



# CEB

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

## Sustainability Report 2025





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## About the CEB

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









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

For more about CEB, visit [coebank.org/en/about](https://coebank.org/en/about)

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## 2025 Highlights

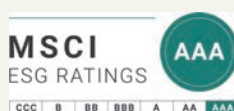
	<b>244</b> permanent staff, <b>34</b> nationalities
	<b>56%</b> of permanent staff are women, <b>42%</b> of senior roles
	<b>€4.5 billion</b> in loans approved for <b>54</b> projects across <b>26</b> countries
	Each of the <b>54</b> loan project approvals was mapped to relevant SDGs
	<b>€594 million</b> , <b>13%</b> of loans approved, for climate action
	Loans worth <b>€152 million</b> guaranteed thanks to trust fund resources and <b>€40 million</b> of grants approved
	<b>€2.6 billion</b> in Social Inclusion Bonds issued across four currencies
	<b>661 000</b> direct beneficiaries and <b>26.2 million</b> indirect beneficiaries of projects completed

- 36 supported projects were completed, mobilising nearly €16 billion in investments across 20 member countries.
- The Bank systematically applies a “vulnerability lens” to all new projects, using a robust scoring methodology to assess and address gaps in living environments, equity, and inclusion. This approach ensures that projects are designed to maximise social benefits and reach those most in need.
- Since joining the CEB in 2023, Ukraine has received €553 million in loans for health, social housing and microfinance, alongside emergency grants and technical assistance.
- A draft of the updated Environmental and Social Safeguards Policy, which will be submitted for approval in 2026, went through public consultation to seek stakeholders’ views.
- The Bank undertook another gender pay-gap assessment and conducted a staff workplace diversity survey.

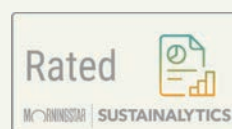
At the end of 2025, the CEB held the following “unsolicited” **ESG rating assessments**:



“Prime”: 1st decile of best performance  
July 2023



“Leader”: Rating: AAA  
July 2025\*



“Negligible ESG Risk”: rank 5/91 in  
development banks  
January 2026

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# Introduction

Sustainability is pivotal to how the CEB delivers on its social mandate for a lasting positive impact on people, especially the most vulnerable, society and the planet. Sustainability is embedded into all aspects of the CEB's work, from its financing activities to its internal operations, guided by a comprehensive and integrated operational framework. The CEB's commitment to sustainable development is evidenced by applying robust environmental, social and governance (ESG) criteria at corporate level; rigorous environmental and social safeguards at project level; a people-centred approach to addressing climate change; and a clear contribution to the 2030 Agenda for Sustainable Development, in particular to a set of ten key Sustainable Development Goals (SDGs) that closely align with the CEB's social mandate.

Despite some global headwinds for ESG in 2025, the CEB remains committed to sustainability, which underpins its Strategic Framework 2023-2027. The report describes how the CEB works to leverage financial strength for social purpose, confirming its role as a trusted partner for member countries and stakeholders, and a leader in advancing social development across Europe.

"Managing sustainability" at the CEB, as described in the first section, is grounded in strong governance, with shared and well-defined responsibilities, as well as regularly updated and independent oversight for accountability, measurability and a drive for improvement. For example, the Bank finalised a new Evaluation Policy and reinforced its accountability framework with a dedicated complaints handling procedure related to environmental and social safeguards.

**“ Sustainability lies at the heart of the CEB's mandate to strengthen social cohesion across Europe. The Bank remains unflinching in its commitment to reinforcing the environmental and social dimensions of its operations. These mutually reinforcing pillars are essential not only to the Bank's credibility and accountability, but also to delivering inclusive growth and ensuring a just, resilient transition.**

**Carlo Monticelli**  
CEB Governor



The CEB also demonstrated its leadership role by chairing the Heads of Multilateral Development Banks (MDBs) Group, spurring joint action on social infrastructure, transparent financing and climate resilience. Through active engagement at COP30, G20 and other global fora, the Bank underlined the systemic importance of social investment for jobs and well-being and the environment.

The CEB demonstrates this in practice, as shown in the second section "Investing in social development". Through the systematic application of the CEB's *vulnerability lens*, fully implemented in 2025, the Bank has increased its emphasis on the equity and inclusion dimensions of social investment, particularly as regards the outcomes for disadvantaged and vulnerable groups. In addition to ensuring that all newly approved operations in 2025 were fully aligned with the objectives of the Paris Agreement on climate, the Bank systematically screened all projects to identify "just transition" co-benefits. Further, the CEB consolidated its leading role among MDBs in the social bond markets, with its trademark Social Inclusion Bond (SIBs) issuance reaching new heights.

Sustainability is also embedded at the Bank's workplace (see section on "Internal operations"). In 2025, the Bank continued to advance gender equality, diversity and staff well-being, strengthened sustainable and socially responsible procurement practices and updated its Environmental Statement, committing to reducing its own environmental and climate footprint progressively.

As a transparent and accountable institution, the CEB espouses a comprehensive sustainability reporting framework, of which this report has been a central element, and is currently preparing for alignment with the reporting requirements of the International Sustainability Standards Board (ISSB – see last section "Sustainability reporting").

# Managing sustainability

Sustainability management demands clear responsibilities at all levels of an institution, encompassing the development and implementation of key strategies and policies, defining materiality, adhering to reporting and disclosure standards, engaging with stakeholders and ensuring accountability through compliance and independent evaluation.



## 2025 Highlights

- The CEB chaired the Heads of Multilateral Development Banks (MDBs) Group, fostering strategic dialogue and joint action on global, regional and local issues ranging from social inclusion to sustainable finance.
- The CEB issued a new Evaluation Policy, a complaint handling procedure and opened a draft Environmental and Social Safeguards Policy (to be published in 2026) for stakeholder comments.

## Governance

The CEB is a multilateral institution that is organised, administered and supervised by the **Governing Board**, which 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** (supported 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 (see Annual Report, Governance section).

At the management level, sustainability is integrated into daily operations by the Bank's Directorates. Effective January 2026, a **new Sustainability Working Group** (SWG) brings together the directors of Risk & Control, Technical Assessment & Monitoring, and Loans & Social Development along with the Head of Corporate Responsibility and ESG Reporting to oversee sustainability matters at the Bank, with a focus on reporting on CEB's environmental, social and governance (ESG) dimensions. The SWG will also address any remaining issues previously dealt with by the [Paris Alignment Working Group and Steering Committee](#), which have fulfilled most of their objectives.

The Corporate Responsibility & ESG Reporting Unit oversees corporate sustainability, ESG ratings, and reporting. Coordination across CEB Directorates is achieved through the **ESG Correspondents Network**.

The mission of the Office of the Chief Compliance Officer (OCCO or the Compliance Office) is to safeguard the Bank from financial and non-financial reputational risks, guided by the CEB's [Integrity and Compliance Policy](#). This policy embeds integrity into the operations of the Bank, bolstering the CEB's social mission.

## Policies and implementation

Sustainability is central to the [CEB's Strategic Framework 2023-2027](#), being reflected in all three overarching lines of action: investing in people and enhancing human capital; promoting inclusive and resilient living environments; and supporting jobs and economic and financial inclusion. Gender, climate change and digitalisation are cross-cutting considerations. Another priority is mainstreaming sustainability within the Bank's operations and day-to-day activities.

## Sustainability in the due diligence of CEB-financed projects

The CEB systematically integrates environmental and social considerations into its lending processes. Since 2016, the [Environmental and Social Safeguards Policy](#) (ESSP) defines the main principles, procedures and standards for CEB-financed operations. This framework is reinforced by two additional environmental social safeguards standards set out in the [CEB Handbook for the Preparation and Implementation of Projects](#), as well as the Exclusion list in the [Loan and Project Financing Policy](#).

Adhering to the Bank's environmental and social sustainability standards is a requirement for accessing CEB funding. The CEB's due diligence process assesses environmental and social risks and their impacts as well as mitigation measures, to ascertain that the projects are designed and implemented in line with the ESSP. In addition, all projects undergo an assessment for alignment with the Paris Agreement's mitigation and adaptation objectives. Non-aligned projects cannot be financed, ensuring that financed projects both comply with rigorous social and environmental standards and maximise positive outcomes, especially for vulnerable groups.

The Bank is currently updating the ESSP and its standards. Reflecting the CEB's commitment to transparency and public engagement, the draft policy was opened for a public consultation in December 2025 to seek stakeholders' views on the proposed update, with particular attention to the policy's adequacy and applicability in addressing the environmental and social risks and impacts of projects. Following this consultation, the new policy is expected to be submitted for approval in 2026.

### **New complaints handling procedure**

In 2025, the Bank developed and finalised the "Accountability and complaints handling procedure" associated with the ESSP. The procedure strengthens the CEB's commitment to transparency and accountability and the Compliance Office's role in receiving, assessing and investigating, when appropriate, complaints and proposing recommendations. This will also result in better accessibility, clarity and independence in the handling of environmental and social safeguard-related complaints that are related to CEB-financed projects. In addition, it supports continuous learning and improvement across operations, ensuring that stakeholder feedback contributes to more effective implementation of the ESSP and to the Bank's guiding principles of integrity, responsibility and trust in all its activities.

### **New evaluation policy**

Evaluation is an essential activity for Multilateral Development Banks, enabling them to assess the performance and results of their interventions. For this reason, MDBs have adopted internationally recognised good-practice standards for their evaluation systems, clearly distinguishing between two modalities with specific and complementary purposes: a self-evaluation process under the responsibility of operational management and an independent evaluation function, fulfilled, in the case of the CEB, by its Office of Independent Evaluation. Evaluation policies clarify and formalise roles and responsibilities for evaluation at the institutional level, emphasising the dual accountability and learning role of MDBs' independent evaluation functions.

In January 2025, the CEB's [Evaluation Policy](#) was approved by the Bank's Administrative Council. This new policy establishes the framework for evaluating the CEB's activities, paying particular attention to the Bank's independent evaluation function and taking into account the specificities of the CEB's institutional and operational setup.

### **CEB's key performance indicators (KPIs)**

Since 2023, the CEB's corporate results framework has tracked both operational performance (linked to project financing), with twelve KPIs, and organisational performance (linked to internal operations) through five KPIs. Five of the seventeen KPIs have a specific ESG focus ([See the CEB's Sustainability Report 2023](#) for the full list). The Bank reports regularly on these KPIs to the Governing Board and Administrative Council.

### **Engagement and partnerships**

The CEB is deeply committed to fostering inclusive growth, social cohesion, and climate resilience across Europe and beyond. In 2025, the CEB's engagement with its peer community was marked by dynamic partnerships, thought leadership, and discussing practical support for cities and vulnerable populations.

In 2025, the CEB held the rotating chair of the **Heads of Multilateral Development Banks Group**, a forum of major MDB leaders fostering strategic dialogue and joint action to deliver greater impact and accelerate progress on sustainable development. As the MDB with an exclusively social mandate, the CEB elevated social issues on the MDB agenda, culminating in the joint publication, [Social Infrastructure in Focus: The Role of Multilateral Development Banks](#), which underscores the catalytic role MDBs play in advancing investment in social infrastructure globally.

Since January 2025, the CEB has had observer status on the **Taskforce on Inequality and Social-related Financial Disclosures** (TISFD), a global initiative launched in 2024 to develop a unified reporting framework for disclosing effectively on social impacts, human rights and human capital. The aim is to support organisations and stakeholders to better understand and communicate on social impact.

In June, building on its decade-long support of ICMA Principles and recognising its leadership in the Social Bond market, the CEB was elected to the **ICMA Principles Executive Committee** (ExCom), which sets the global standard for sustainable bond markets, providing guidance for issuers, investors, and underwriters. The ExCom oversees the Green Bond Principles (GBP), Social Bond Principles (SBP), Sustainability Bond Guidelines (SBG), and Sustainability-Linked Bond Principles (SLBP).

On September 15, recognising that cities are both engines of opportunity and sites of persistent inequality, the CEB partnered with the **OECD** to co-host the **"Inclusive Growth: How cities can support people with a migrant background"** workshop. This event brought together European cities, NGOs, migrant organisations and financial institutions to address the challenges and opportunities of migrant inclusion in urban settings.

In October, the CEB joined the **Just Transition Finance Lab Community of Practice** co-hosted by the **LSE Grantham Research Institute**. This initiative aims to advance environmental and climate goals within the global financial system through a people-centred approach. Thanks to its extensive expertise in Social Inclusion Bonds, the Bank can contribute to developing principles that help both to assess just transition in projects and to develop market standards for labelled bonds.

In November, at the UN Climate Change Conference (**COP30 in Brazil**), the CEB joined other **MDBs** **in calling for accelerated action on resilience and delivery**, emphasising the social foundation of climate action. The advocacy of the Bank's leadership for a people-centred climate transition was highlighted through joint initiatives and high-level events, notably with the Council of Europe on human rights' aspects, as well as collaborations with the Nordic Investment Bank and GIZ.

In December 2025, the CEB hosted a high-level seminar, **"A decade of the Paris Agreement"**, organised with the French Ministry of Ecological Transition and as official part of the series of commemorations initiated by the United Nations Framework Convention on Climate Change (UNFCCC). As an anniversary event dedicated exclusively to the social aspects of climate change and just transition of the Paris Agreement, it provided a special opportunity to underscore the need to reinforce integrated strategies that combine climate, economy and social issues within coherent, credible, financeable and politically sustainable solutions.

### Further reading

- CEB [Strategic Framework 2023-2027](#), Jan 2023
- [Annual Report 2025](#), Governance section, Mar 2026
- [GRI Report, Item 2-13](#) and [TCFD Report](#)
- Complaints mechanism and current compliance cases, [GRI Report](#), Item 2-27
- [Materiality assessment](#), Apr 2020
- CEB's [Paris Alignment Framework and Roadmap](#), May 2023
- CEB [Integrity and Compliance Report](#), Jul 2025
- [Independent Evaluation](#) at the CEB and [Evaluation Policy](#), Jan 2025
- CEB [Public Information Policy](#), Jul 2020
- [Environmental and Social Safeguards Policy](#), 2016
- CEB [Environmental Statement](#), May 2025

# Investing in social development

Investing in social development lies at the heart of the CEB's mission, prioritising vulnerable groups and essential sectors such as education, health and affordable housing. Through innovative partnerships, targeted microfinance and support for local authorities, the CEB delivers high-impact solutions that foster resilience and social cohesion, advancing progress towards the UN Sustainable Development Goals (SDGs).



## 2025 Highlights

- The CEB approved €4.5 billion in loans for 54 new projects across 26 countries, with nearly half of all approvals targeting core social sectors such as education, healthcare and affordable housing.
- A vulnerability lens was systematically applied to all new operations, using a robust scoring methodology to assess and address gaps in living environments, equity and inclusion. This approach ensures that projects are designed to maximise social benefits and reach those most in need.
- Since joining the CEB in 2023, Ukraine has received €553 million in loans for health, social housing and microfinance, alongside emergency grants and technical assistance.











## Approved projects in 2025

The CEB supports the efforts of its member countries to fulfil their commitments under the 2030 Agenda for Sustainable Development. Since 2020, the CEB has mapped all newly financed projects to the SDGs, identifying ten priority Goals that closely align with its social mandate.

In 2025, all 54 approved projects contributed to key SDGs:

- **SDGs aligned with the CEB’s core social mandate:** 78% of projects addressed inequalities (SDG 10: Reduced Inequalities). Additionally, 41% of projects contributed to SDG 1 (No Poverty).
- **SDGs screened in all projects:** 31% of approved projects included a gender-focused component (SDG 5: Gender Equality), while 22% targeted climate-related objectives (SDG 13: Climate Action).
- **Sector-based SDGs relevant to the CEB operations:** 46% of projects contributed to SDG 11 (Sustainable Cities), 22% promoted SDG 3 (Good Health), 35% contributed to SDG 8 (Decent Work) and 24% focused on SDG 4 (Quality Education). A smaller proportion contributed to SDG 6 (4%: Clean Water).

Figure 1: Making the link between projects approved in 2025 and the SDGs

		2025		
		Reason for prioritising the SDG	Number of projects approved supporting each SDG	% of projects approved supporting each SDG
	<b>SDG 10</b> Reduced Inequalities	Alignment with CEB's social mandate	42	78%
	<b>SDG 1</b> No Poverty		22	41%
	<b>SDG 5</b> Gender Equality	Cross-cutting issues, screening of all CEB projects	17	31%
	<b>SDG 13</b> Climate Action		12	22%
	<b>SDG 3</b> Good Health	Project-specific, sector-based relevance	12	22%
	<b>SDG 4</b> Quality Education		13	24%
	<b>SDG 6</b> Clean Water		2	4%
	<b>SDG 8</b> Decent Work		19	35%
	<b>SDG 11</b> Sustainable Cities		25	46%
	<b>SDG 16</b> Peace and Justice		0	0%

Note: The overlap in figures is due to the fact that projects support more than one SDG.

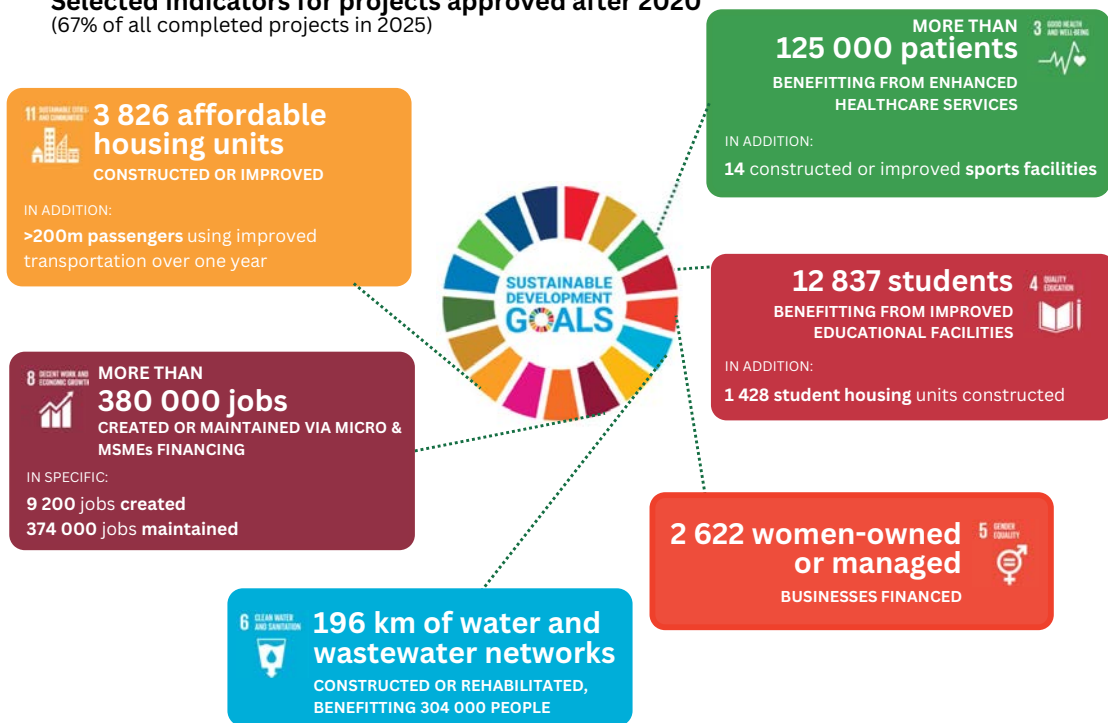
## Completed projects in 2025

In 2025, CEB borrowers completed 36 projects that were supported by €3.7 billion in CEB financing. These projects took place in 20 member states and generated nearly €15.9 billion in total investment. Together, they delivered results for 661 thousand direct beneficiaries and more than 26 million indirect beneficiaries.

Figure 2: Result indicators of completed projects in 2025

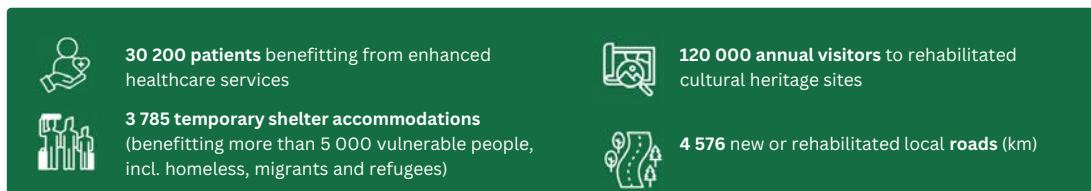


### Selected indicators for projects approved after 2020 (67% of all completed projects in 2025)



These indicators represent selected outputs and outcomes of projects based on ex-post data provided by borrowers for **projects approved after 2020, following the introduction of the CEB's framework to align financed activities with the SDGs**. SDGs 1 (No Poverty) and 10 (Reduced Inequalities) are central to the Bank's social mandate and all approved projects inherently contribute to these goals. Specific result indicators for these SDGs are not separately highlighted.

### Selected indicators for projects approved before 2020 (33% of all completed projects in 2025)



\* **Direct beneficiaries** are the primary users of project outputs: e.g., users directly benefitting from improved infrastructure or services, students, residents, inmates, patients, visitors, etc. This figure does not include potential passengers of transportation systems.

\*\* **Indirect beneficiaries** refer to the broader population within the service area who may benefit from improved infrastructure or services, even if they are not the direct recipients of the primary intervention: e.g., all individuals residing in the catchment area of an infrastructure.

## Financing social projects for the most vulnerable

Since its creation, the Bank has focused its action on key social areas where it can deliver the greatest benefit to people most in need. In 2025, in line with the priorities and the operational targets of the CEB's Strategic Framework 2023-2027, Target Group Countries<sup>1</sup> received €2.2 billion (49% of the total loans approved), while accounting for about 57% of the total number of projects in the year (31 projects).

More than 40 operations supported local and regional authorities or specialised municipal entities responsible for delivering essential services directly to communities. In addition, a dozen operations targeted **microfinance** institutions, which play a critical role in reaching vulnerable groups excluded from mainstream financial markets. In terms of sectoral distribution, projects were concentrated in core social sectors – education and vocational training, health and social care, and social and affordable housing. More detailed information on the sectoral breakdown of the CEB's operations in 2025 can be found in the GRI Report.

Supporting **Ukraine** is a core priority of the CEB's Strategic Framework. Since the country's accession to the Bank in 2023, the CEB has approved €553 million in loans for health, social housing and microfinance, with on-the-ground implementation progressing as planned.

In 2025, the CEB continued to apply its hallmark **vulnerability lens** at project appraisal, following its systematic rollout to all new operations since March 2024. The vulnerability lens assesses both gaps in living environment, such as access to infrastructure, services and economic opportunities, and equity and inclusion, which focuses on inequalities and barriers linked to socio-economic status or individual characteristics like ethnicity, gender, age and disability.

Building on lessons learned from its initial implementation, the Bank updated its internal guidance to refine its assessment and scoring approach, enhancing consistency and alignment across sectors.

## Partnerships with donors

Partnerships with donors are central to the Bank's efforts to improve living standards of vulnerable groups across Europe. They help to **address funding and implementation challenges that hinder impactful social projects**. Contributions to CEB trust funds totalled €35 million, including €21 million from the European Union, €1.5 million from Germany and €12 million from the Bank.

Notably, the Bank established together with the **European Union (EU)**, the InvestEU Blending Facility for Microfinance, a partnership to improve the access of vulnerable groups to microfinance in EU countries. The CEB will provide loans to microfinance institutions targeting these vulnerable groups, along with grants to finance business development services (e.g. training, mentoring) or interest subsidies on their micro loans. The EU will finance the grants through a €10 million contribution from its European Social Fund Plus (ESF+) and will guarantee the CEB loans to the microfinance institutions via its InvestEU facility.

Thanks to **guarantees** from InvestEU and the CEB's own Social Impact Account (SIA), the Bank approved €152 million in loans to microfinance institutions and other highly social borrowers in 2025.

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1. Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Georgia, Hungary, Estonia, Kosovo, Latvia, Lithuania, Malta, Republic of Moldova, Montenegro, North Macedonia, Poland, Romania, Serbia, Slovak Republic, Slovenia, Türkiye and Ukraine

The CEB also approved €40 million in **grants**, including €18 million to support Ukraine. Notably, the Bank approved a €500 000 grant from the Ukraine Solidarity Fund to provide housing for vulnerable populations affected by the war. The grant will help rehabilitate transit sites and collective centres to make them accessible for internally displaced persons with limited mobility. It will also finance shelter kits for emergency housing repairs to low-income households whose homes have been damaged.

### Cases studies: showing CEB's social impact

#### Case study 1: Roma Entrepreneurship Development Initiative – Bulgaria, North Macedonia, Romania and Serbia



In 2021, the CEB approved a €3 million loan to the Roma Entrepreneurship Development Initiative (REDI) designed to strengthen financial inclusion for Roma entrepreneurs who face persistent barriers and heightened risks of poverty and social exclusion. This initiative channels support through local microfinance institutions to underserved Roma-owned businesses across Bulgaria, North Macedonia, Romania and Serbia – countries that together host one-third of Europe's Roma population. The programme goes beyond financing: it fosters entrepreneurship, employment and business development within and beyond Roma communities, while promoting integration into mainstream markets. By reducing barriers linked to poverty, discrimination and limited labour market access, the initiative promotes self-reliance and economic empowerment. Technical assistance provided by REDI further enhances impact by improving loan application quality, as well as by training loan officers and helping develop financial products tailored to Roma needs.

The CEB loan, fully disbursed in 2025, has supported 375 micro-projects, helped maintain 966 jobs and directly benefited 236 sub-projects directly involving Roma or Roma-owned businesses, with the remainder benefitting enterprises located in Roma areas or employing Roma workers. Over half of the supported businesses are women-led, further contributing to gender inclusion. In 2025, the CEB approved an additional loan to REDI, covering operational activities in Albania, Kosovo, Republic of Moldova and Romania.

By fostering entrepreneurship, improving employment prospects, and promoting social integration of Roma communities, the CEB aims to ensure a more inclusive and prosperous future for Europe's Roma population, who are among Europe's most vulnerable people.

#### Case study 2: Investment platform for energy saving buildings in Lithuania



Lithuania's National Energy and Climate Plan places energy savings in buildings at the heart of its 2030 climate targets. Most of the country's 39 000 multi-apartment buildings, built before 1993, suffer from poor energy performance and outdated heating systems, resulting in energy consumption nearly twice that of modern buildings. To address this challenge, the government launched an innovative €275 million investment platform to renovate 5 000 multi-apartment buildings and support large-scale residential energy-efficiency upgrades.

The CEB approved a €40 million loan in 2022 to support the investment platform in delivering a programme aligned with national energy efficiency and carbon reduction goals. By improving energy performance in multi-apartment buildings, the programme reduces energy use and heating costs, lessens environmental impact and improves living conditions. The loan has been fully disbursed and will finance the energy-efficiency renovation of 365 buildings, with 66% energy savings on average benefiting about 12 775 households, generating employment in retrofitting and construction.

Beyond environmental gains, the project delivers strong social impact: lower energy bills help reduce energy poverty, while repayment schemes are designed to be offset by savings. Vulnerable households receiving energy subsidies are exempt from repayments. By combining climate mitigation with social inclusion, the CEB demonstrates how green investments can create fairer, more resilient communities.

### **Sustainable procurement practices in CEB-financed projects**

Following the adoption of [new procurement guidelines](#) in September 2023, the CEB began mainstreaming sustainable procurement practices in its projects in 2024. These efforts have also been complemented by pro-active pilot initiatives to build capacity and knowledge.

In 2025, for example, the CEB continued its collaboration with NALED, a non-governmental organisation in Serbia, to deliver training and capacity building programs to over 15 borrowers from Bosnia and Herzegovina, Montenegro and Serbia. These efforts are leading to the gradual systematic incorporation of sustainable procurement criteria in projects across these countries. This initiative was financed by a €70 000 grant from the Italian Fund for Innovative Projects.

Complementing this collaboration, in the second half of 2025, the Bank hired individual consultants to advise specific borrowers and projects in Germany, Spain and Türkiye. The endeavour will improve procurement practices in selected projects, building the experience and know-how needed to roll out on a larger scale.

### **Financing social projects with climate co-benefits**

The CEB affirms its commitment to addressing climate challenges as part of its mandate to foster social cohesion and sustainable development. By achieving full alignment with the objectives of the Paris Agreement across all lending operations, the Bank systematically integrates climate resilience and low-carbon objectives into financed investment, with particular emphasis on improving the living conditions of the most vulnerable populations.

### **Fostering a just and inclusive transition**

Investing in social cohesion is essential to achieving a successful climate transition. The [CEB's Strategic Framework](#) underscores the importance of supporting a just and inclusive transition, addressing the challenges of vulnerable groups who may be disproportionately exposed to adverse impacts or unable to benefit from the green transition.

In 2025, this vision was fully operationalised through the **systematic application of a just transition screening to all financed operations**, piloting an internal methodology based on the [MDB Just Transition High Level Principles](#). From this screening, more than one-third of operations approved in 2025 are expected to deliver just transition co-benefits.

### A people-centered climate transition at COP30

The Bank championed the just transition agenda through extensive external engagement in 2025. As a core member of the Joint MDB Climate Action Group, the CEB actively contributed to operationalising the Joint MDB Just Transition High-Level Principles within multilateral climate activities.

These sustained efforts laid the groundwork for the Bank's participation at the [United Nations Climate Change Conference \(COP 30\)](#) in Belém, Brazil, with a clear, focused mission: advancing a vision for a people-centred climate transition. This strategic focus culminated in several high-level engagements, including:

- An event with the Council of Europe to advance the human rights dimension of climate change.
- Collaboration with the Nordic Investment Bank (NIB) and GIZ to scale up inclusive finance.
- UNFCCC side events centred on "Net Zero Finance: Productivity and an Equitable Just Transition."
- Joint MDB events, notably a high-level session dedicated to climate adaptation.

### Systematic integration of climate considerations in projects

Climate considerations are systematically factored into all lending operations through robust due diligence methodologies. Since 2024, all newly approved operations have been **fully aligned with the mitigation and adaptation objectives of the Paris Agreement**.<sup>2</sup> Project-level due diligence includes a rigorous physical climate risk assessment to mitigate potential risks. For more on climate risks see the [CEB's annual TCFD report](#).

The CEB identifies climate finance co-benefits in line with the [Joint MDB Methodology for Climate Finance](#), covering both mitigation and adaptation. Climate finance is also reported in the [Joint Report on MDB's Climate Finance](#). In 2025, approximately 40% of CEB approved loans included climate co-benefits (2024: 60%). The decrease compared to the previous year reflects the significant share of microfinance operations, with more than 20% of approvals, which prioritise social and economic vulnerability over other objectives.

### Tracking climate finance and project GHG emissions

The CEB tracks climate finance and GHG emissions across all projects. The results are presented in the following tables.

In 2025, the CEB's overall climate finance was around €570 million, estimated on the basis of the MDB Climate Finance methodology and the EU taxonomy criteria. This represents 13% of total climate financing during the year. The slight decrease from previous years was due to the higher share in 2025 of operations with higher social value, notably microfinance operations or reconstruction and recovery after natural disasters.

2. For more information on the Paris Alignment approach, see the Sustainability Report 2023.

**Table 1: CEB climate finance: mitigation and adaptation in 2021-2025, € millions**

	2021	2022	2023	2024	2025
Total CEB financing approved	4 156	4 244	4 106	4 549	4 476
Climate finance total	525	867	891	933	594
- % of total approved, of which:	13	20	22	21	13
Climate mitigation finance	467	657	812	814	546
- % of total climate finance	89	76	91	87	92
Climate adaptation finance	58	210	80	119	48
- % of total climate finance	11	24	9	13	8

The CEB's 2025 GHG emissions were estimated on the basis of the CEB's internal methodology, in line with the [MDB-IFI methodology](#). Estimated GHG emission reductions (savings) slightly increased compared to 2024, recovering 2023 levels.

**Table 2: Estimated greenhouse gas emissions for projects approved during 2021-2025, tonnes of CO<sub>2</sub> eq. per year, as per the CEB's internal methodology<sup>3</sup>**

	2021	2022	2023	2024	2025
Absolute emissions	110 000	52 000	42 300	81 800	96 000
Relative emissions, i.e. emission savings from mitigation projects approved	65 000	110 000	27 400	23 100	27 400

### Cooperation with the Eastern Europe Energy Efficiency and Environment Partnership (E5P)

In 2025, the CEB continued to develop its long-standing cooperation with the Eastern Europe Energy Efficiency and Environment Partnership (E5P), a multi-donor facility which supports high-impact energy efficiency and environmental investments in the EU's Eastern Partnership countries.

The Bank and the E5P agreed jointly to finance the renovation of 15 schools in the Republic of Moldova through a €5 million E5P grant and a €30 million CEB loan. The project aims to reduce heating and electricity expenses by about 65% and cut greenhouse gas (GHG) emissions by 5 900 tonnes each year. It will also provide an improved learning environment for around 12 800 students and better working conditions for 800 school staff.

### Funding and treasury

In 2025, the CEB continued expanding its Social Inclusion Bonds (SIBs) by issuing a first bond denominated in GBP in January. This event was celebrated by a bell ringing ceremony at the London Stock Exchange. For 2025, the total SIB issuance was €2.6 billion – in EUR, USD, AUD and GBP – which accounts for more than 40% of the funding programme for the year.

Altogether, the CEB has issued SIBs across seven currencies since 2017, with total issuance exceeding €13.5 billion by the end of 2025. A number of SIBs have been listed on local sustainability-focused stock exchanges, such as the London Stock Exchange. Through this diversification strategy, the Bank reached new investors, while strengthening the local social bond markets.

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

### ICMA Sustainable Finance Working Groups

Since the inception of the ICMA Social Bond Working Group in 2016, the CEB has actively contributed to harmonising the social bond market and providing user-friendly guidelines for issuers and investors. In 2025, the CEB took on the coordinator role of the [Impact Reporting for Social Bonds Working Group](#), developing sector specific guidance and reporting metrics on access to essential services.

### London Stock Exchange's Sustainable Bond Market Advisory Group (SBMAG)

The CEB joined the LSEG [Sustainable Bond Market Advisory Group \(SBMAG\)](#) in 2025, after listing the Bank's first GBP-denominated SIB on the London-based exchange. The advisory group is a key consultative body shaping the standards and direction of London's sustainable bond market. The prime goal is to unite market participants and stakeholders to provide input on the development of the British sustainable bond market (SBM).

### CEB's ESG investments

Following the 2022 update of its Financial and Risk Policy, the CEB explicitly embraces ESG and green and social funds, strengthening a practice adopted in 2014 with the Bank's first ESG investment. As at 31 December 2025, ESG-labelled investments accounted for 25% (of which 45% were green bonds) of the Bank's medium- and long-term investment portfolios, up from 22% in the previous year.

### Further reading

- [Projects approved by the CEB](#), complete list from 2010 to current year
- [CEB Trust Funds for Social Impact](#), including key [data on donor-funded operations](#)
- The [CEB and SDGs: Achieving the UN Sustainable Development Goals](#), webpage
- [CEB Social Inclusion Bond Framework](#), March 2022
- [CEB Social Inclusion Bond Report](#), March 2026
- [Funding at the CEB](#), [coebank.org/en/investor-relations/funding/](https://coebank.org/en/investor-relations/funding/)
- [CEB and Climate Change](#), overview of CEB Strategic Framework, Paris Alignment approach and joint MDB
- [The CEB at COP30: Committed to Just and Socially Inclusive Climate Action](#), Nov 2025
- [Joint MDB statement at COP30](#), Dec 2025
- [Joint MDB methodology for tracking climate change adaptation finance](#), Nov 2022
- MDB/International Development Finance Club (IDFC) [Common principles for climate mitigation finance tracking](#), Dec 2023

# Embedding sustainability in internal operations

The CEB is committed to advancing social and environmental sustainability across its internal operations, from fostering a cohesive and supportive working environment to promoting green, socially responsible procurement and limiting the Bank's own carbon footprint.

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## 2025 Highlights

- Commitment to gender balance upheld with 42% of women in senior roles (grades A4 and above), exceeding the 40% target defined in the CEB's Strategic Framework
- The CEB updated its Environmental Statement committing the Bank to progressively reducing the climate and environmental footprint of its internal operations
- The Bank selected a new IT platform and service provider to improve how internal carbon-footprint data is collected and processed for more granular and accurate assessments.

## Human resources

### Key HR data in 2025

At year-end 2025, the CEB’s workforce counted 244 staff members (including two based at the Liaison Office in Kyiv)<sup>1</sup> with the following characteristics:

- Number of nationalities represented: 34
- Gender representation: 56% women, 44% men
- 42% women in senior roles
- New external hires: 27 (41% women, 59% men)
- Average age: 47 years, average job tenure: 10.9 years
- Staff turnover: 5.9%, 14 people departing
- Workers not directly employed (IT, security & facilities, trainees) in full-time equivalent: 64

**Figure 3: Gender balance at different seniority levels, in number of staff**



### Gender equality, diversity and inclusion

In 2025, the CEB continued to advance its gender equality and diversity objectives, maintaining women’s representation at 42% women in senior roles (grades A4 and above), exceeding the 40% target defined in the Bank’s [Strategic Framework](#).

The CEB is certified at EDGE Move level, the second level of the global standard for measuring progress on fostering equal career opportunities for women and men, including pay equity. In 2025, HR focused on preparing the Bank’s EDGE re-certification assessment 2026, including data consolidation, survey coordination and documentation reviews. Pay equity continued to be monitored using the EDGE methodology, with results from both the 2024 and 2025 analyses confirming the absence of a material gender pay gap and remaining well within EDGE thresholds. There were small gaps in favour of women or men in 2025 depending on the assessment model (“standardised model”: 0.3% salary and 0.5% overall pay in favour of women; “customised model”: 0.6% salary and overall pay in favour of men).

1. In addition, the CEB had four local staff in the CEB Ankara Project Office and 11 temporary staff in Paris.

Gender and inclusion considerations are embedded in HR processes, including recruitment, performance management and learning initiatives. In 2025, awareness-raising actions and training activities, including unconscious bias initiatives for managers, complemented these efforts and supported an inclusive organisational culture.

In addition to gender, recruitment and workforce management practices continued to support geographical diversity, with staff representing 34 member countries.

### **Staff development and capability strengthening**

Capability strengthening is pursued through a balanced approach combining targeted recruitment, structured learning and internal mobility. In 2025, formal training activities placed emphasis on specialised technical, financial, regulatory and risk-related competencies, including project finance and financial modelling, audit and internal control, ESG and climate-related topics, governance frameworks, EU regulatory developments and building up digitalisation-related skills. Recruitment efforts in parallel targeted profiles in areas such as project implementation, IT, risk management, internal control and transformation functions. This approach reflects the Bank's objective to reinforce expertise where operational complexity is increasing, while maintaining high professional standards and risk management capacity across functions.

Performance management processes continued to support development, allowing set objectives to be monitored and adjusted during the year and reinforcing a continuous feedback culture.

### **Health, well-being and employee support**

The CEB's approach to staff well-being combines occupational health and safety with a range of support services available to staff. Flexible and hybrid working arrangements are available to all staff categories, encouraging a positive work-life balance.

In addition to existing medical, social and mediation services, in 2025 the Bank strengthened its support framework through the introduction of permanent workplace psychological support, offering confidential consultations to staff.

The Bank also organised an initial awareness-raising initiative for employees with caregiving responsibilities, aimed at opening dialogue and increasing understanding of the challenges faced by staff balancing professional duties with family or dependent care.

### **Staff representation and engagement**

In October 2025, the CEB staff elected a **new Staff Committee**. The Committee is composed of five members and represents the general interests of the staff, contributes to the smooth running of the CEB and serves as the staff voice in committees dealing with, for instance, health and safety, pension or disciplinary matters.

An **EDGE employee survey** was launched as part of the Bank's gender equality certification framework, providing valuable staff feedback. Complementing these institutional processes, the staff-driven **Diversity and Inclusion Group** fostered community spirit by organising a charity run and fundraising initiative for breast cancer research during Pink October, demonstrating the vitality of employee-led efforts to promote wellbeing, solidarity and inclusion across the Bank.

## CEB's own footprint

As a responsible bank, the CEB is mindful of its own environmental footprint, including greenhouse gas (GHG) emissions, although its main impact lies with project financing.

### Updated approach

In 2025, the CEB upgraded its Environmental Statement reiterating the Bank's commitment to progressively reducing the climate and environmental footprint of its internal operations. The updated Statement better clarifies how it intends to improve its own operational performance.

The Statement is structured around three main avenues for action: (i) Bank's headquarters must be managed to improve energy performance and to use resources responsibly; (ii) mobility, must limit emissions linked to staff travel whenever possible; and (iii) procurement, must ensure that purchasing decisions increasingly integrate environmental considerations.

To operationalise the Environmental Statement, an action plan sets out clear principles covering resource efficiency, emissions reduction and responsible use of natural assets in the daily running of the organisation.

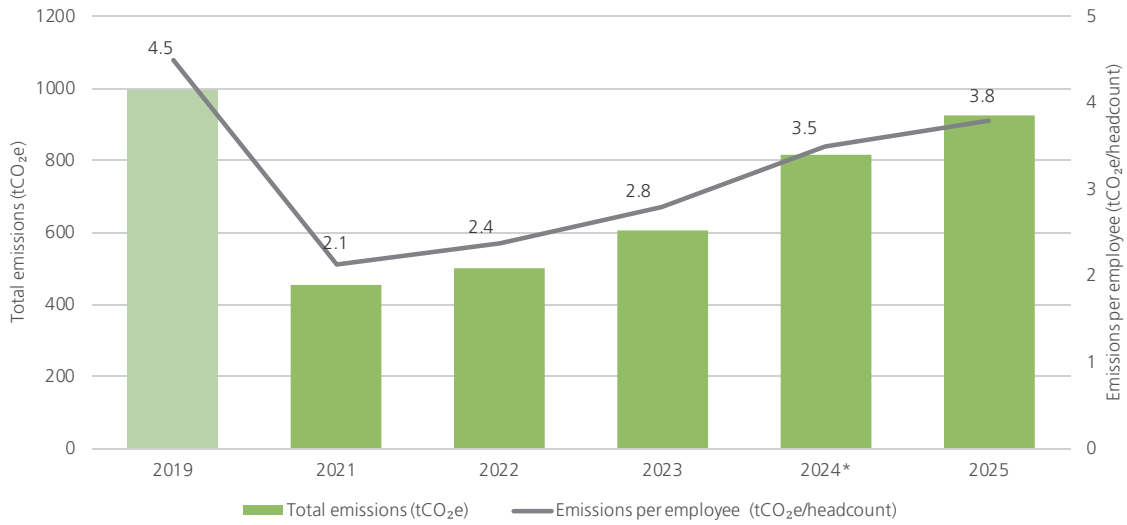
### Greenhouse gas emissions in 2025

The Bank took additional steps to better monitor its footprint and raise staff awareness in 2025. The CEB selected a new IT platform and service provider (Greenly) to assess and track its GHG emissions in a more accurate and granular way, also with the view to improving how its environmental performance is managed in the longer term. A new interactive dashboard was made available to all staff capturing trends in emissions related to their work activities, such as business travel, office procurement and commuting. Moreover, all staff were invited to take part in a survey, the results of which were used by Greenly to refine the estimate of GHG emissions related to staff commuting and teleworking for 2025.

For an overview on the impact ('restatement') of switching to a new GHG assessment platform, see the GRI Report, item 2-4.

Total emissions reached 923 tCO<sub>2</sub>e in 2025, up from 814 tCO<sub>2</sub>e in 2024. As in previous years, the increase is largely explained by business travel, which accounts for about 60% of the Bank's footprint. This trend reflects heightened engagement with peer MDBs and international stakeholders, resulting in more long-distance missions. A further share of the rise stems from IT-related emissions, driven by continued digitalisation efforts. Conversely, lower building's energy emissions – particularly from heating and cooling – together with reduced emissions from office supplies, furniture and related services, helped moderate the overall increase.

**Figure 4: GHG emissions per employee from 2021 to 2025 in tonnes of CO<sub>2</sub> equivalent**

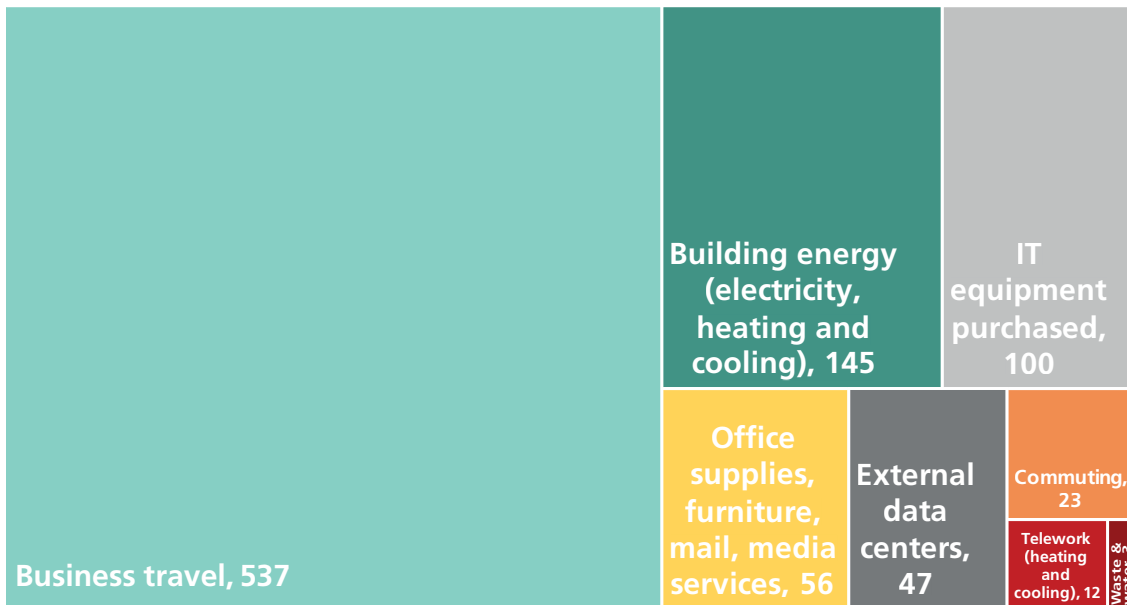


\*2024 emissions have been recalculated ensuing the adoption of a new emission calculation platform (the previous emission total: 706 tCO<sub>2</sub>e and per employee 3.1 tCO<sub>2</sub>e).

Over the 2021-2025 period, the Bank’s GHG emissions related to its internal operations show a gradual upward trend, reflecting increased activity and a growing organisational footprint, although levels remain below the pre-COVID levels.

For more information on the CEB’s absolute emissions and the underlying *GHG Protocol* methodology, see the GRI Report, item 305-5.

**Figure 5: 2025 GHG emissions by source in tonnes of CO<sub>2</sub> equivalent**



For a comparison between 2025 and the previous year, see the overview below (Table 3).

**Table 3: The CEB's GHG emissions by source in tonnes of CO<sub>2</sub> equivalent (2024-2025 comparison)**

Categories	Emissions 2024	Emissions 2025	Change
Business travel	434.6	536.9	102.3
Building energy (electricity, heating and cooling)	154.2	145.5	-8.7
IT equipment purchased	66.2	99.5	33.3
Office supplies, furniture, mail, media services	77	55.7	-21.3
External data centres	48.2	47.3	-0.9
Commuting and telework	30.5	34.8	4.3
Waste & water	2.8	3.4	0.6
<b>Total</b>	<b>813.5</b>	<b>923.2</b>	<b>109.7</b>

Note: For a breakdown by emissions scopes 1-3, please see the GRI Report Item 305-1

### Climate contribution

The CEB continued its carbon contribution ("carbon offset") work with France Carbon Agri (FCAA), a platform partnering with [Carbioz](#) 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 2025, the Bank chose to support four farms in France's Loire region, Cantal and Isère regions that in total are going to generate GHG emission reduction actions of about 900 tonnes by 2028. This compares to CEB's 2025 emission of 923 tonnes.

### Green and socially responsible procurement for own operations

The CEB includes sustainability requirements when assessing and awarding suppliers, following its Green and Socially Responsible Procurement Guidelines. The Bank has also been developing contractual conditions that will further safeguard the continued compliance with sustainable criteria during the execution of contracts.

To increase awareness and to facilitate sustainability efforts, external support and training on sustainable procurement were provided in 2025. Additional training in social procurement and contract management is also scheduled in 2026.

The CEB has been taking stock of the overall sustainability measures undertaken in corporate procurement, their results and lessons learned. The existing measures will be adjusted accordingly and used to inform best practice for 2026 and beyond.

### Further reading

- [CEB Environmental Statement](#), May 2025
- [CEB GRI Report](#), items 301-308, 405-406
- [Sustainability](#) | CEB (coebank.org)
- [CEB Human Resources website: Jobs](#) | CEB (coebank.org)
- [CEB Guidelines for procurement](#), Sep 2023

# Sustainability reporting at the CEB

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## About sustainability reporting

This Sustainability Report is supplemented by a standalone [GRI Report](#) (or “GRI Index”). The CEB also publishes an annual report according to the standards set by the [Task Force on Climate-related Financial Disclosures](#) (TCFD).

The sustainability reporting framework is complemented by the [Integrity and Compliance Report](#) and the CEB’s [Social Inclusion Bond Reports](#), as well as disclosure on lessons learnt from the Bank’s project monitoring and [evaluation](#) activities.

The Bank is currently reviewing its sustainability reporting framework and plans to report in line with ISSB Standards<sup>1</sup> – the global baseline for disclosure of sustainability-related financial information – going forward.

## GRI Index 2025

The 2025 Index of sustainability indicators has been prepared on the basis of the internationally recognised standard for sustainability reporting, namely the Global Reporting Initiative (GRI) Standards. The GRI Index provides an overview of sustainability considerations in the CEB’s financing and non-financing services as well as in its day-to-day functioning and management. The [GRI Index for 2025](#) is made available on the Bank’s website as a standalone document, which supplements this Sustainability Report.

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1. The International Sustainability Standards Board (ISSB) was established by the IFRS Foundation at COP26 in November 2021. In June 2023, the two initial standards launched were IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related disclosures), also known as “ISSB Standards”.

## Member Countries

The CEB has 43 member states, which 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
- 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
- Switzerland
- Türkiye★
- Ukraine★

★ Target Group Countries



# CEB

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