10 million in donor funds to help its member states address the needs of displaced persons from Ukraine who have found refuge on their territory. By year-end, the Bank had approved 15 grants worth nearly €7 million from this envelope. These funds serve to provide transport,

Table 2: 2022 Ukraine-related loan projects

Countries	Projects	Approvals
Czech Republic, Germany, Italy, Lithuania, Poland	<p>Number of projects: 6</p> <ul style="list-style-type: none"> ● Czech Government emergency aid ● NRW.BANK's Refugee Accommodation Programme ● Italian Department of Civil Protection's emergency measures ● Lithuanian Government emergency aid ● City of Kaunas refugee actions ● Polish Government emergency aid 	€1.3 billion

To access an overview of all projects approved by the CEB in 2022, go to the webpage '[Projects approved by the Administrative Council](#)'.

Table 3: Aid to displaced people fleeing the conflict in Ukraine and arriving in Lithuania

As of mid-2022, there were already 56,000 refugees from Ukraine registered in Lithuania, more than 40% of them children. The €120 million loan to Lithuania will finance government funding needs in response to the situation in Ukraine, allowing the government to provide emergency services and humanitarian measures, mainly in the form of financial assistance and/or cash payments for education, health and social care.

In a coordinated approach, Lithuania also benefitted from two CEB grants, totalling €914,000, to provide immediate assistance to (i) unaccompanied minors, including those with disabilities, and (ii) increasing accommodation capacity and the quality of reception conditions by developing new sites and adapting existing sites.

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Sustainable Development Goals (SDGs)



Total project cost/CEB loan €144 million/€120 million

Sector Aid to refugees, migrants, displaced persons and other vulnerable groups

Country Lithuania

CEB approval date/project schedule 2022/2022 – 2023

Expected outputs/outcomes:

- Beneficiaries are individuals fleeing the conflict in Ukraine and seeking assistance in Lithuania.
- The financing will cover expenditures related to measures targeting individuals from Ukraine who have received temporary protection status/temporary residence permits in Lithuania.
- The loan will enable an optimised State Treasury emergency funding flow, considering the numerous budgetary lines and financing gaps of ministries/municipalities involved.
- The government's support package could potentially reach 30,000 individuals, including 13,500 children.
- Scholarships for 700 students are planned, and their study fees will be partly covered.
- So as to facilitate proper targeting of support measures, project design enables tracking of the exact number and type of final beneficiaries during project implementation.

shelter, medical care and counselling to the refugees from Ukraine. They are being channelled through the Migrant and Refugee Fund, a trust fund established by the CEB in 2015 in response to a surge in migration and displacement at the time.

To further address the impact of the war, in December 2022 the Bank also established a new trust fund, the **Ukraine Solidarity Fund**. The Fund will address the various social needs created by the war, such as

emergency assistance, resettlement and integration of refugees and internally displaced persons as well as reconstruction of critical social infrastructure. It will support projects in Ukraine, but also in CEB member states hosting refugees from Ukraine, given the high number of people who have fled the country and may remain abroad for long periods of time or even indefinitely. Ireland, which championed the creation of this trust fund, endowed it with €1 million in seed financing.

Table 4: 2022 Ukraine-related grants

Countries	Grants	Approvals
Bulgaria, Czech Republic, Estonia, Greece, Hungary, Lithuania, Republic of Moldova, Poland, Romania and Slovak Republic	Number of grants: 15 List of grants: More details on the fifteen grants can be found on the CEB website .	€6.9 million

To access an overview of all grants approved by the CEB in 2022, go to the webpage '[Beneficiaries of donor funds](#)'.

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Contributing to the UN Sustainable Development Goals (SDGs)

In 2020, the Bank started mapping all the projects it finances to the SDGs. For this purpose, ten priority SDGs

were selected, which are closely aligned with the CEB's social mandate.

Figure 3: SDGs identified as most relevant to the CEB's activities



Three years into the process, and with the previous Development Plan 2020-22 coming to an end, the results reflect the Bank's commitment to supporting impactful, social projects. Of the 149 projects approved over the period 2020 to 2022:

- Each project was linked at least to one of the following two SDGs: SDG 1 (No Poverty) and SDG 10 (Reduced Inequalities)

- More than half of the projects contributed to SDG 11 (Sustainable Cities)
- One in four projects were linked to either SDG 13 (Climate Action), SDG 3 (Good Health) or SDG 8 (Decent Work)
- Almost one in ten projects had a gender lens through SDG 5 (Gender Equality)

Figure 4: Making the link between projects approved and the SDGs

		Reason for prioritising the SDG	2022		Total 2020-2022		
			Number of projects approved supporting each SDG	% of projects approved supporting each SDG	Number of projects approved supporting each SDG	% of projects approved supporting each SDG	Relative weight of each SDG (% of all SDGs assigned)
	SDG 10 Reduced Inequalities	Alignment with CEB's social mandate	32	89%	136	91%	34%
	SDG 1 No Poverty		10	28%	30	20%	7%
	SDG 5 Gender Equality	Cross-cutting issues, screening of all CEB projects	3	8%	11	7%	3%
	SDG 13 Climate Action		9	25%	41	28%	10%
	SDG 3 Good Health		9	25%	48	32%	12%
	SDG 4 Quality Education		7	19%	28	19%	7%
	SDG 6 Clean Water	Project-specific, sector-based relevance	0	0%	4	3%	1%
	SDG 8 Decent Work		8	22%	36	24%	9%
	SDG 11 Sustainable Cities		20	56%	69	46%	17%
	SDG 16 Peace and Justice		1	3%	1	1%	0%

Note that the overlap in figures is due to the fact that projects support more than one SDG. In 2022, each new project approved supported, on average, 2.8 SDGs

Case studies

FOCUS ON HUMAN CAPITAL: EDUCATION

Table 5: Supporting education and social inclusion for underprivileged youth in France

Through over 300 institutions and facilities spread across France, the Fondation Apprentis d'Auteuil provides support for young persons in distress by means of care, education, training and integration programmes.

This loan will part-finance the modernisation of the Saint Philippe Campus in Meudon, southwester of Paris. The Foundation has embarked on the complete refurbishment, extension and upgrading of campus buildings in order to be able to cater for some 800 young people in education and training by 2026.

Through this investment, the Foundation will improve learning, living and working conditions and carry out work to make the site safe and secure and upgrade the buildings to meet access standards for people with disabilities. The work will significantly improve the building's energy efficiency.

The project is expected to be supported by an InvestEU guarantee. Without InvestEU, the loan's average duration would be shorter, therefore failing to meet the Foundation's needs for the substantial underlying investment required.



Sustainable Development Goals (SDGs)



Total project cost/CEB loan	€24.1 million / €13.5 million
Sector	Education and vocational training
Country	France
CEB approval date/project schedule	2022/2021 – 2025

Expected outputs/outcomes:

- Final beneficiaries include youth from disadvantaged socio-economic backgrounds, families in a precarious situation and the educational community at large.
- The Foundation, offering young people in need a supportive learning environment, personalised supervision to improve their self-esteem, and training tailored to their needs and to job market requirements.
- By the end of the project the campus will increase its maximum capacity by 33%.
- The Saint Philippe Campus is pioneering the Foundation's policy on social diversity and support for families in distress. With a 'social status index' of 92 for its pupils, the lower secondary school has the lowest score for state-supported private education in the Hauts-de-Seine département, since the median figure for the département is 124.
- The school is also the only state-aided private institution in the area to offer classes which help those who have recently arrived in France and are not native speakers, to learn French, and to have access to the 'relay scheme', a remedial class for lower secondary school children at risk of dropping-out of education.
- Because vocational training and finding a first job are the keys to success for young people, especially at a time of job insecurity, the project will have a significant impact by allowing young people in care to prepare for their entry into employment and, more generally, by facilitating their further integration into society.

FOCUS ON JOBS/MSMEs/MICROFINANCE

Table 6: Recovering from COVID-19 through microcredit in Italy

The COVID-19 pandemic led to a deep economic downturn in Italy with GDP shrinking by 8.9%, but the unemployment rate remained high at 9%, significantly above the EU-27 average of 6.4%. With 2.2 million self-employed, Italy has the largest number of self-employed persons in the EU. It is also identified as one of the EU countries with the highest number of entrepreneurs (0.6 million). Despite this potential, the country is also deemed to have the highest funding gap for microfinance with an unmet demand for microcredit estimated at about €2 billion per year.

The CEB project consists of a €3.6 million loan to PerMicro, a micro lending institution, to support its lending to both micro-businesses and low-income persons, who have limited access to traditional bank financing. It has a strong focus on addressing gender imbalances, with women representing nearly half of all end-borrowers. In addition, the project benefitted from a €49,000 grant contribution from the CEB to finance a technical assistance component, "Women to Be Free", to empower and support the economic independence of women who are victims of domestic violence. This third loan to PerMicro, after 2013 and 2018, was approved under a €1.5 million guarantee from the CEB's Social Dividend Account, a valuable instrument allowing the CEB to channel its funds through standalone intermediaries with a highly social mission, such as PerMicro.



Total project cost/CEB loan	€7.2 million / €3.6 million
Social Dividend Account (SDA) grant	€49,000
Sector	Supporting MSMEs for the creation and preservation of viable jobs and Aid to refugees, migrants, displaced persons and other vulnerable groups
Country	Italy
CEB approval date/project schedule	2021/2020 – 2022

Actual outputs/outcomes:

- Nearly half (45%) of the CEB financing went to families of migrants, refugees and displaced persons; the remaining 55% to business microfinancing. Refinancing represented only 11%.
- 453 migrants benefited from a family loan. Women represented 44.6% of borrowers; 53.1% of beneficiaries were in the age group 31 to 50. 44% of the financing went to support family members in the country of origin to cover some urgent needs such as health and education expenditures or improving living conditions. The business loans approved directly contributed to creating 324 jobs and maintaining 297 jobs. 242 MSMEs benefited from the project, including start-ups, active mainly in wholesale or retail trade and vehicle repair (38%) and hospitality (23%). Half of the entrepreneurs were women and 65% of borrowers were in the age group 20 to 40.
- The average CEB financing per sub-project was about €7,300 for family loans and €16,500 for businesses.
- The technical assistance supported activities centred on gender equality – to increase the competences of women victims of domestic violence by offering mentoring, training courses and support to develop commercial activities. 62 hours of training spread over three courses (non-violent communication, financial literacy and professional orientation) reached 39 beneficiaries and 26 mentors.

Strategic Framework 2023-2027

Looking ahead towards 2023, CEB's new 2023-2027 Strategic Framework, its five-year strategy approved by the Governing Board at the end of 2022, will enable the CEB to help its member states meet their social investment needs and respond more effectively to the cascading crises, with a view to strengthening Europe's social fabric and serving in priority vulnerable people.

In pursuing this mission, the CEB shares the values and principles of the Council of Europe, and helps translate them into reality. The goal is clear and unchanged: to make a lasting positive impact on people, especially the most vulnerable, society and planet.

The CEB's activity will be articulated across three updated lines of action:

- Investing in people and enhancing human capital
- Promoting inclusive and resilient living environments
- Supporting jobs and economic and financial inclusion

Based on these lines of action, the CEB has also identified six 'focus sectors' with high social added

value: health and social care; education and vocational training; social and affordable housing; urban, rural and regional development; micro, small and medium enterprises; and microfinance.

Sustainability highlights

In addition to the above-mentioned sectoral approach, cross-cutting considerations on climate action, gender equality and the digital transition with a view to reducing the digital divide, will also guide and inform all CEB activities.

- To address climate considerations, the CEB is progressively aligning all its activities with the Paris Agreement and applying a climate-social nexus approach to social investment in order to achieve greater impact.
- To mainstream gender considerations across all activities, the Bank will systematically assess the potential impacts of its financed activities on gender inequality. The CEB will also seek to enhance positive impacts for all, including women and girls: among other things, special attention will be paid to refugee and migrant women.



FUNDING AND TREASURY

Social Inclusion Bonds as a key instrument

Social Inclusion Bonds are an essential tool for the CEB to be able to respond quickly and flexibly to member states' most pressing social investment needs. After providing timely financing during the COVID-19 crisis, the 2022 issuances were targeted to supporting refugees from Ukraine.

Social Inclusion Bonds

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At a glance: The CEB's engagement and recognition in sustainable finance

- Largest funding programme to date with €6 billion issued across 6 currencies and a record 34% in Social Inclusion Bonds
- Pioneering Social Inclusion Bond Framework successfully updated to evolve the management of proceeds to a portfolio approach
- First issuer to respond to Ukraine refugee crisis with targeted social bonds
- "2023 Best ESG Issuer" Award by CMDportal and "TopDeal" recognition by CMDportal for the €1 billion 7-year Social Inclusion Bond issued in April 2022
- New member of the Nasdaq Sustainable Bond Network information and data collection tool.



Update of the Social Inclusion Bond Framework in 2022

The Social Inclusion Bond Framework had last been updated in 2020 at the onset of the COVID-19 pandemic, in record time, to allow the CEB to adapt its Social Inclusion Bond offering to include healthcare as a 'Use of Proceeds' category and showcase to investors the CEB's strong response to the pandemic.

As the social bond market has evolved further, the Bank decided to update the framework to move the management of the proceeds of its Social Inclusion Bonds to a portfolio approach so as to better align Social Inclusion Bond issuance with the dynamic nature of the CEB's ongoing social lending. Moving to a portfolio approach for reporting has several advantages for investors:

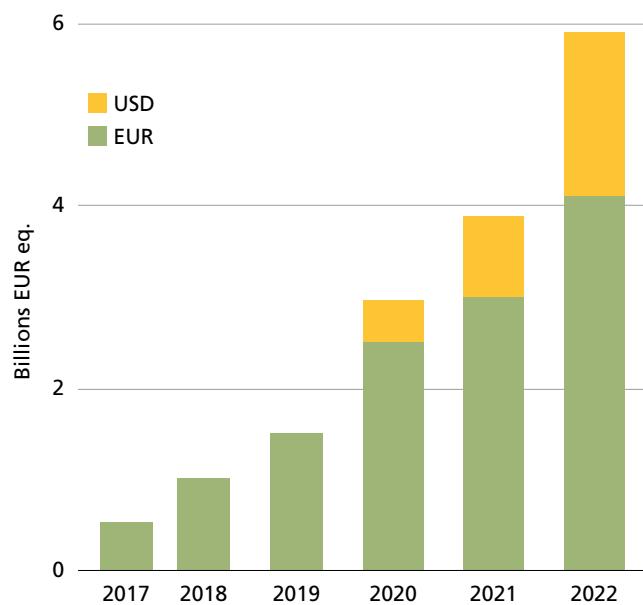
- The CEB is able to better show investors the current portfolio of social loans that its portfolio of Social Inclusion Bonds finances over time and what the annual impact of the current social loan portfolio is,
- Investors who hold multiple CEB Social Inclusion Bonds then only need to refer to one report annually to see the impact of all their Social Inclusion Bond holdings in one place, with up-to-date impact data based on the current portfolio,
- In terms of additionality, investors are able to see the amount of new financing versus refinancing in the allocation table.

The new portfolio approach also allows the CEB to be more responsive to the needs of its member countries using Social Inclusion Bonds as it is not required to select specific projects out of the 'Use of Proceeds' categories and link them to any given bond issue.

How CEB's Social Inclusion Bonds help finance Ukraine-related actions

The CEB was the first issuer to respond to the Ukraine refugee crisis with targeted Social Inclusion Bonds. In April and June 2022, the Bank issued two Social Inclusion Bonds whose proceeds will be used primarily to support refugees from Ukraine hosted by CEB member countries. The Bank first issued a €1 billion seven-year Social Inclusion Bond and then an upsized US\$ 1 billion three-year one. In September, the Bank of Lithuania invested €100 million in an increase of the seven-year Social Inclusion Bond first issued in April.

Figure 5: The growth of the CEB's Social Inclusion Bond franchise since inception: bonds outstanding



Social Inclusion Bond growth

More than a third (i.e. 34%) of the CEB's funding requirement in 2022 was covered by Social Inclusion Bond issuance, which marks a significant increase from recent years. With more than €2 billion equivalent of Social Inclusion Bond issuance in 2022, the CEB is the largest multilateral development bank social bond issuer in the market.

Nasdaq Sustainable Bond Network (NSBN)

The CEB joined the NSBN in October 2022 with a ceremony at the Nasdaq MarketSite offices on Times Square in New York and a number of investor meetings dedicated to discussing ESG. NSBN is an information and data collection tool used by issuers, investors and other stakeholders with an interest in green, social, or sustainability bonds. The platform allows issuers to submit data around their sustainable bonds, for instance ESG and impact information, in a machine-readable format through Nasdaq's market data feeds. The data can then be easily analysed by investors and other stakeholders. The aim of the platform is to match ESG-focused issuers with ESG investors.

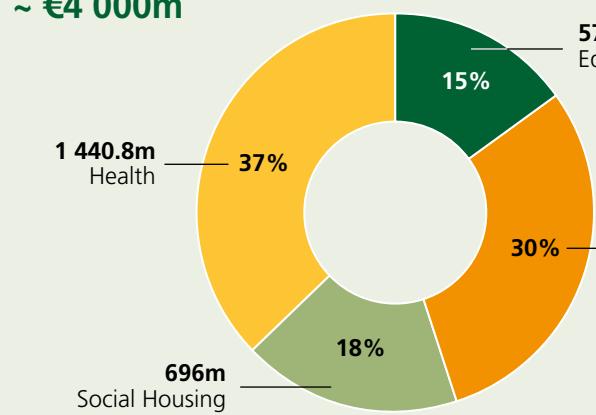


The CEB Treasury's ESG investments

With the 2022 update of the CEB's Financial and Risk Policy the Bank now explicitly embraces ESG and green and social funds, thus further strengthening a practice that had already been in use since 2014 when the CEB

made its first ESG investment. As a result, the Bank's ESG investments amounted to 15% (Green Bonds 8%) of its medium- and long-term investment portfolios at 31 December 2022, up from 9.2% at year-end 2021.

Table 7: Social Inclusion Bonds issued between 2017 and 2021: understanding their true value

Size of bonds	~ €4 000m																	
Sector allocation (in million € disbursed)	 <table border="1"> <thead> <tr> <th>Sector</th> <th>Allocation (%)</th> <th>Allocation (€m)</th> </tr> </thead> <tbody> <tr> <td>Health</td> <td>37%</td> <td>1 440.8m</td> </tr> <tr> <td>Education</td> <td>15%</td> <td>572.7m</td> </tr> <tr> <td>MSMEs</td> <td>30%</td> <td>1 178.5m</td> </tr> <tr> <td>Social Housing</td> <td>18%</td> <td>696m</td> </tr> </tbody> </table>	Sector	Allocation (%)	Allocation (€m)	Health	37%	1 440.8m	Education	15%	572.7m	MSMEs	30%	1 178.5m	Social Housing	18%	696m	GRI 203-1 203-2	
Sector	Allocation (%)	Allocation (€m)																
Health	37%	1 440.8m																
Education	15%	572.7m																
MSMEs	30%	1 178.5m																
Social Housing	18%	696m																
Number of projects	82																	
Total project financing leveraged (in €m)	13 647																	
Number of countries	29	Andorra, Belgium, Bosnia and Herzegovina, Croatia, Cyprus, Czech Republic, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Kosovo, Lithuania, Moldova (Republic of), Montenegro, North Macedonia, Poland, Portugal, Romania, San Marino, Serbia, Slovak Republic, Slovenia, Spain, Sweden, The Netherlands, Türkiye																
SDGs	Seven SDGs supported	 <table border="1"> <thead> <tr> <th>SDG</th> <th>Icon</th> </tr> </thead> <tbody> <tr> <td>1 NO POVERTY</td> <td></td> </tr> <tr> <td>3 GOOD HEALTH AND WELL-BEING</td> <td></td> </tr> <tr> <td>4 QUALITY EDUCATION</td> <td></td> </tr> <tr> <td>5 GENDER EQUALITY</td> <td></td> </tr> <tr> <td>8 DECENT WORK AND ECONOMIC GROWTH</td> <td></td> </tr> <tr> <td>10 REDUCED INEQUALITIES</td> <td></td> </tr> <tr> <td>11 SUSTAINABLE CITIES AND COMMUNITIES</td> <td></td> </tr> </tbody> </table>	SDG	Icon	1 NO POVERTY		3 GOOD HEALTH AND WELL-BEING		4 QUALITY EDUCATION		5 GENDER EQUALITY		8 DECENT WORK AND ECONOMIC GROWTH		10 REDUCED INEQUALITIES		11 SUSTAINABLE CITIES AND COMMUNITIES	
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8 DECENT WORK AND ECONOMIC GROWTH																		
10 REDUCED INEQUALITIES																		
11 SUSTAINABLE CITIES AND COMMUNITIES																		
Impact																		
	Dwelling units built & renovated: 14 595		Jobs preserved / created: 425 869 / 14 607															
	Students enrolled: 1 052 220		Patients & elderly supported: 29.5m															
	Schools built & renovated: 2 652		COVID protective equipment: 298m															
	MSME recipients: 42 104																	

Note: The impact reported by the CEB concerns the total project. The CEB usually finances a portion of such projects and therefore contributes financially to only a share of the benefits. Source: CEB Social Inclusion Bond Reports 2017, 2018, 2019, 2020, 2021.

THE CEB AND CLIMATE CHANGE

Meeting the CEB's commitment to align with the Paris Agreement

2022 has been a critical year for the CEB to operationalise its commitment to align its activities with the goals of the Paris Agreement. The main commitment of the CEB Paris alignment (PA) roadmap for 2022 has been met: all operations with a pre-defined use of proceeds and location at the appraisal stage, planned to be presented to the Administrative Council as of January 2023, have been assessed for PA and are considered to be aligned.

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Integrating social and climate change considerations

In line with its social mandate, the CEB addresses climate change with a people-centred approach, recognising the disproportionate adverse effects that climate change has on lower income and other vulnerable groups. The Bank will therefore also address the constraints facing these groups which may result from the transition towards a low carbon and climate-resilient economy.

The CEB's PA framework and roadmap, endorsed by the Administrative Council in November 2021, highlights that tackling the climate crisis can provide opportunities to leverage positive social transformations, as long

as the climate responses are focused on the social inclusiveness of transition policies and investments. For example, creating climate-resilient jobs, ensuring economic diversification to reduce dependence on climate-affected sectors, as well as investing in low carbon and resilient basic services, all lead to mutually reinforcing outcomes. As such, the CEB's PA framework further enhances the CEB's contribution to better connecting the climate agenda with social inclusion. This social inclusion-climate nexus approach is also reflected in the CEB's Strategic Framework 2023-2027, considering climate change as a cross cutting theme within the CEB's specific social mandate.

A climate-social nexus approach to enhance impact

The climate-social nexus is key for the CEB to define its approach for a just and socially inclusive transition. It will also support the identification of projects with social and climate-co-benefits, and to address potentially negative social impacts of climate action.

The first dimension of the CEB's Paris alignment framework focuses on channelling the Bank's financing to projects that do no significant harm to its low-carbon and climate resilience goals, or that

have no high and unmanaged climate-related risks. This consists in enhancing due diligence primarily to identify, assess and manage climate-related risks (both physical and transition) throughout the full project cycle at project, counterparty, and portfolio levels. The second dimension of the CEB's PA approach focuses on identifying opportunities to simultaneously promote social inclusion and climate-related objectives. This requires further equipping the Bank to identify and finance mutually reinforcing investments supporting

Figure 6: Four dimensions of aligning the CEB's activities with the goals of the Paris Agreement

01 Aligning due diligence of CEB's traditional activities to identify misaligned activities	02 Reinforce CEB's contribution to just and socially inclusive climate transition
03 Aligning Institutional governance, policy frameworks and internal activities	04 Strengthening transparency and accountability mechanisms

a just and socially inclusive transition to a climate neutral and resilient future - with particular focus on addressing the needs and fostering the opportunities of vulnerable populations. The third dimension addresses the alignment of internal activities and governance mechanisms and policies, and the fourth dimension aims to enhance transparency and reporting on climate-related topics.

Following the endorsement of the Paris alignment framework and roadmap by the Administrative Council in 2021, the CEB focused on the operationalisation of its commitment to align its activities with the goals of the Paris Agreement. The dedicated cross-directorate structure and several working groups devoted to specific workstreams have been able to advance on the priority actions identified in the Roadmap.

Building on the MDB Paris alignment framework, the CEB carries out a systematic PA assessment of its projects, taking into account the specificities of CEB's operations. The main target set by end 2022 was the

2. The CEB has screened all its operations for physical climate risk since 2017. This guidance note helps strengthen due diligence practices and supports assessing alignment with the resilience goals of the Paris Agreement.

alignment of its direct lending operations - defined by the CEB as operations with a pre-defined use of proceeds for investment with a known geographical location. This was achieved with the preparation of an internal methodology, covering alignment with low carbon development goals (climate change mitigation) as well as climate resilience goals (climate change adaptation) of the Paris Agreement.

To support alignment with the resilience goal, a specific methodology was prepared for the assessing the physical climate risks² of CEB's operations with a pre-defined use of proceeds for investments with a known geographical location. This is further developed in the section 'Assessing physical risk'.

The CEB discussed its approaches when actively participating in COP-27, with an official side event and several events specifically on the topic of the nexus between social inclusion and climate. Furthermore, the MDBs, including the CEB, issued a joint statement to expand support for countries seeking climate-resilient sustainable transition as well as a joint guidance note on MDB methodology for tracking climate adaptation finance.

A glimpse of 2023

Preparatory activities to achieve the 2023 priority targets of the CEB's PA Roadmap were also launched in 2022, namely regarding the alignment of internal operations, the preparation of a TCFD report to be issued for the first time in 2023, and the preparation of methodologies supporting Paris Alignment due diligence on all types of lending operations by end 2023.

Focusing on climate-related risks

In line with climate-resilient development objectives, the CEB has further refined its physical climate risk assessment of projects and is in the process of developing climate risk methodologies for counterparty assessments.

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Assessing physical risk

The Bank has enhanced its physical climate risk assessment to increase its resilience and to be able to better support CEB borrowers in doing the same, particularly for projects with a pre-defined use of proceeds for investments with a known physical location, in line with the MDB principles for assessing project's alignment with climate-resilient development objectives.

This methodology includes the use of a model that runs multiple climate scenarios with robust data on an appropriate local geographical scale for project level analysis. This new assessment was rolled out for all applicable operations to ascertain their Paris alignment

before their approval in 2023, thereby meeting the CEB's main commitment for the year 2022 and ensuring it is on track in implementing the PA roadmap and its commitments.

Furthermore, reporting on climate finance for the lending portfolio will be improved throughout 2023 following the implementation of the update of the CEB's approach to green and climate finance tracking and the emerging EU disclosure regulation on sustainability reporting, including EU Regulation 2020/852 (Taxonomy) on the establishment of a framework to facilitate sustainable investment, linked to the CEB's PA framework and roadmap.

Assessing climate-related risks for counterparties

As of 2021, the CEB established a dedicated task force with the objective to first explore and then update its climate-related risk assessment and monitoring framework. This cross-directorate group prepared

internal guidance notes for climate risk assessments at project and counterparty levels. More outputs are expected going forward, reflecting emerging requirements and trends in the financial sector.



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Tracking climate finance and project GHG emissions

Over the course of 2022, the CEB financed €0.8 billion in climate mitigation and adaptation activities and continued to perform due diligence on all the projects approved.

Climate change due diligence, climate finance and greenhouse gas (GHG) emissions reporting for projects approved in 2022

At present, as part of its due diligence, the Bank screens all projects for climate-related risks and identifies climate mitigation and adaptation components in all its operations. It also consistently tracks the climate finance share of its annual lending volumes and reports on the absolute and relative GHG emissions of its operations. The CEB applies the [Joint MDB methodology for tracking climate change adaptation finance](#) and the MDB/[International Development Finance Club \(IDFC\) Common principles for climate mitigation finance tracking](#). In line with these, the CEB will adapt its technical screening criteria for a better alignment with the criteria from the EU Taxonomy Climate Delegated Act.

In 2022, TAM performed climate change due diligence on all 36 newly approved operations. Climate finance components were identified for a subset of 14 operations, with one operation including both mitigation and adaptation objectives. Of these:

- 13 newly approved operations had project components that substantially contributed to climate change mitigation objectives, with three of them considered as 100% climate mitigation projects, having the avoidance of or reduction in the use of fossil fuels as their main objective. It should be noted that GHG savings in the energy efficiency renovation of buildings in the social infrastructure sector (particularly in housing but also hospitals, cultural centres, schools, urban infrastructure...) were of particular importance for the CEB, as they also provided significant social benefits, supporting particularly vulnerable groups with a direct reduction in heating costs and a subsequent increase

in available income in a context of high energy prices. Other operations financed included energy efficiency in SME lending, renewable energy and sustainable transport projects.

By way of example, a CEB loan of €40 million will support Lithuania's efforts to improve energy efficiency in apartment blocks, particularly those built before 1993 when standards applying to insulation, heating and ventilation were weaker than today. By end-2025, it is planned to renovate at least 800 apartment buildings for more than 25 000 households: the CEB funding will cover part of these renovation investments with positive social and environmental effects as well as estimated energy savings of some 40%. Another CEB program loan of €150 million approved in March 2022 will help finance 1 428 affordable rental housing units in Munich, Germany, by 2026. 95% of the apartments foreseen for construction under the CEB loan will be reserved for low-income tenants and allocated according to strict eligibility rules, while construction will also be in line with high energy performance standards, ensuring that the CEB loan supports Munich's progress towards its goal of climate neutrality by 2035. For more information on these two loans, see the [Report of the Governor 2022](#).

- Two operations had project components that substantially contributed to climate change adaptation objectives. One aimed to increase urban climate resilience, while the other strengthened the prevention of and response to forest fires to enhance both overall resilience and disaster risk management.

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Table 8: CEB climate finance: mitigation and adaptation in 2018-2022 (in € million)

	2018	2019	2020	2021	2022
Total CEB financing approved	3 898	3 983	6 025	4 156	4 244
Climate finance total	629	1 037	798	525	867
(and % of total approved), of which:	16%	26%	13%	13%	20%
● Climate mitigation finance (and % of total climate finance)	584 93%	703 68%	649 81%	467 89%	657 76%
● Climate adaptation finance (and % of total climate finance)	45 7%	334 32%	149 19%	58 11%	210 24%

While the annual variation in climate figures is likely to remain a fixture for the CEB's portfolio due to the limited number of individual projects approved annually and the

significant impact of climate action figures on operations with a high potential for GHG emissions savings in the final data, 2022 climate finance figures show an



increase over the last two years which were affected by the lending towards COVID operations. This increase is mainly driven by the approval of several projects, with significant mitigation components, including two sustainable mobility projects and one energy efficiency renovation operation (as detailed earlier in this section). Furthermore, the share of climate finance exceeds 29%, excluding lending towards operations supporting the member countries in facing the refugee crisis, which by nature could not have any mitigation nor adaptation component. The Bank remains committed to improving the tracking of green and climate action finance and to increasing the identification of climate and green components in its projects.

With regards to the absolute and relative emissions, the 2021 Sustainability Report raised the issue of the sensitivity of the figures to, respectively, high emitting operations and operations with significant savings, due to the reduced number of operations approved

each year (36 in 2022). In addition, the CEB finances social projects that, by nature and scope, have a low carbon footprint and low GHG savings in relative terms, whereas their social benefits are expected to be significant (e.g. reduction in heating costs in a context of increasing energy prices for vulnerable households and the public sector).

The CEB's 2022 GHG emissions were calculated in line with CEB's internal methodology, and efforts were undertaken to estimate emissions for all operations excluding those that by nature cannot be estimated, such as the operations financing emergency aid to the displaced population fleeing Ukraine in CEB member states. Results show that CEB figures are back to pre-COVID levels and that the sensitivity identified in 2021 remains, notably considering that one project including renewable energies is driving the majority of the GHG emissions savings and that the large majority of CEB financing operations generate less than 10 000 tCO₂e/year.

Table 9: Estimated greenhouse gas emissions for projects approved during 2018-2022

(tonnes of CO₂ eq. per year, as per the CEB's internal methodology³)

	2018	2019	2020	2021	2022
Absolute emissions	70 000	50 000	#	110 000	52 000
Relative emissions, i.e. emission savings from mitigation projects approved	170 000	130 000	30 000	65 000	110 000

Note that in 2020, the CEB approved only a small number of projects for which there was sufficient data to assess their carbon footprint, leading to non-comparable data with previous years.

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

Green Social Investment Fund

In 2022, the Bank approved its first three grants for a total amount of €1.3 million from the Green Social Investment Fund (GSIF), which the CEB set up in 2020 to help its member countries accelerate their transition towards low carbon and climate resilient economies. The Fund has received €5 million in seed financing from the CEB and €80 000 from the Czech Republic.

One of the grants approved in 2022 will help to reduce the carbon footprint of schools in North Macedonia.

Worth €1.1 million, the grant will finance the installation of solar panels on at least 25 schools, which have already been renovated thanks to a CEB loan. The GSIF grant is expected to not only have environmental benefits, as fossil energy will be partly replaced by renewable energy, but also social benefits, as savings on energy bills can be reinvested in improving learning conditions for pupils.

Internal operations

From a cohesive working environment in human resources to green and socially-responsible procurement, while limiting the Bank's own carbon footprint, the CEB is strongly committed to fostering social and environmental sustainability in its internal operations.

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HUMAN RESOURCES

Fostering a cohesive working environment

The year 2022 was transformative for the CEB: it marked the first year of the new Governor's mandate since taking office in December 2021, and the appointment of two new Vice-Governors, and five senior managers. The focus was put on gender diversity and inclusion, staff wellbeing, and flexibility of the CEB staff, including new rules on teleworking.

Gender diversity and inclusion

The Bank remains committed to gender equality in the workplace, including ensuring equal pay for equal work. In 2022, HR continued to remind managers and staff through the CEB intranet site and different guidelines, that decisions to grant promotions, step advancement,

bonuses and career progression must be taken without regard to gender, age, racial or ethnic origin, religion or beliefs, sexual orientation/identity or disability. Furthermore, at corporate level, the CEB will continue to promote and enhance gender equality and diversity.

EDGE certification and gender pay gap assessment

The Bank has launched an EDGE Gender Equality recertification process, with a third-party audit in 2023, to be concluded by the beginning of March 2023. The CEB aims to reach the second level of EDGE called 'Move', joining other IFIs such as the European Bank for Reconstruction and Development, the World Bank or the Inter-American Development Bank, all of which have recently obtained this level



of certification. Eventually, other dimensions of diversity will be considered in order to build a broader inclusive culture.

In the run up to re-certification, a gender pay gap assessment was performed, which concluded that there is a -1.66% pay gap when comparing women's and men's salaries. This is within the EDGE threshold of +/- 3%.

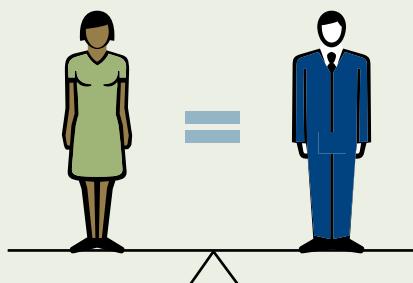
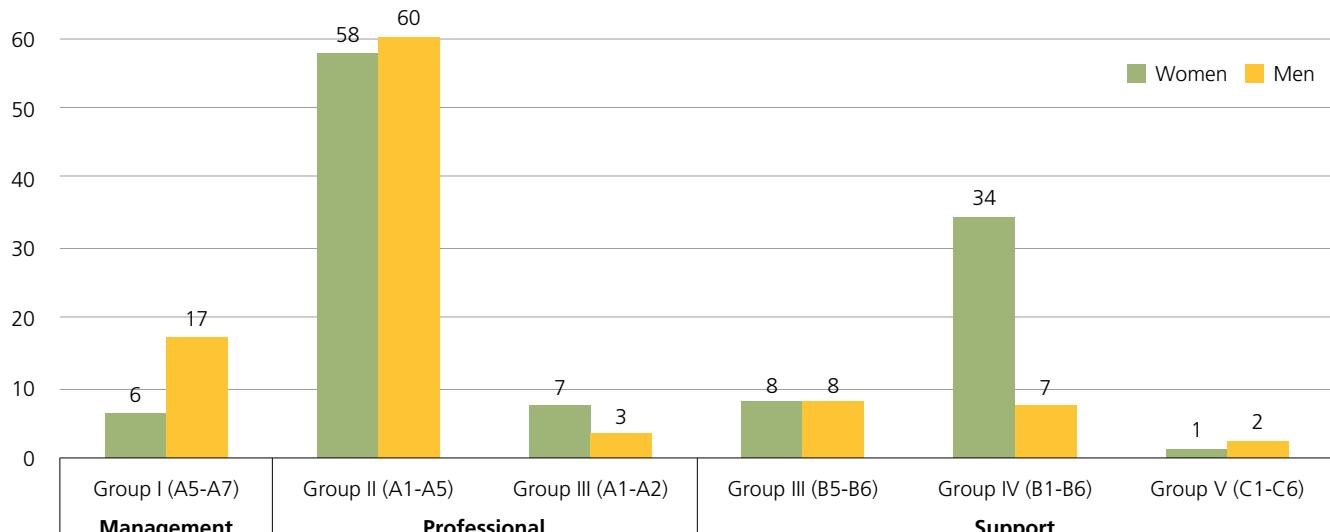
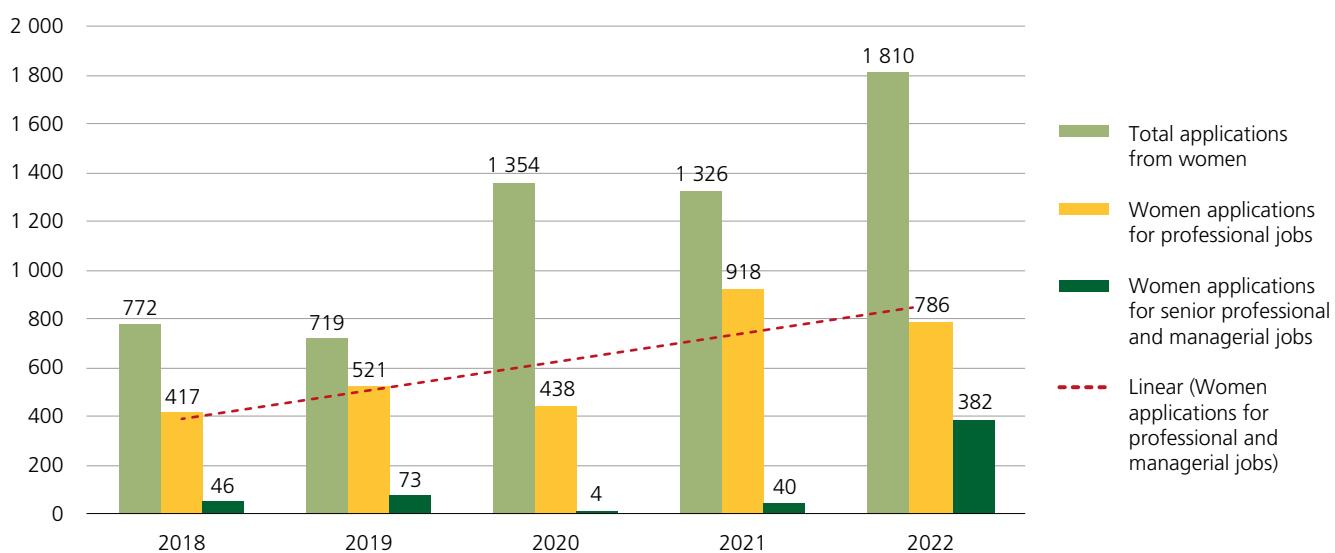


Figure 7: Number of staff members by grade group and by gender**Staff breakdown by gender**GRI
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Out of the Bank's 211 staff members, 54% are women, 46% are men. Women account for 53% at professional level. However, the need to increase gender balance at the senior management and support/technical levels remains as the percentage of women in senior management is 23% while at support/technical it stands at 72%. Women representation in grades A4 and above (senior professional and managerial roles) increased to 34% in 2022, thus getting closer to the Diversity Strategy target of 40% at that level. The 40% goal is also enshrined in Article 420.1.8 of the CEB's Staff Rules.

GRI
401-1**An inclusive workplace and culture: diversity in hiring**

In order to reach new talent pools with the most skilled candidates and to attract a diverse workforce, job vacancies are disseminated on the [Bank's website](#), through e-mail alerts, the international finance institutions network, professional associations, universities and alumni networks and on different online career and job platforms. Job vacancies are also systematically shared with the members of CEB's Administrative Council and Governing Board for dissemination to all member countries.

Figure 8: Women applying for jobs at the CEB

Over the past three years, having revised the CEB's sourcing strategy, the Bank significantly increased its candidate attraction power. The Bank received more than 4 000 applications in 2022, which is a sharp +31% rise compared to 2021. Applications originated from almost all member countries. Outreach efforts to less well represented groups of countries have helped increase the diversity of applications from target countries, and from Nordic and Baltic countries.

Female applications accounted for 45% of the overall applications, an increase of 5% since 2021. The share of female applications at senior professional and management levels (A4 level and above) remained fairly steady at 35% of candidates (same in 2021).

In its efforts to contribute towards a fair and inclusive workplace and culture, the Bank strives to attract and select from diverse candidate pools through recruitment processes that mitigate biases. The main diversity dimensions monitored in appointments are gender, nationality, age and professional background.

Overall, men accounted for 66% of the 18 appointments and women for 34%. One man (an internal candidate) from a target country was appointed as a director. Two women were hired at senior or management level functions (grade A4 and above). The Bank thereby continued to reach its goal of achieving a more gender balanced representation at the senior and management level functions, progressing to 34% in 2022 (32% in 2021 and 30% in 2020). Nine of the 14 external hires in 2022 were men, and five were women. At the support level, all three new hires were men, showing some progress towards the objective of increasing male representation among support staff. Of the internally hired staff, both appointments in the senior management group were the outcome of an externally advertised vacancy, while the two appointments at professional level were made as a result of an internal vacancy.

The CEB conducted outreach activities to recruit nationals from under-represented or non-represented member countries. The 18 appointments made in 2022 represented nine different nationalities, including a new staff member from Georgia, the first in a long time.

New Diversity and Inclusion Group

In 2022, the CEB Gender Diversity Group which was created in 2018 following the adoption of the CEB Gender Equality and Diversity Strategy by the Administrative Council evolved into a Diversity & Inclusion (D&I) Group. The Group's objective is to raise awareness and promote a multi-dimensional approach on D&I at the CEB, including gender, age, sexual orientation, ethnicity, religion, physical ability, neurodiversity, education, social and national origins.

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The Group will provide inputs to D&I strategies, policies and actions and monitor their implementation at the Bank. To that end, the Group will continue to advise and engage with all relevant internal stakeholders and aims to regularly report to staff on the implementation and impact of D&I actions. The Group is composed of staff members from across directorates and job functions.

Staff wellbeing

In partnership with its medical insurance provider, the CEB launched a staff survey on "Health and Quality of Life at Work". The questionnaire covered 4 main areas: health, engagement, quality of life at work and vulnerabilities. 66% of staff responded. The results showed a very high engagement rate (90%) and good general health among the staff (83%). 73% of responding staff are satisfied with their work-life balance. Based

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on the results, the CEB implemented action plans and webinars were organised to tackle different topics such as work-life balance for parents and caregivers, mental load and power napping. 38% of staff participated in the webinars (51% women and 49% men).

As part of the preventive measures offered by the Bank's health insurance, staff could take part for a second time

in the 'CEBActive Challenge' during a period of almost two months in the spring. The aim of this initiative is to combat office-workers' sometimes sedentary lifestyle and to promote physical activity outdoors, team spirit and social connections, all of which contribute to an improved productivity but had been sorely missing during the pandemic. With 90 staff members participating the take-up was very positive. The app used for the CEBActive Challenge included a new feature called "carbon mobility" which provides an estimate on carbon savings (for walking and cycling activities).

The prize at the end of the CEBActive Challenge was a donation to Missing Children Europe, an association that had been shortlisted in the CEB Award for Social Cohesion 2022 and which helps protect missing children from Ukraine and their families, thus combining staff well-being with the Bank's social mandate.

For more information on staff health and safety, see the GRI Report (Item 403).

Working flexibly

Learning from the pandemic experience and to maintain staff performance and commitment at a high level, the Bank reviewed its existing telework policy and implemented a new rule in October 2022. The new rule on telework and applicable guidelines allow for teleworking for up to 50% of effective working time, typically 1-2 days per week plus additional ad hoc days of remote working that can be taken on top of the regular teleworking, within the overall limit of 50%. Contrary to the pre-pandemic rule, the new

one is applicable to all staff, including interns, as well as temporary staff and staff working part-time, both categories with a majority of women.

Leave

To provide further flexibility, the number of days staff can put in a leave savings account was increased from 25 to an overall total of 60. The number of days of uncertified sick leave was also increased from 4 to 6 days per year (and from 1.5 to 3 consecutive days).

Revised Staff Regulations

According to the Bank's Articles of Agreement, the Council of Europe Staff Regulations apply to the staff of the Bank "in any matter not covered by a specific decision of the Administrative Council". CEB staff policies are therefore guided by the principles and ideals promoted by the Council of Europe.

The purpose of the revised CEB Staff Regulations, which entered into force on 1 January 2023, was twofold: on the one hand, to take on board all the applicable changes and clarifications from the Council of Europe (e.g. duties for international civil servants and list of rights guaranteed to staff members, direct appeal to the Administrative Tribunal against disciplinary sanctions, etc.); on the other hand, to streamline and consolidate the existing framework by bringing together into a single document all the 35 sets of provisions, as well as

the Staff Regulations and Staff Rules that are adopted by the Governor, while simplifying the wording and ensuring better consistency.

In addition, the revision has incorporated a series of changes on teleworking and performance management (e.g. regular check-ins serving as a basis for end-of-year performance discussion, career development, medical and social scheme, leave and indemnities (education allowance)).

Key HR data at end 2022

At year-end 2022, the CEB's workforce amounted to 211 regular staff, 11 temporary staff in Paris and five in Ankara, with the following characteristics:

- Number of nationalities represented: 33
- Staff turnover: 7.60%
 - Departures: 16 departures including two resignations (two men), two end-of-contracts (one man, one woman) and nine retirements (four men, five women), two early retirements (two men) and one status change (one man).
 - 14 new external hires

- Breakdown by gender (114 women and 97 men):
54% women / 46% men
 - Professional staff, including senior management (71%): 47% women / 53% men
 - Support staff (29%): 72% women / 28% men
- Average age: 49 years
- Average job tenure: 11.5 years
- Percentage of staff following one or more training courses: 77% (57% women and 43% men)
- Workers not directly employed (IT, security & facilities) in FTE: 36

Green and socially-responsible procurement

The implementation of a strategic vision in public procurement enables the CEB to use procurement as a means to purchase the goods, works and services required by the Bank to carry out its purpose, while simultaneously promoting and achieving environmentally and socially responsible goals.

New sustainable procurement policy & criteria

As the CEB aims to support its member states in achieving their commitments under the 2030 Agenda for Sustainable Development, the incorporation of green and socially-responsible procurement, which are the components of sustainable procurement, into its regular practice is a contribution to SDG 12.7: "Promote public procurement practices that are sustainable, in accordance with national policies and priorities."

During 2022, the CEB partnered with the University of Zaragoza to analyse its procurement practice and prepare a Green and Social Procurement Implementation Strategy. Once adopted, this will provide the CEB with enhanced tools and skills to further

incorporate environmental and social considerations in procurement for the Bank's own needs.

As a follow-up, the CEB intends to reflect this strategy in its lending operations, so that the procurement financed by the CEB in projects also incorporates specific social and environmental considerations more systematically. To this end, and as a pilot exercise, two grants to borrowers that will be financed from the Green Social Investment Fund include conditions to integrate those elements in the procurement of goods and services financed with those grants. It is expected that, in the medium term, this will become regular practice in all lending operations.

CEB's own environmental footprint

In 2022, the CEB's Environmental Statement and its commitments were complemented by the work of a new task force set up within the Bank's Paris alignment framework, with the view to limiting the Bank's own carbon footprint compared to a pre-COVID 'baseline'.

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Foundations for internal action

In 2019, the Bank committed itself to minimising the environmental footprint resulting from its internal operations and defined main lines of action, formalised in the CEB Environmental Statement. With the Bank-wide roll out of the Paris alignment framework, a new cross-directorate **Task Force on Aligning Internal Operations (TFIO)** was established to further advance the commitments taken in the 'Statement'. This group looks to:

- Work in accordance with the *MDB Guidance Note on Aligning Corporate Activities*⁴, a document that the CEB and its peers put together to define good practices for driving down GHG emissions from their internal operations.

- Develop an Action Plan, which, once completed, will help to manage and follow up on potential initiatives and better steer concrete improvements.

Based on this process so far, the following key levers for keeping the CEB's GHG emissions in check have been identified:

- Sustainable office facilities, e.g. a plan for sustainable energy
- Green mobility, e.g. greener and smarter business travel and commuting
- Green and socially-responsible procurement, e.g. implementation strategy and measures
- Monitoring, reporting and staff engagement

Actions taken on the CEB's environmental footprint

In parallel with the TFIO's work to put together a plan on how to prioritise and manage future actions in order to progressively align the Bank's internal operations with the Paris Agreement, **a series of tangible steps were taken in 2022** to make progress on the related GHG emissions, including:

- The Governor called on staff to make an extra effort to save energy, given the current energy crisis
- A third-party audit of the office building's 'thermal performance' was carried out.

- A tender for renewable electricity supply was launched, but was not completed, due to volatility in the electricity markets. The tender could be relaunched in 2023.
- The Bank's new sustainable procurement implementation strategy is under way, as outlined above.
- A survey on commuting was addressed to all staff in order to find out if/how commuting habits have changed post-COVID. Staff members were invited to share ideas on how to further tackle the CEB's environmental footprint. Those ideas feed into TFIO discussion.

4. The TFIO does not cover treasury activities. This is addressed in another workstream of the PA framework.

Climate contribution

Building upon the successful pilot scheme to make a carbon contribution ('carbon offset'), the CEB continued to work with TerraTerre, an innovative start-up that brings together local farmers willing to invest in carbon-reducing actions and organisations seeking to support these actions financially. The approach is closely aligned with the CEB's core focus as a development bank: to provide funding to small enterprises, to support rural regions and lower income groups in Europe, and to accompany the shift to a more sustainable economy.

In 2022, the CEB chose farmers in Belgium that work to improve their soil and water quality, as well as biodiversity, benefiting from the solutions and assistance provided by Gaïago, an innovative agrotech company. The expected emission savings from the two



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farms (526 tonnes of CO₂ emissions), enabled through CEB's financial support, go beyond the Bank's own internal carbon footprint (501 tonnes of CO₂ emitted during the year).

Most recent developments: greenhouse gas emissions

After the exceptional circumstance of COVID-19 in 2020, and the gradual return to more normal business conduct in 2021, **GHG emissions saw an uptick over the past 12 months**. Business travel has rebounded, although not to pre-pandemic levels, while the office presence saw a further take up and, with it, heating, materials and water consumption. Compared to 2021, the main factors contributing to the change in emissions were (see also Table 11, and Figure 9):

- A 72% increase in emissions from travel, mainly linked to a 153% increase in the kilometres flown in the year 2022. This is still less than half of air travel emissions compared to pre-COVID levels;
- A 36% decrease in emissions from heating and cooling, which can be related to the rolling out of several energy efficiency actions such as replacing old windows with new ones or lowering the overall temperature in the building;

The CEB reports its emissions based on the emissions sources identified by the GHG Protocol. It also reports on its own emissions by Scopes 1, 2 and 3. For details on this breakdown see GRI Report 305-5.

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Update on staff commuting

As outlined above, all staff members were invited to participate in a survey to better evaluate home-to-work commuting. The data gathered was used to refine the annual GHG emissions assessment for internal operations. In comparison to the previous survey, which dates back to pre-COVID, more CEB staff now opt for public transport and soft mobility (walking, bike, e-bike, etc.). In 2022, 66% of commuting kilometres were travelled by public transportation, 22% by soft mobility and electric vehicles and only 12% by conventional cars or motorbikes.



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GHG emission intensity

In total, the Bank's greenhouse gas emissions for 2022 stand at 501 tonnes of CO₂, representing 2.4 tCO₂e/employee, up from 453 tonnes of CO₂(2.1 tCO₂e/employee) in 2021⁵, but down compared to pre-COVID levels of 924 tonnes of CO₂(4.5 tCO₂e/employee) in 2019, all according to the *Bilan Carbone* methodology.

For more information on the CEB's absolute emissions and the underlying *Bilan Carbone* methodology, see GRI Report 305-5.

For even more detailed information on the Bank's GHG emissions from own operations and their trend over the past five years, see the overview below (Table 10).

Figure 9: GHG emissions per employee from 2018 to 2022 in tonnes of CO₂ equivalent

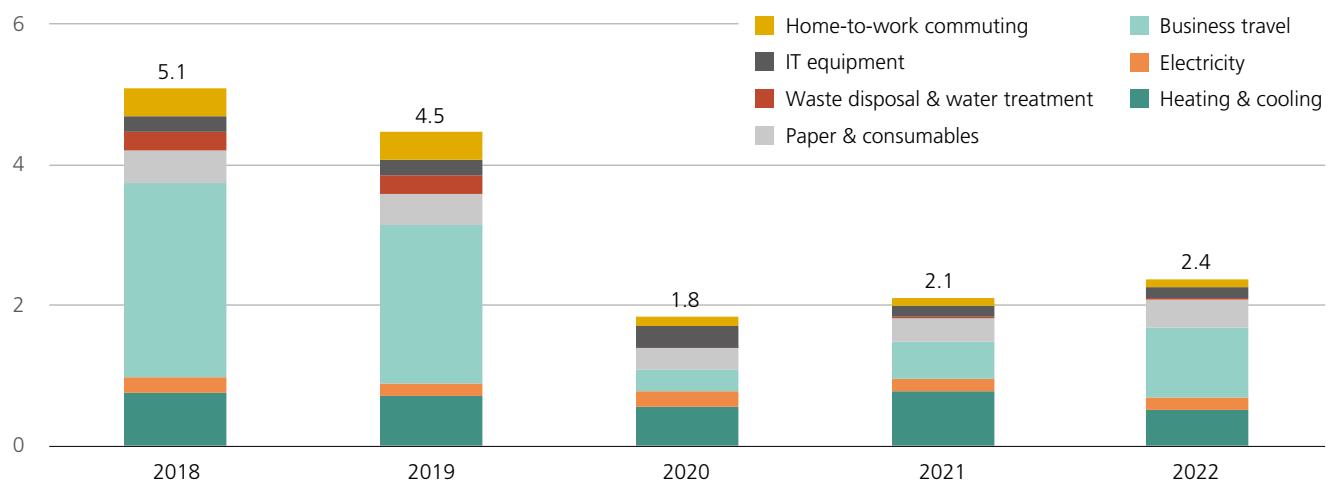
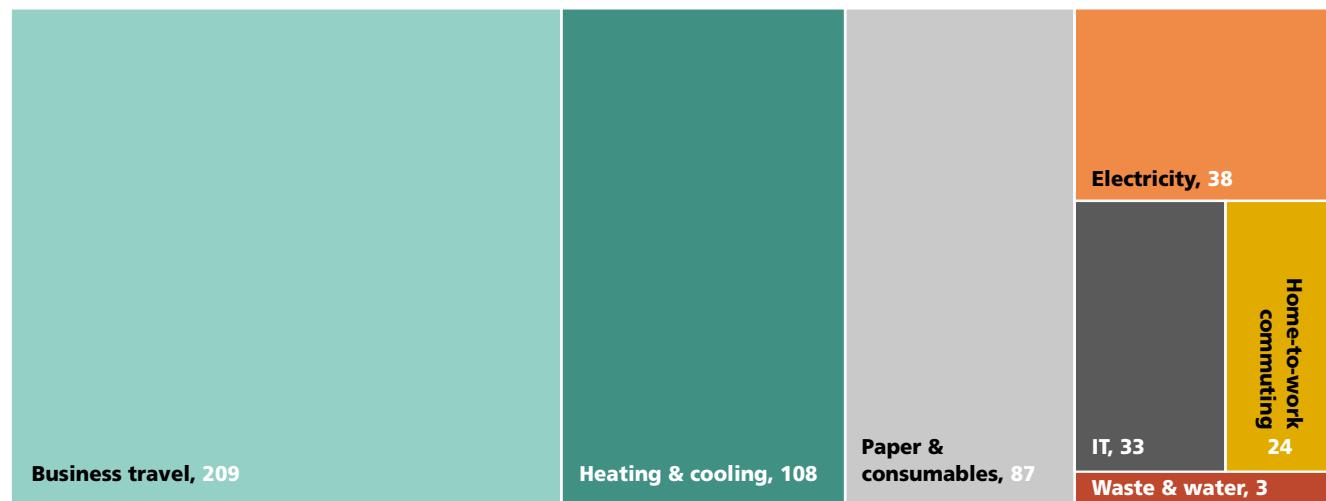


Figure 10: 2022 GHG emissions by source in tonnes of CO₂ equivalent



5. Some data has been restated compared to the Sustainability Report 2021 linked to: a change in the boundaries of the assessment with the inclusion of emissions linked to laptops from 2021 onwards; a revised calculation of amortisation for IT equipment; a revised data input for travel activity in 2019; home-to-work commuting in 2018 because of a change in methodology; a revised data input for waste disposal, electricity and heating/cooling in 2019 (see also GRI Report 2-4).

Table 10: The CEB's detailed GHG emissions by source in tonnes of CO₂ equivalent

DASHBOARD	Variation 2022 / 2018		2022		2021		2018	
	Total variation	Variation per employee	Total 2022	Per employee 2022	Total 2021	Per employee 2021	Total 2018	Per employee 2018
Surface – m ²	1%	-1%	7 713	36.6	7 675	36.0	7 600	36.9
CEB staff – FTE	2%		211		213		206	
Overall emissions	-52%	-53%	500.9	2.4	453.1	2.1	1 047.5	5.1
Buildings – Heating & cooling	-31%	-33%	107.8	0.5	167.3	0.8	156.5	0.8
Vapour network emission	-30%	-32%	107.5	0.5	167.0	0.8	153.9	0.7
Cooling use emissions	-88%	-89%	0.3	0.0	0.3	0.0	2.6	0.0
Buildings – Electricity	-15%	-17%	38.1	0.2	42.4	0.2	45.0	0.2
Electricity emissions	-15%	-17%	38.1	0.2	42.4	0.2	45.0	0.2
Travelling – Commuting	-70%	-71%	23.7	0.1	22.6	0.1	79.4	0.4
Emissions linked to commuting by soft mobility (e-bike, e-scooter, EV, bike, walk)	–	–	4.5	0.0	Not available	Not available	Not available	Not available
Emissions linked to commuting by car	-77%	-77%	16.7	0.1	19.6	0.1	71.1	0.3
Emissions linked to commuting by motorbike	-68%	-68%	1.3	0.0	1.4	0.0	4.1	0.0
Emissions linked to commuting by public transport (including train)	-71%	-72%	1.2	0.0	1.5	0.0	4.3	0.0
Travelling – Business travelling	-64%	-64%	208.6	1.0	112.6	0.5	571.8	2.8
Emissions linked to travelling by plane	-63%	-64%	206.0	1.0	110.1	0.5	557.7	2.7
Emissions linked to travelling by train	-42%	-43%	0.5	0.0	0.1	0.0	0.9	0.0
Emissions linked to travelling by taxi	-49%	-50%	1.2	0.0	0.6	0.0	2.4	0.0
Emissions linked to travelling by CEB car	-91%	-92%	0.9	0.0	1.7	0.0	10.8	0.1
Paper & consumables	-7%	-9%	87.3	0.4	72.2	0.3	93.4	0.5
Emissions linked to water bottles	-100%	-100%	0.0	0.0	0.0	0.0	1.6	0.0
Emissions linked to consumables	-50%	-51%	18.3	0.1	19.3	0.1	36.7	0.2
Emissions linked to post services	3%	0%	12.2	0.1	9.6	0.0	11.8	0.1
Emissions linked to magazines and newspapers	9%	6%	38.4	0.2	38.9	0.2	35.2	0.2
Emissions linked to printing brochures	756%	736%	16.5	0.1	2.4	0.0	1.9	0.0
Emissions linked to printing paper	-69%	-70%	1.9	0.0	2.1	0.0	6.1	0.0
Waste disposal and wastewater	-95%	-95%	2.7	0.0	1.9	0.0	53.0	0.3
Emissions linked to wastewater	59%	55%	0.8	0.0	0.6	0.0	0.5	0.0
Emissions linked to garbage	-96%	-96%	2.0	0.0	0.6	0.0	52.5	0.3
IT equipment	-32%	-34%	32.7	0.2	34.1	0.2	48.4	0.2
Emissions linked to individual printers	-100%	-100%	0.0	0.0	0.0	0.0	1.4	0.0
Emissions linked to laptops	–	–	12.0	0.1	12.0	0.1	Not available	Not available
Emissions linked to desktop computers	-100%	-100%	0.0	0.0	1.1	0.0	2.5	0.0
Emissions linked to large screens	1 337%	1 303%	20.7	0.1	21.0	0.1	1.4	0.0
Emissions linked to photocopiers/scanners	-100%	-100%	0.0	0.0	0.0	0.0	43.0	0.2

Note that, for the years 2018 and 2021 some data was not available or has not been assessed and is therefore marked as "Not available". Some information has been restated compared to the Sustainability Report 2021. Relevant figures are marked in italics above. On the restatement, see also footnote 5 above. Also note that a breakdown by emission scopes 1-3 is available in the GRI Report, Items 305-1, 305-2, 305-3 and 305-5.

Complementary sustainability-related reporting

This Sustainability Report is accompanied and supplemented by a standalone GRI [Report](#). Later in 2023, the CEB will publish its first Report according to the standards set by the Task Force on Climate-related Financial Disclosures (TCFD), for the year 2022.

The sustainability reporting framework is complemented by the [Integrity and Compliance Report](#), the CEB's [Social Inclusion Bond Reports](#) (including the Bonds' link to the Sustainable Development Goals) and disclosure on lessons learnt from the Bank's [project monitoring and evaluation activities](#).

Member countries

The CEB has 42 member states who are the Bank's shareholders.

All countries that are members of the Council of Europe
are eligible to join the CEB.

Albania ★
Andorra
Belgium
Bosnia and Herzegovina ★
Bulgaria ★
Croatia ★
Cyprus ★
Czech Republic ★
Denmark
Estonia ★
Finland
France
Georgia ★
Germany

★ Target countries

Greece
Holy See
Hungary ★
Iceland
Ireland
Italy
Kosovo ★
Latvia ★
Liechtenstein
Lithuania ★
Luxembourg
Malta ★
Republic of Moldova ★
Montenegro ★
Netherlands
North Macedonia ★
Norway
Poland ★
Portugal
Romania ★
San Marino
Serbia ★
Slovak Republic ★
Slovenia ★
Spain
Sweden
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