

2023

SUSTAINABILITY REPORT



European
Investment Bank | Group

EUROPEAN INVESTMENT BANK GROUP

2023

SUSTAINABILITY REPORT

European Investment Bank Group Sustainability Report 2023

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In nature, no organism exists without some relation to another one. Oxpeckers nourish themselves on the parasites they clean from the fur of a zebra. A clownfish shelters among the tentacles of an anemone, while fertilising it with its waste. Plovers clean the teeth of the Nile crocodile and, in doing so, feed themselves. The covers of our reports highlight these symbiotic, natural relationships this year, because they mirror the different levels on which each European Investment Bank project operates. When we finance infrastructure or innovation, we seek also to ensure that the project bolsters climate action or environmental sustainability. By investing in startups or green energy, our public finance encourages private investment that might otherwise have been withheld. In a world where humanity seems so often to be at odds with itself, we hope these images of natural collaboration will inspire readers to cross boundaries and build new partnerships.

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For further information on the EIB's activities, please consult our website, www.eib.org.
You can also contact our Info Desk, info@eib.org. Get our e-newsletter at www.eib.org/sign-up.

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THE 2023 SUSTAINABILITY REPORT outlines the European Investment Bank Group's support for sustainable and inclusive growth in Europe and across the globe.

As in previous years, the EIB Group is also publishing a set of disclosures in accordance with the Global Reporting Initiative (GRI) standards, the Sustainability Accounting Standards Board (SASB) framework, as well as with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). All reports are available on our website.

These reports are directed towards professional users of sustainability publications, such as financial and environmental analysts, civil society and the academic community. But we also aim to reach other readers interested in sustainability. That is why we use accessible language and include content beyond the formal requirements, like case studies of sustainability projects.

The EIB Group's external auditor, KPMG, provided limited assurance on selected statements and figures in this report. These statements are marked with  and written in *italics*.

We trust readers will find this report interesting and relevant. We welcome any comments or questions at sustainability@eib.org.

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FOREWORD



Nadia Calviño
President
European Investment Bank



Marjut Falkstedt
Chief Executive
European Investment Fund

Sustainable development and green finance are at the heart of the European Investment Bank Group.

As the lending arm of the European Union, we finance projects that develop strategic infrastructure and groundbreaking technologies, supporting the different sectors, regions and industries in their transition to a low-carbon economy.

The European Investment Bank Group signed nearly €88 billion in financing in 2023. More than 50% of this amount supported climate action and environmental protection. Our investments backed more than 900 projects in transport and urban mobility, energy and water, innovation and efficient affordable housing.

As the EU climate bank, we are helping economies mitigate climate change and nature loss, while adapting to problems happening right now. This improves people's lives, increases European leadership in green technologies and creates a clean and healthy environment. Furthermore, our investments in power grids, interconnectors, storage, renewables and energy efficiency will help eliminate Europe's dependence on fossil fuels, reinforcing our strategic autonomy.

In a year marked by geopolitical tensions, the EIB Group invested more than €8 billion in our work beyond the European Union. This includes substantial support for Ukraine as well as projects to support the green transition, growth and prosperity. This is making life better in many developing countries, from vaccine production in Africa to improved healthcare and water supplies around the world.

Finally, the European Investment Bank Group has pioneered and led the European green bond market and is one of the largest players in this area, mobilising green finance in Europe and beyond.

Sustainable growth is a top priority for the European Union. We are leading the process to respond to this global challenge, modernising our economy along the way. The EIB Group is playing a key role in financing the projects and initiatives to make the green transition a European success, bringing more opportunities for future generations.

The moment to act is now.
And we are doing it.
Together.

ABOUT THE EIB GROUP

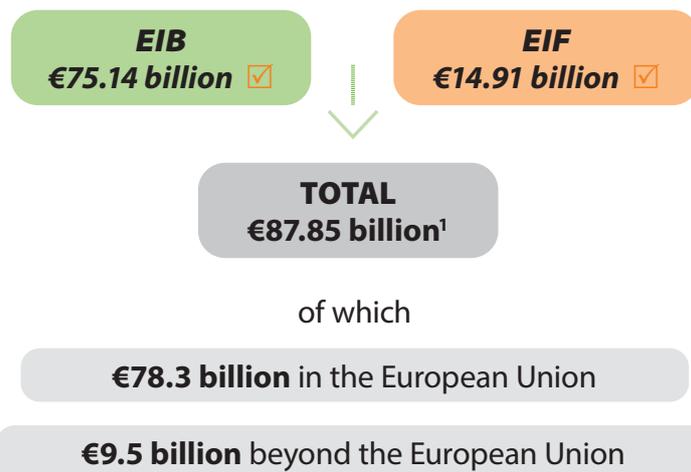
The EIB Group is the European Union's long-term financing institution. To achieve sustainable, inclusive growth, we provide finance and technical assistance through two entities: the European Investment Bank and the European Investment Fund.

The European Investment Bank (the EIB, or the Bank) is owned by the EU members and is the world's largest multilateral borrower and lender. The finance and assistance we provide contribute to the achievement of EU policy goals in the European Union and the rest of the world. We operate globally, supporting the UN Sustainable Development Goals through our role as a multilateral development bank. In 2022, the EIB set up a development arm, EIB Global, to increase the impact of our work in developing countries beyond the European Union and to build on decades of experience in global development financing. With EIB Global, we develop tailored strategies for activities outside the European Union, enhance impact and policy dialogue on the ground, and collaborate more closely with our external partners and regional clients.

The European Investment Fund (the EIF, or the Fund) is the European Union's provider of risk finance instruments for the benefit of small and medium enterprises, stimulating growth and innovation across Europe. Through the EIF, we provide financing and expertise for sound, sustainable investments via equity and guarantee operations. EIF shareholders include the EIB, the European Union represented by the European Commission, and a wide range of public and private banks and financial institutions from EU members, the United Kingdom and Türkiye.

2023 RESULTS

TOTAL FINANCING



EIB public policy goals	2023 results
Sustainable cities and regions	€20 billion
Sustainable energy and natural resources	€22.4 billion
Innovation, digital and human capital	€16.9 billion
Small and medium enterprises and mid-cap finance	€14.8 billion
Cross-cutting objectives	
Climate action and environmental sustainability*	€44.3 billion ²
Economic and social cohesion**	€17.2 billion
EIF public policy goals	2023 results
Competitiveness and growth	€5.75 billion
Innovation	€2.84 billion
Social impact, skills and human capital	€0.49 billion
Sustainability and green transformation	€5.82 billion
Cross-cutting objectives	
Climate action and environmental sustainability	€5.13 billion
Economic and social cohesion**	€6.97 billion

* Our climate action and environmental sustainability (green) and cohesion financing are horizontal indicators and can overlap with each other and other policy goals.

** The EIB Group uses the European Commission criteria for transition and less developed regions established for the 2021–2027 programming period (own resources only).

1. The total EIB Group figure includes a number of joint EIB and EIF finance contracts.

2. Financed by the EIB's own resources.



STRATEGIC APPROACH TO SUSTAINABILITY

The European Investment Bank Group fosters sustainable growth within the European Union and abroad. Sustainable development and finance are anchored in our strategy and represent the foundation of our business model.

OUR GOVERNANCE

The EIB has four statutory bodies, three decision-making bodies and one control body. The **Board of Governors** lays down general directives for the credit policy of the Bank in accordance with the European Union's objectives. This body approves the annual report, the annual balance sheet and the profit and loss account. It decides on the Bank's operations outside the European Union and approves capital increases. The Board of Governors appoints the members of the Board of Directors, Management Committee, Audit Committee and Appointment Advisory Committee.

The **Board of Directors** ensures that the Bank is run in accordance with the treaties, the EIB Statute and the general directives laid down by the Board of Governors. The Board of Directors makes decisions on financing, particularly on loans and guarantees, raising loans and setting interest rates, as well as commissions and other charges. It approves the global borrowing authorisation annually.

The **Management Committee** is the decision-making body, consisting of a president and eight vice-presidents. It oversees day-to-day management, prepares decisions for the Board of Directors and ensures that they are implemented. It meets once a week. The Management Committee works under the authority of the president and the supervision of the Board of Directors. Members are appointed for a renewable term of up to six years and are responsible solely to the Bank.

The Bank has an independent **Audit Committee** answerable directly to the Board of Governors. It is responsible for auditing the Bank's accounts and for verifying that our activities conform to best banking practices. The statement of the Audit Committee is submitted to the Board of Governors with the annual report of the Board of Directors. The Audit Committee has six members, appointed for six years.

The EIF is governed by four authorities. The **chief executive** is responsible for the day-to-day management of the EIF and reports to the EIF **Board of Directors**. Its members are accountable only to the General Meeting. The Board of Directors decides on all EIF operations and can adopt guidelines and directives for the EIF's operations and management. It submits the annual accounts and the annual report on the activities of the EIF for the approval of the General Meeting.

The **General Meeting** has one representative of the EIB (usually its president or a vice-president), one member of the European Commission, as well as a representative from each financial institution holding EIF shares.

The **Audit Board** is an independent body answerable directly to the General Meeting. The Audit Board confirms that the EIF's operations have been carried out in compliance with the procedures laid down in the EIF Statutes and Rules of Procedure. The Audit Board verifies that the activities of the EIF are based on sound banking practices.

SUSTAINABILITY IN OUR MANAGEMENT

Members of the Management Committee have different fields of oversight, including economic, environmental and social areas³.

The Projects Directorate is responsible for the Bank's environmental, climate and social principles and policies, and it manages and monitors these aspects of projects. This directorate comprises engineers, economists and environmental, social and climate specialists. The Operations and Global Directorates are responsible for the origination and structuring of investments, as well as the advisory assignments. They identify projects and work with clients to enhance the environmental, climate and social relevance of each project.

At the EIF, the Chief Investment and Operations Office coordinates the Climate Bank Roadmap, and the Risk Management Office oversees environment, social and governance (ESG) risks, corporate social responsibility, transparency and applying the EU framework for non-financial disclosures. A coordination unit in the Secretariat General complements the sustainability activities at the EIF by performing analyses of non-financial frameworks based on best market practices. All major updates to sustainability reporting, ESG risks and corporate social responsibility matters are brought to the attention of the Executive Senior Management Committee, chaired by the EIF Chief Executive.

FINANCING PRIORITIES

The EIB Group's financing has two cross-cutting objectives: "climate action and environmental sustainability" and "economic and social cohesion in the European Union". In addition, the EIB and the EIF each have specific public policy goals.

CROSS-CUTTING OBJECTIVES

1. CLIMATE ACTION AND ENVIRONMENTAL SUSTAINABILITY

Climate action and environmental sustainability are at the heart of our work.

As part of climate action, the EIB Group invests in projects that mitigate global warming (climate change mitigation) by reducing, avoiding or absorbing greenhouse gas emissions.

We also support projects that reduce the risks posed by climate change impacts ([climate change adaptation](#)). Such investments help public and private sector organisations adapt to the impacts of current and future climate change. To support the EU Adaptation Strategy, the EIB published its first Climate Adaptation Plan in October 2021, which calls for devoting 15% of climate action investments to adaptation by 2025.

3. The respective areas of members of the Management Committee's oversight can be found in an annex to the Corporate Governance Report and on the [EIB Website](#).

We also provide advisory services for mitigation and adaptation projects worldwide, helping clients identify their adaptation needs and mitigation opportunities.

CLIMATE ACTION
Examples of climate change mitigation investments
Research, development and innovation
Renewable energy
Lower-carbon transport
Energy efficiency
Reduced emissions in the solid waste and water sectors
Sequestration and emissions reduction in the bioeconomy (production, use and conservation of biological resources)
Examples of climate change adaptation investments
Coping with water scarcity and flooding
Protecting the energy and transport sectors
Building resilience in cities and regions
Strengthening food systems, forests and ecosystems
Enabling adaptation in health, education and public research
Climate resilience innovation
Disaster risk management

Environmental sustainability includes investments that contribute to one of the four non-climate environmental objectives mentioned below. Investments with dual benefits contribute to climate action and environmental sustainability at the same time.

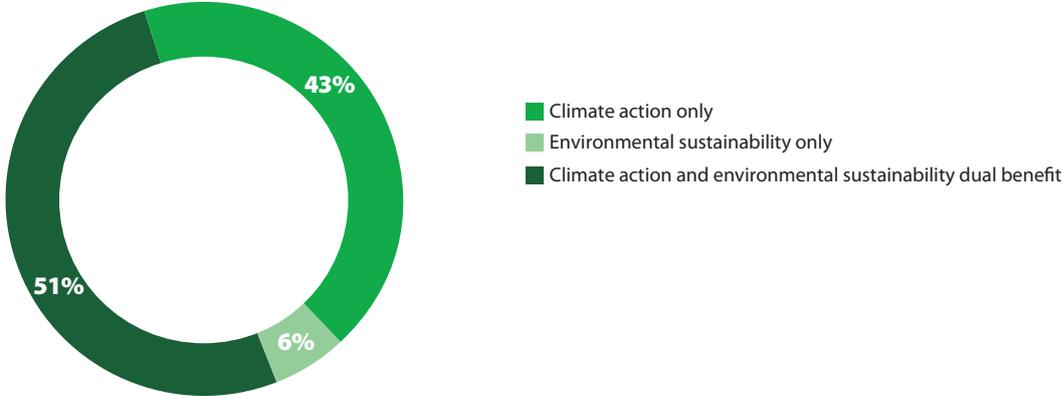
ENVIRONMENTAL SUSTAINABILITY FINANCE SUPPORTS THE FOUR NON-CLIMATE ENVIRONMENTAL OBJECTIVES DEFINED BY THE EU TAXONOMY
Sustainable use and protection of water and marine resources
Transition to a circular economy
Pollution prevention and control
Protection and restoration of biodiversity and ecosystems

The environmental sustainability objective that has the largest dual benefit with climate action is pollution prevention and control. For example, electrified transport projects support climate change mitigation and pollution prevention because they reduce emissions of greenhouse gases and other pollutants. The greatest contributors to environmental sustainability without dual benefits for climate action are investments in the water sector (such as reducing pollution in water) and in the circular economy.

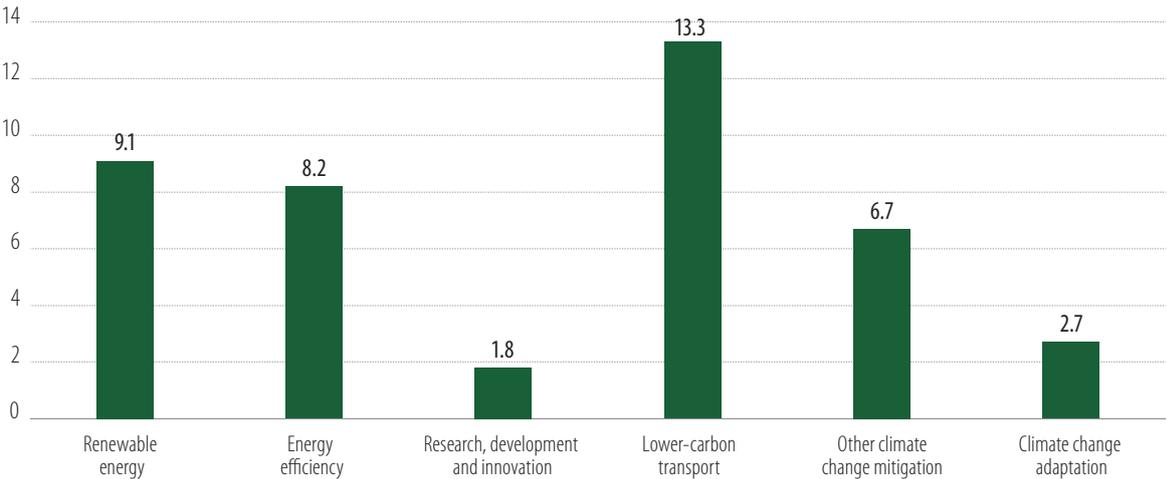
In 2023, the EIB committed €44.3 billion of its own resources to climate action and environmental sustainability (€36.6 billion in 2022) – that represents 60% of own resources for 2023. Out of this figure, €22.7 billion supported the dual objectives of climate action and environmental sustainability. The Bank is on track to meet its commitment to increase the share of its annual financing for climate action and environmental sustainability to more than 50% by 2025.

In 2023, the EIF devoted 34% of its managed resources to climate action and environmental sustainability, compared to 21% in 2022. This represents €5.13 billion, up from €1.95 billion in 2022.

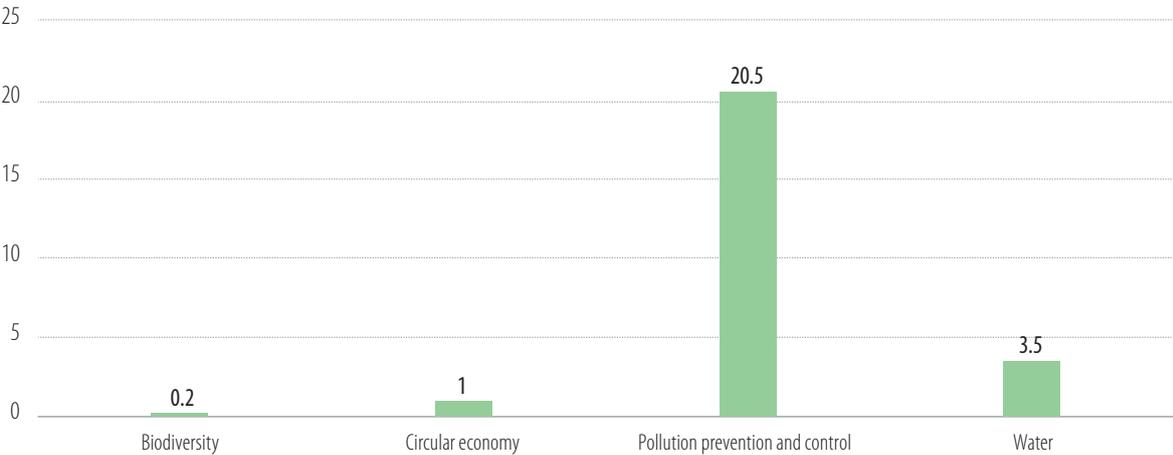
EIB investment in climate action and environmental sustainability in 2023



EIB climate action in 2023 (in billions of euros)



EIB environmental sustainability in 2023 (in billions of euros)



The four environmental sustainability objectives have multiple dual benefits, not displayed in the chart, for a total of €124 million (0.5% of the total environmental sustainability contribution).

2. ECONOMIC AND SOCIAL COHESION

Cohesion was the main reason for founding the European Investment Bank in 1958, and it is still a priority. Cohesion helps each European region achieve its potential, bringing about a convergence of living standards and prosperity across the European Union. This is particularly important during the green transition. We must leave no people or places behind.

In 2023, the EIB dedicated almost 45.8% of its own resources to economic and social cohesion and to convergence projects, compared with 46% in 2022.

The EIB prioritises projects that address inequalities across regions in:

- Education and job opportunities
- Access to public infrastructure and services
- A healthy and sustainable environment
- Support for a thriving economy

Cohesion is also a priority for the EIF, which provides strong support to small and medium businesses (SMEs) in less-developed regions of Europe. In 2023, the EIF devoted 46.7% of its managed resources to economic and social cohesion, compared to 39% in 2022. Total financing for cohesion was €6.97 billion in 2023, up from €3.6 billion in 2022.

For more information on cohesion, see the [European Investment Bank Cohesion Orientation 2021–2027](#).

In addition to these cross-cutting issues, the EIB and the EIF each have specific public policy goals, listed below.

EIB PUBLIC POLICY GOALS

We provide economic support to sectors that contribute significantly to growth, employment, cohesion and environmental sustainability. Our activities focus on these areas:

1. SUSTAINABLE CITIES AND REGIONS

The EIB supports projects that make life in urban areas more liveable and sustainable and that provide rural communities with equal access to essential infrastructure. We provide financing for integrated urban development, regeneration and renewal, as well as water and waste management services, low-carbon mobility, education and healthcare.

In 2023, the EIB Group signed loans worth €21.33 billion to support its sustainable cities and regions policy goal, compared with €17.31 billion in 2022. Among other things, operations signed over the same year will help provide safer drinking water to almost 4.9 million people.

2. SUSTAINABLE ENERGY AND NATURAL RESOURCES

To help the European Union meet its climate and energy targets, we must expand the electric grid to support electrification across sectors, and install more renewable energy, low-emissions technologies and renewable heating, such as biomass and geothermal facilities. We must also invest in projects that protect natural resources and biodiversity, particularly in agriculture, forestry, oceans, water and waste management.

In 2023, the EIB Group signed €26.80 billion of investment supporting our policy goal of sustainable energy and natural resources, compared with €20.86 billion in 2022. Among other things, operations signed in 2023 would help power over 13.8 million households and help construct or upgrade almost 43 000 kilometres of power lines.

3. INNOVATION, DIGITAL AND HUMAN DEVELOPMENT

We are committed to the digital and low-carbon transformation of the EU economy and to circular and environmentally friendly economic practices. The EIB Group supports the development of cutting-edge technologies. This helps innovative SMEs and mid-caps invest more in digital infrastructure, and accelerates the development of digital technologies essential for the green transition.

In 2023, we supported innovation, digital and human capital with €19.76 billion of EIB Group financing, compared with €17.93 billion in 2022. Among other things, this is expected to provide 5G telecommunication services to more than 11.6 million people. 

4. SMALL AND MEDIUM BUSINESSES

Small and medium businesses play a key role in the global economy by creating jobs and driving innovation. The EIB Group helps SMEs and mid-caps access financing through a wide range of intermediated products. “Intermediated” means that we give financing to commercial banks, microfinance institutions and investment vehicles, which then use this funding to provide guarantees, loans and advisory services to a large range of businesses. We also have a long track record in microfinance at the EIB, EIB Global, the EIF and the EIB Institute, with a focus on women, young people and rural and poor communities. Microfinance provides small amounts of funding to low-income individuals and small companies that usually have no other means of financial support.

In 2023, the EIB Group provided €19.96 billion in financing for micro, small, medium and mid-cap firms, compared with €16.35 billion in 2022. In the same year, we supported about 400 000 companies, that employ more than 5.4 million people. 

EIF PUBLIC POLICY GOALS

The EIF specialises in microenterprises, SMEs and mid-caps – firms with fewer than 3 000 employees.

The EIF is guided by the four public policy goals listed below, as well as the two EIB Group cross-cutting objectives of climate action and environmental sustainability, and economic and social cohesion.

1. COMPETITIVENESS AND GROWTH

The EIF's core business is improving financing for small and medium firms, and helping private sector funds invest in four areas: business growth, internationalisation and value chains, territorial development, and building financial ecosystems.

2. INNOVATION

A growing field for the EIF, innovation is divided into life sciences and health, disruptive technologies, digital transformation and new products, services and business model development, and commercialisation.

3. SOCIAL IMPACT, SKILLS AND HUMAN CAPITAL

This objective covers inclusion, diversity and well-being, impact, and social innovation, as well as skills and education, and culture and creativity.

4. SUSTAINABILITY AND GREEN TRANSFORMATION

The transition to an inclusive, resource-efficient, zero-pollution economy that protects and restores biodiversity is a key EU policy objective. It includes activities promoting sustainable industries, products, services and infrastructure, renewable energy and energy efficiency, sustainable transport and sustainable food and environmental services, as well as circular and nature-based solutions.

SUSTAINABILITY IN DUE DILIGENCE PROCEDURES

Over the past few years, the EIB Group has further integrated sustainability into its core financing business. We appraise and monitor all projects and intermediated operations based on environmental, social and governance criteria. Only activities that meet our sustainability due diligence requirements can be financed.

All projects and investments financed by the EIB Group around the world must serve EU policy objectives for smart, sustainable and inclusive growth.

EXCLUDED ACTIVITIES

Certain activities are excluded from EIB financing if they don't match our ethical, environmental and social principles:

- Ammunition and weapons, equipment or infrastructure for the military or police⁴
- Projects that limit people's rights and freedoms, or violate human rights
- Projects that are unacceptable in climate and environmental terms
- Ethically or morally controversial projects
- Activities prohibited by national legislation or international agreements ratified by the European Union

In addition, the [EIB Energy Lending Policy](#) phased out the financing of unabated fossil fuel power generation projects.

The EIF has restrictions in economic sectors and activities that don't comply with its ethical or social principles.

ENVIRONMENTAL AND SOCIAL SUSTAINABILITY FRAMEWORK

The [Environmental and Social Sustainability Framework](#) enables the EIB Group to focus on sustainable and inclusive development, supporting a just transition to low emissions and helping communities become less carbon intensive, more environmentally sound and resource efficient.

The framework consists of the [EIB Group Environmental and Social Policy](#), a set of 11 [EIB Environmental and Social Standards](#), and the [EIF Environmental, Social and Governance Principles](#).

4. Investments within the European Union with the potential to be used for both civil and military/police purposes (dual use) are not excluded.

Projects must meet the 11 standards to be eligible for EIB funding.

EIB Environmental and Social Standards 	
Standard 1	Environmental and social impacts and risks
Standard 2	Stakeholder engagement
Standard 3	Resource efficiency and pollution prevention
Standard 4	Biodiversity and ecosystems
Standard 5	Climate change
Standard 6	Involuntary resettlement
Standard 7	Vulnerable groups, indigenous people and gender
Standard 8	Labour rights
Standard 9	Health, safety and security
Standard 10	Cultural heritage
Standard 11	Intermediated finance

The EIB's Environmental and Social Standards define the requirements that the EIB's promoters (i.e., the EIB's counterpart implementing a project) must meet when assessing and managing environmental, climate and social impacts and risks in EIB-financed projects. The standards also ask counterparties to identify opportunities to support and promote sustainability objectives. 

Similar to the EIB standards, the [EIF Environmental, Social and Governance Principles](#) put into practice the EIB Group's environmental and social policy. The principles help the EIF assess and monitor the environmental, social and governance strategies, practices and risks of its intermediary partners and integrate sustainability criteria such as the Paris Agreement alignment framework into its appraisal and contractual procedures.

GOING BEYOND THE FINANCIAL REQUIREMENTS

The EIB takes a holistic approach in the appraisal of projects, going beyond the financial aspects of each proposal. This includes the Environmental and Social Standards and the exclusion of certain areas, as described above, as well as an [economic appraisal](#) accounting for markets' failure to fully integrate environmental and social costs into product prices and investment decisions. Society must then absorb the long-term external costs, including the cost of carbon and environmental problems. The aim of the EIB economic appraisal is to assess whether the investment costs of the project are outweighed by the benefits to society over its operating period.

ADDITIONALITY AND IMPACT MEASUREMENT

The EIB offers financing terms that cannot be provided by the market, and it helps prepare and implement projects. The additionality of EIB products – what sets them apart from market alternatives – is largely about sustainability.

An Additionality and Impact Measurement (AIM) framework is used for ex-ante (appraisal and pre-appraisal) and ex-post (monitoring) assessment of all EIB operations.

When a project is signed, the EIB will make the project's additionality and impact statement available to the public. These statements summarise the rationale behind the EIB's support. AIM bolsters the Bank's accountability and strengthens awareness of its additionality and impact among all parties.

CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

The United Nations' 17 Sustainable Development Goals aim to end world poverty, protect the planet and ensure that everyone enjoys peace and prosperity. All new EU policies take the SDGs into account. The EIB Group plays an important role in implementing the UN Agenda 2030 and contributing to sustainable growth.

We have been reporting how our investments contribute to the SDGs since 2016. The development impact of the Bank's activities is calculated not only for each investment project, but also at the sectoral, national and international levels. Our activities have a particular impact on the SDGs related to climate and the environment. All project-level indicators are mapped to specific SDGs. The Bank encourages promoters to identify opportunities for enhancing the benefits of their operations, providing them with advice and technical support, conducting studies and publishing guidance.

The following table shows how EIB projects in 2023 contributed to the SDGs.

Selected project indicator	EU + non-EU	SDG
Number of SMEs/mid-caps supported	400 000	 
Number of jobs sustained in SMEs/mid-caps	5.4 million	 
Annual energy savings expected	6.7 million MWh	
Electricity generation capacity from renewable energy sources	21 700 MW	 
Electricity produced from renewable energy sources	46 600 GWh	 
Power lines installed/upgraded	42 988 GWh	 
Households that can be powered	13.8 million	 
Number of smart energy meters installed	13 million	 
New subscribers with 5G services enabled	11.6 million	

Selected project indicator	EU + non-EU	SDG
Number of citizens benefiting from better health services, including vaccinations programmes	130.6 million	
Citizens benefiting from improved infrastructure	17.3 million	 
Citizens with new waste collection systems	2.6 million	 
Citizens with safer drinking water	4.9 million	 
Citizens with improved sanitation	1.9 million	 
Citizens facing reduced flooding risk	1.5 million	
Citizens facing reduced exposure to drought risk	12 million	 
Additional passenger trips made on public transport	254 million	 
Alternative fuel stations	over 13 000	
New students benefiting from better educational facilities	1.2 million	

INVOLVING STAKEHOLDERS

As an EU body and a bank, the EIB Group engages with a wide variety of people and organisations.

- Academia and research
- Associations, foundations and think tanks
- Civil society and other non-governmental organisations, including trade unions
- Clients, investors, commercial banks and funds
- ESG analysts, financial analysts and rating agencies
- EU institutions and bodies
- Media
- Multilateral development banks and other international financial institutions
- National promotional banks
- Project promoters and other financial beneficiaries
- The public (including local communities)
- EIB Group staff

TRANSPARENCY TOWARDS STAKEHOLDERS

Following the 2021 [EIB Group Transparency Policy](#), the Group promotes transparency to strengthen its accountability. More than simply making standard disclosures, and more than just a one-way flow of data, transparency at the Bank means making sure that stakeholders get the information they require. This work enhances the quality of the Bank's activities. It also calls for ongoing dialogue between the Bank and stakeholders about the information they need.

A key part of this dialogue is the annual seminar of the EIB's Board of Directors, which is attended by many civil society organisations. The last high-level civil society dialogue was held in May 2023. The next annual seminar is expected to take place in the second half of 2024.

Our stakeholder engagement increases mutual understanding, and it helps us address their concerns while improving our activities and policies. In public consultations, the EIB publishes stakeholder submissions and its comments on their contributions, along with the draft policy submitted to the Board.

STAKEHOLDER ENGAGEMENT IN PROJECTS

Public consultation and participation in projects is required by EU directives and international law. In addition, the EIB is committed to the principles of stakeholder engagement as defined in its Standard on Stakeholder Engagement, and promotes similar good practices among its clients.

The primary responsibility for providing information and engaging with local stakeholders in a project lies with the project promoter or borrower, in line with the Bank's Environmental and Social Standards. The EIB Group may organise meetings in cooperation with the borrower to better understand existing concerns around a project.

The EIB benefits from the constructive dialogue held with stakeholders during project appraisal and monitoring. An understanding of local issues can improve a project's performance and minimise the risks.

ACCOUNTABILITY TO STAKEHOLDERS

The Inspectorate General contains three independent departments serving accountability functions:

- Complaints handling
- Evaluation
- Investigation

This work is done under the authority of the independent Inspector General. The Inspectorate General helps ensure that the EIB Group is accountable for its activities, and that it draws appropriate lessons from them.

COMPLAINTS MECHANISM

The EIB Group Complaints Mechanism adheres to international best practices, listens to people when they have concerns about our decisions or activities, and allows them to exercise their right to complain about alleged problems. Complaints are investigated independently. The Complaints Mechanism enables alternative and pre-emptive resolutions of disputes. In addition, it assists the Group for the common purpose of good administration by advising on improvements to its activities. For more information, consult the [EIB Group Complaints Mechanism overview](#).

In 2023, 60 complaints relating to the EIB Group's operations or administration were received, compared with 54 in 2022:

- *54 complaints were directly submitted to the Complaints Mechanism, which declared 44 of them admissible. (In 2022, there were 47 complaints, and 34 were admissible.)*
- *Six complaints were filed with the European Ombudsman, who declared five of them admissible, the same number as in 2022.⁵ *

PROCUREMENT COMPLAINTS

Project procurement complaints are handled by the Procurement Complaints Committee (PCC), created in 2018. In 2023, the PCC received 15 procurement complaints, compared to 18 in 2022.

For more information, see the [Annual Report of the Procurement Complaints Activity and the Procurement Complaints Committee of the European Investment Bank 2023](#).

EVALUATION

The Inspectorate General's Evaluation Division independently assesses the relevance and performance of EIB Group activities and identifies what works, what doesn't, and why. It helps the EIB Group be accountable to its stakeholders and improve the work that it does. The Evaluation Division provides independent evidence to inform decision-making. It operates in line with international evaluation principles and standards in accordance with the EIB Group Evaluation Policy.

Key topics evaluated in 2023 include EIB advisory activities in the European Union, the EIB Group Gender Strategy and EIB support for agriculture beyond the European Union. In 2023, the Evaluation Division kicked off an evaluation of the EIB Group's Climate Bank Roadmap. For a detailed record of activities, consult the [Evaluation Activity Report 2023 and Work Programme 2024-2026](#).

INVESTIGATIONS AND EXCLUSIONS IN CASES OF PROHIBITED CONDUCT

The Inspectorate General's Investigations Division independently investigates allegations of prohibited conduct involving EIB Group activities or members of its governing bodies and staff. The EIB Group's Anti-Fraud Policy sets forth zero-tolerance rules for fraud, corruption, collusion, coercion, obstruction, money laundering, financing of terrorism, theft at the EIB Group and the misuse of resources or assets. These terms are defined in the [EIB Group Anti-Fraud Policy](#). In 2023, 169 cases were opened, compared with 180 in 2022.

5. In addition to the complaints directly submitted to the Complaints Mechanism and those filed with the European Ombudsman, one inquiry was received in 2022 from the UN Office of the High Commissioner for Human Rights and closed in 2023.

To prevent fraud and corruption that might go undetected by usual monitoring, the Investigations Division identifies red flags and indicators through a special detection process, which includes a number of proactive integrity reviews. By the end of 2023, 74 EIB Group projects or investments were selected for a desktop review through a fraud risk assessment process. Four proactive integrity reviews were carried out.

Under its exclusion policy, the EIB is prevented from engaging with entities and individuals that have participated in prohibited conduct. In 2023, the Management Committee endorsed recommendations to exclude five entities for five years. The EIB can sign a settlement with an entity or an individual that has engaged in prohibited conduct. In 2023, the EIB signed settlements with five entities.

ENVIRONMENTAL IMPACT OF INTERNAL OPERATIONS

In line with its commitment to sustainable development, the EIB Group manages the environmental impact of its day-to-day operations, consisting of its office activity, the mobility of its staff and the purchasing of goods and services.

Under the General Secretariat, the corporate social responsibility team coordinates the environmental management system for internal operations, in accordance with the Eco-Management and Audit Scheme (EMAS).⁶

Under the [EIB Group EMAS Environmental Policy](#), we commit to protecting the environment, preventing pollution, mitigating climate change and fulfilling compliance obligations on environmental matters. We also seek to continually improve our environmental management system and reduce the environmental impact of everyday work.

More information on the EMAS governance as well as the targets and actions related to the environmental impact of activities supporting the core business can be found in the annual EMAS environmental statement.⁷

6. Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a community Eco-Management and Audit Scheme (EMAS) as amended from time to time.

7. [Environmental Statement 2023 Update – including 2022 performance data \(eib.org\)](#).



CLIMATE AND ENVIRONMENT

TACKLING CLIMATE CHANGE

Addressing the climate emergency in this critical decade is one of our highest priorities. Trillions of euros in investments are required. We are working to make the European Green Deal a success and make the European economy more resilient, inclusive, sustainable and competitive. We support the fight against climate change around the world.

THE CLIMATE STRATEGY AND THE ROADMAP

The [EIB Group Climate Bank Roadmap 2021–2025](#) provides the operational framework to support the Paris Agreement, the European Green Deal and the 2020 [EIB Climate Strategy](#). The roadmap lays out in practice how we will implement the November 2019 decision by the EIB Board of Directors to increase our climate ambition. The roadmap sets out how the EIB Group will play a leading role in providing the lending, grants and advisory services to limit global warming, adapt to climate change and achieve net-zero greenhouse gas emissions in the European Union by 2050. The strategy, roadmap and supporting policy documents, referenced below, set out how we are constantly improving our role as the EU climate bank and meeting our wider environmental and social sustainability objectives.

Climate Bank Roadmap 2021–2025

Four main workstreams:

- **Accelerating the transition through green finance:** increasing green investment and supporting green innovation, low-emission and climate-resilient business models
- **Ensuring a just transition for all:** supporting communities exposed to structural change or climate risks; integrating social issues and addressing inequalities
- **Supporting Paris-aligned operations:** including ensuring that new EIB Group operations meet the principles and goals of the Paris Agreement
- **Building strategic coherence and accountability:** embedding these elements within a coherent and integrated sustainability policy approach, supported by internal systems and accountability, and human resource management

CLIMATE MITIGATION

Under the “green finance” workstream, the EIB Group supports climate change mitigation and low-emissions innovation in these key sectors of the European Green Deal: energy efficiency, renewable energy, sustainable transport, green innovation and industry, farm-to-fork, and sustainable cities and regions. The Group develops its finance, grants and advisory services to address market gaps, and it continues to help the green capital markets through its Climate Awareness Bonds.

Under the workstream “supporting Paris-aligned operations,” the Group applies its low-carbon framework to all new financing, thus excluding investments in activities with high greenhouse gas emissions and reducing the risk of funding locked-in emissions and assets. Since the start of 2022, the Group has also applied its [Paris Alignment of Counterparties \(PATH\)](#) framework. This framework focuses on our borrowers’ wider activities. High-emitting corporate borrowers and those operating in a context of high climate vulnerability are required to publish climate resilience plans and/or plans compatible with the 1.5 degree target. For financial intermediaries, PATH focuses on the largest ones, including by country, requiring them to publish disclosures in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These and similar climate risk reduction processes are detailed in the following section.

Finally, under the “strategic coherence” workstream, the Group mainstreams climate change mitigation alongside climate change adaptation within a broader strategic approach to integrated environmental and social sustainability, supporting the EU’s Sustainable Finance Framework. It works to ensure transparency and accountability, and its commitments are underpinned by institutional support mechanisms such as the Paris alignment of internal operations; outreach, partnerships and knowledge sharing; external and internal communication; and human resource management.

CLIMATE ADAPTATION

In addition to the EIB Group’s cross-cutting public policy goals and its climate change mitigation policies, the EIB [Climate Adaptation Plan](#), adopted in October 2021, lays out new goals and focus areas to ensure that we meet the commitments under the Climate Bank Roadmap and respond to the recommendation of the recent evaluation of the Bank’s adaptation activities. It also explains the planned steps for 2021–2025 to strengthen support for adaptation and resilience investment around the globe.

The plan describes how the EIB will support the transition towards smarter, faster and more systemic adaptation within and beyond the European Union. It outlines eight key investment areas:

- Water scarcity and flooding
- Protecting energy and transport sectors
- Urban and regional development
- Food systems, forests and ecosystems
- Health, education and public research
- Innovation
- Disaster risk management
- Gender-responsive adaption financing

This plan is implemented around three main goals:

1. Smarter and more systemic adaptation
2. Faster adaptation
3. Accelerating international action on adaptation and resilience

These include measures required to develop and implement the Climate Adaptation Investment Advisory Platform (ADAPT), strengthen EIB climate risk assessment tools, expand operational and financial toolkits, and develop operational approaches to climate-induced migration.

In addition, see the section below on the EIB climate risk assessment system for the Bank's approach to climate adaptation assessment for projects and its climate risk screening tool at the counterparty level.

RELATED SECTOR POLICIES

Russia's full-scale invasion of Ukraine in 2022 sparked an energy crisis and made it clear how much Europe depends on Russian and overseas fossil fuels.

In response, the European Union launched [REPowerEU](#), a plan to reduce Europe's dependence on fossil fuel imports and accelerate the green transition. In October 2022, the EIB announced that it would increase support for REPowerEU by providing €30 billion in additional financing for clean energy over the next five years.

In May 2023, the EIB Board approved the [Mid-Term Review of the Energy Lending Policy](#). This confirmed that the objectives remain valid during the energy crisis. As part of the review, the EIB revised the policy's technical Annex II to reflect the adoption of the Climate Delegated Act, and to make certain clarifications after two years of implementation.

In July 2023, we increased the financing targets for EIB Group support for REPowerEU by 50%, to €45 billion over the next five years. At the same time, in response to the European Commission's [Green Deal Industrial Plan](#), the EIB expanded its support capacity for new net-zero technologies. The additional financing from the EIB Group is expected to mobilise over €150 billion of investment.

The EIB also developed a [Water Sector Orientation](#) in 2023, outlining our strategic focus in this critical sector on climate resilience, emissions reduction, resilience building and wider environmental sustainability, such as the circular economy. See the "Water and oceans" section for more information.

CLIMATE CONSIDERATIONS IN PROJECT APPRAISALS

Under the EIB's [Environmental and Social Standards](#), standard 5 sets out the responsibilities of promoters with respect to climate change mitigation and adaptation. It promotes the alignment of EIB projects with the Paris Agreement and the Sustainable Finance Action Plan. It stipulates that climate change mitigation and adaptation must be explicitly addressed by project promoters as part of the decision-making process.

The standard applies to all operations, and the specific requirements to be addressed are determined during the environmental impact assessment and the environmental and social impact assessment (EIA/ESIA), and the EIB appraisal, based on the nature and scope of the project.

Under the standard, specific requirements include:

- Assessment and minimisation of greenhouse gas emissions
- Physical climate risk assessment and minimisation
- Climate-related analysis of economic analysis

At the project level, all EIB investments are also assessed for compliance with the EIB Group Paris alignment framework, outlined in Chapter 4 of the Climate Bank Roadmap. The low-carbon framework provides a breakdown by sector of activities that are supported and those that are not, from a climate mitigation and transition risk perspective, and outlines the EIB approach to the shadow cost of carbon applied in the economic analysis of projects. The Paris alignment framework also outlines our approach to physical climate risk assessment and management, as described below. The latest version of the [Paris Alignment Low-Carbon Framework](#) is available online.

ECONOMIC ASSESSMENT: MEASURING CARBON COST TO SOCIETY

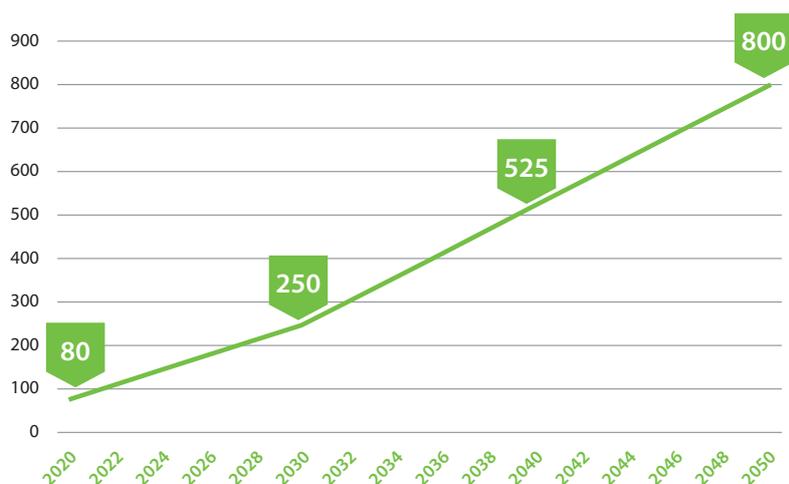
The EIB's economic assessment allows the Bank to measure a project's costs and benefits to society as a whole. More than a financial appraisal, this assessment also considers the various resources the project uses (human, technological or natural). Our economic analysis measures environmental externalities, or costs and benefits.

The economic appraisal of projects includes pollutants (carbon dioxide, sulphur oxides, nitrogen oxides and noise) and other areas where a shadow price for an environmental externality has been established.

For greenhouse gases, we apply a shadow carbon price to assess the cost of saving or emitting a tonne of carbon. To align with the Paris Agreement, we reviewed the evidence on the full cost to society of meeting the 1.5°C target.

As shown in the graph below, the shadow cost of emitting one tonne of carbon equivalent rises to €250 by 2030 and to €800 by 2050. See the 2023 [Climate Bank Roadmap Progress Report](#) for more information on monitoring the shadow cost of carbon.

EIB shadow cost of carbon (in € per tCO₂e)



The shadow cost of carbon is used to estimate the full benefit to society when a tonne of carbon is saved. It is based on the estimated cost to society of limiting the rise in global average temperature to 1.5°C above pre-industrial levels. It helps us assess whether EIB financing is on track for this goal. This cost is reviewed annually and adjusted if needed.

The 2021 and 2022 Climate Bank Roadmap progress reports provided updates on the shadow cost of carbon. The 2022 report noted the need to conduct further analysis around the results in the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. The results of this analysis are reported in the 2023 [Climate Bank Roadmap Progress Report](#).

SUPPORTING THE EU TAXONOMY

The 2023 mid-term review of the roadmap gave an update on EIB Group support for the EU sustainable finance agenda, confirming that we are adopting a gradual integration of the EU taxonomy for our own reporting. The EIB Group green finance tracking methodology largely integrates the taxonomy criteria for establishing a substantial contribution to climate objectives.⁸ And as the floor for our Paris alignment approach, the EIB Group framework for new operations uses the taxonomy criteria for applying the principle of “Do No Significant Harm” to climate objectives, as appropriate. In addition, the principles of “Do No Significant Harm” related to all six objectives of the EU taxonomy are integrated into the EIB Group Environmental and Social Policy.

The mid-term review of the roadmap acknowledged that the EU taxonomy has been developed extensively since the original Climate Bank Roadmap was laid out. While continuing to gradually integrate the EU taxonomy into our climate action and environmental sustainability tracking methodology, the EIB Group has adjusted the approach originally set out in the roadmap. The review noted that stakeholders have reported some challenges in applying certain elements of the EU taxonomy, including limitations on data availability and usability questions. The EIB Group will continue to engage with its clients and with the European Commission, and will provide feedback through the Platform on Sustainable Finance. The Group will apply its Environmental and Social Sustainability Framework and Paris alignment framework as safeguards against environmental and social harm.

In its annual progress reports, the EIB Group will continue to report transparently on its climate action and environmental sustainability finance, and on EU taxonomy-related processes and developments at the EIB Group.

In 2021, the EIB began estimating the share of its investments that support sectors or activities falling under the EU taxonomy Climate Delegated Act. This estimate indicates how much of our financing is in sectors covered by the EU taxonomy. We carried out this estimate again for 2023, assessing all projects financed with our own resources that were signed in the calendar year.

The analysis contained in this report is not intended to be a regulatory disclosure on taxonomy-eligible (or aligned) activities. It is intended as a useful indication of the current scope of the taxonomy in relation to all sectors financed by the EIB. For 2023 signatures, we estimate that over 45% of financing volumes fell clearly within the scope of the taxonomy (financing for taxonomy-eligible activities). 

For the rest of the 2023 signatures, over 10% of financing went to activities that were out of scope of the taxonomy. It was not possible to estimate a percentage of in-scope activities for the remaining projects signed in 2023, as they were a mixture of activities where the division between activities was not defined when the investment was signed, or where the split between individual activities is not currently tracked.

The estimation does not encompass the type of entity receiving EIB finance, but only whether the activities are covered by a delegated act specifying technical screening criteria. The estimation was done regardless of whether the activities meet criteria for substantial contribution, “Do No Significant Harm” or minimum safeguards.

As mentioned above, the EIB has taken the criteria for making a “substantial contribution” to climate change mitigation and adaptation from the first Climate Delegated Act, and largely integrated these into its climate action and environmental sustainability tracking methodology. The Climate Delegated Act is a European Commission Delegated Regulation, (EU) 2021/2139, which supplemented the EU Taxonomy Regulation. In 2023, the EIB began tracking the share of climate action and environmental sustainability financing that is assessed at contract signature as meeting the substantial contribution criteria of this first Climate Delegated Act.

8. The adjustments made, for example for greenhouse gas emission accounting methodologies or for electrification plans for rail projects in developing countries, can be found in the published tables: [European Investment Bank Climate Action and Environmental Sustainability - List of eligible sectors and eligibility criteria \(eib.org\)](#).

Of the EIB's climate action and environmental sustainability financing from its own resources in 2023, more than €27 billion in investments were tracked using the substantial contribution criteria to climate change mitigation and adaptation from the first Climate Delegated Act. That's over 60% of EIB climate action and environmental sustainability financing for 2023.

From 2024, the Bank's green finance tracking also includes the substantial contribution criteria to the non-climate environmental objectives of the taxonomy, as laid out in the Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023, supplementing the EU Taxonomy Regulation).

CLIMATE RISK ASSESSMENT AND MANAGEMENT

We assess climate-related risks at the portfolio, counterparty and individual project levels.

Climate risks comprise physical and transition risks, and are assessed for different time periods: five years (short term), five to ten years (medium term), and ten or more years until 2050 (long term). In these time periods, climate risks can affect different categories, including credit, market, liquidity, operational and reputational matters.

The EIB Group has developed multiple tools and processes to assess and reduce the climate-related risks and the negative impact of its projects, at the counterparty level and throughout its portfolio. Further information related to climate risk management can be found in the EIB Group Task Force on Climate-related Financial Disclosures Report 2023.

THE EIB CLIMATE RISK ASSESSMENT SYSTEM FOR PROJECTS

The EIB climate risk assessment system is fully integrated into the EIB's technical due diligence. It identifies and assesses the physical climate risks of directly EIB-financed projects. It helps the EIB and clients understand how the physical impact of climate change could affect a project's performance over its lifetime and whether adaptation measures are needed.

SCREENING TOOL AND PARIS ALIGNMENT FOR COUNTERPARTIES

The EIB and the EIF use a climate risk screening tool to assess climate risks and counterparty exposure to those risks. The screening tool was rolled out to existing lending and investment portfolios starting in July 2020, and it is now being used for most credit segments of the EIB Group.

Since 2022, the tool has also been used to implement the PATH framework – in particular to identify counterparties that operate in a context of high vulnerability to physical climate risk.

Under the PATH framework, the EIB Group assesses the wider operations of its borrowers. The aim of the framework is to support counterparties on their path to alignment with the goals of the Paris Agreement. The need to align is most acute for companies in high-emitting sectors and those operating in a context of high climate vulnerability. The PATH framework focuses on these borrowers. It encourages them to be ambitious and transparent in determining their alignment plans.

Screened-in financial intermediaries must disclose in line with the recommendations of the Task Force for Climate-related Financial Disclosures. Financial intermediaries reporting under the Commission Implementing Regulation (CIR) 2022/2453 (Pillar III) are considered as already meeting the PATH requirements, as these reporting requirements are closely associated with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The PATH framework is available [here](#).



Green steel in Sweden

The EIB will provide €314 million to support H2 Green Steel's large-scale plant in northern Sweden. This groundbreaking project is essential for the decarbonisation of the steel industry, one of the sectors that emits the most greenhouse gases. The plant will make low-carbon and sustainable flat-steel products for sectors such as automotive, construction, household appliances and industrial equipment. Instead of using coal in the production process, the plant will use hydrogen. The hydrogen is made using a process of electrolysis powered by electricity from renewable sources.

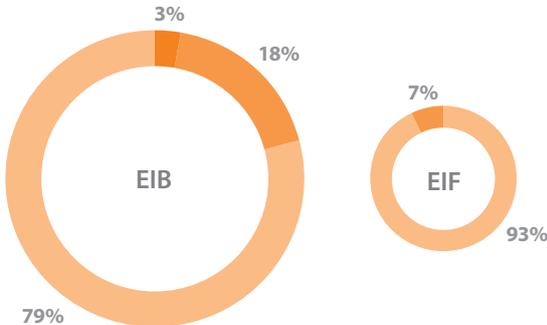
THE EIB GROUP'S EXPOSURE TO PHYSICAL AND TRANSITION RISKS

The EIB Group has analysed the credit exposure of its portfolio to transition and physical risks using the climate risk screening tool. The tool scores the physical and transition risk of counterparties on a scale of one (low risk) to five (high risk). In 2023, approximately 90% of Group exposure was screened.

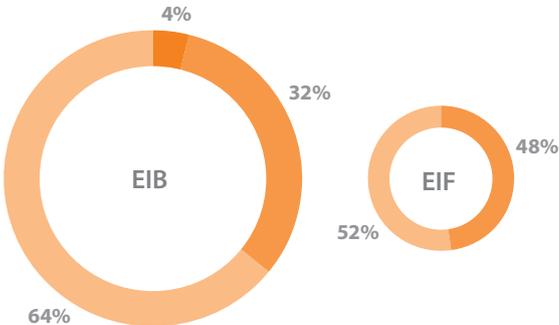
The graphs below show the low, medium and high exposures to climate risks at the end of 2023.

EIB and EIF exposure to climate risk

Physical risk exposure



Transition risk exposure



Low risk [1.0-2.3] Medium risk [2.3-3.7] High risk [3.7-5.0]

For the five to ten-year period, the Group's counterparties have limited exposure to physical risks. Exposure to transition risk is higher due to the Bank's traditional focus on energy and infrastructure activities, as reflected by the much higher share of exposure with medium risk. Exposure to these sectors will remain high through our support for decarbonising critical industries – and supporting this transition is one important role that public banks play. Under the PATH framework, the Bank requires relevant corporate counterparties to commit to publishing decarbonisation or resilience plans showing risk mitigation.

Since 2022, the EIB Group's new treasury investments have also respected the Paris Agreement goals, as laid out in the Climate Bank Roadmap. Treasury activities refer to the management of financial portfolios with different instruments and maturities to ensure that the EIB and EIF hold sufficient liquidity to meet their lending commitments. Environmental factors have been included in the Group's long-term treasury investments since mid-2020. Our methodology is adapted to financial markets under the principles of the PATH framework. This applies to all new treasury investments. For further details, see Chapter C of the EIB Group TCFD report for 2023.

MEETING OUR GREEN OBJECTIVES

The Climate Bank Roadmap lays out how we will meet our climate commitments. First, the EIB will increase the share of its annual financing for climate action and environmental sustainability (in other words, green finance) to more than 50% by 2025.

This target is intended to support the sizeable funding needs of the green transition. However, our own finance is not enough. So, secondly, the EIB Group aims to support €1 trillion of green investment in this critical decade ending in 2030.

A third commitment in the Climate Bank Roadmap is supporting Paris-aligned operations, including ensuring that new EIB Group operations meet the principles and goals of the Paris Agreement by the start of 2021. This builds on the commitment of the 2019 EIB Energy Lending Policy to phase out support for projects relying on unabated fossil fuels by the end of 2021.

In addition, we support the EU Adaptation Strategy and climate adaptation in developing countries worldwide. As mentioned above, our goal is to devote 15% of our annual investment in climate action to climate adaptation by 2025.

For our internal operations, the EIB Group applies a science-based emissions reduction methodology. The goal is to cut gross emissions in 2025 by around 30% compared to a business-as-usual growth scenario – meaning an absolute reduction of 12.4% by 2025 compared to 2018. By understanding our own carbon footprint, we can work with staff and service providers to curb emissions and track performance.

For more than 15 years now, the EIB Group has disclosed the carbon footprint of its internal operations, and for the last 13 years, that of the projects it finances too. 2023 is the first year that also includes an estimate of the greenhouse gas emissions associated with our portfolio. Figures from the annual project carbon footprint disclosure and the portfolio carbon footprint estimation, as well as our internal carbon footprint, are provided below in the section on greenhouse gas emissions.

ROADMAP PROGRESS AND CLIMATE FINANCE VOLUMES

The [2023 progress report on the Climate Bank Roadmap](#) provides an update on implementation following a [mid-term review](#) published in November 2023. The EIB Group financed €44.3 billion of climate action and environmental sustainability in 2023. This represented 60% of total annual EIB financing, achieving the 2025 target of more than 50% for the third year in a row.



Germany: Climate adaptation at a public water utility

One of the consequences of climate change is the unpredictability of rain – in terms of its frequency, amount and impact on rivers. This has an impact on the supply and quality of the water provided by water utilities, especially when long dry periods cause shortages. The Berlin region’s drinking water supply traditionally relies on natural water treatment methods like bank filtration and artificial groundwater recharge from the area’s abundant lakes and rivers. Water supply and quality are vulnerable because, without sufficient rainwater, substances from wastewater that are poorly degradable in the subsurface can become problematic or even persistent.

With the help of a five-year investment programme started in 2023, Berliner Wasserbetriebe, the public water company for Berlin and the surrounding communities, is extending and rehabilitating the water supply, wastewater collection and water treatment facilities. The project aims to:

- ensure a sufficient quantity and quality of water
- remove more nutrients and micro-pollutants from the wastewater to improve the quality of the receiving surface water body
- meet the demands for water supply and wastewater disposal in the area.

The investments are also expected to increase renewable energy generation and improve water and energy efficiency. The project will have environmental, health and climate benefits.

Out of this total, €39.1 billion (88%) contributed to climate change mitigation, underlining the importance of the Bank’s work in limiting greenhouse gas emissions. EIB Group financing for climate mitigation increased in all but one category, with the most significant rise in renewable energy (up from €7.2 billion to €9.1 billion) and lower-carbon transport (up from €10.1 billion to €13.3 billion). Climate action in research and development activities declined from €2.8 billion to €1.8 billion.

These levels of EIB finance, coupled with EIF volumes, supported overall climate action and environmental sustainability investments in 2023 of €163 billion, bringing the total for 2021-2023 to €354 billion⁹ and leaving us on track to meet the €1 trillion target by 2030.



Demand is also increasing for climate adaptation finance, which represents 6.4% of our climate action lending. We devoted a record €2.7 billion to adaptation investments in 2023, more than double the volume in 2021. Still, there is much left to be done to meet our goal of allocating 15% of climate action financing to adaptation by 2025.

9. Reported to reflect a ten-year cumulative target. A review of the data in 2023 identified an isolated error in the 2022 investment-supported figure published in the EIB Group 2022 Sustainability Report. This has been corrected.

THE EIF'S CLIMATE AND GREEN BUSINESS

The EIF plays a significant role in the green transition. Climate action and environmental sustainability is one of its key goals over the 2023–2025 period, including increased support under the Risk Capital Resources and Infrastructure and Climate Funds mandates managed for the EIB, and the InvestEU mandate managed for the European Commission.

To contribute to the EIB Group Climate Bank Roadmap, the EIF prepared a development plan that increases its impact in climate action and environmental sustainability. The EIF raised its 2022–2024 climate action and environmental sustainability targets to 16% of financing in 2022, 22% in 2023 and 25% in 2024.

These targets were exceeded for 2022 and 2023, with the EIF achieving up to 21% and 34%, respectively, thanks to increasing its work in the climate and sustainability ecosystem. The EIF intensified its activity in funds across infrastructure, venture capital, private equity and private credit, with strong strategies helping the EU Green Deal on the equity side. There was also a rise in commitments under the InvestEU sustainability guarantee, supporting the green transition of SMEs, small mid-caps as well as people and housing associations, in addition to green securitisations on the debt side. In 2024, the EIF is expected to consistently contribute to climate action and environmental sustainability by setting its target to at least 30% of total financing for that year.

The EIF continued increasing its activity in climate and environmental impact funds in 2023, and has committed close to €1 billion in over 25 venture capital and private equity funds, doubling its investment volumes of 2022. The EIF has helped underserved markets by supporting new funds in the energy, agrifood, circular and blue economy sectors and by enhancing coverage of countries like Italy, Portugal and Ireland. The acute lack of capital for late-stage growth and scaling of climate and environmental technologies has also been a point of focus, with the EIF supporting a number of new fund initiatives in this critical market segment.

ADVISORY SERVICES SUPPORT FOR CLIMATE ACTION

Advisory support under the Climate Adaptation Investment Advisory Platform (ADAPT) and PATH continued to increase in 2023.

Launched in 2022, ADAPT was designed to improve the quality of adaptation investments. Examples of advisory activities under ADAPT include helping a water utility in Poland evaluate climate change adaptation options for a future investment programme, and helping a port authority in Greece plan its climate adaptation investments.

Various advisory initiatives kicked off in 2023 to support authorities as they improved post-disaster response and the resilience of built structures to the extreme weather conditions brought on by climate change. They include supporting the island of Ischia in Italy in reconstruction following landslides and flooding in 2022; and assisting Denmark, Greece, Poland, Portugal and Spain as part of investments in flood barriers and in climate adaptation in transport and healthcare.

Corporate EIB clients that are screened into the PATH policy can request advisory support in developing the decarbonisation and resilience plans they need to meet the PATH framework requirements. In 2023, three advisory assignments for corporates were approved under the framework, with a focus on decarbonisation plans. Similarly, screened-in financial intermediaries can receive advisory support to align reporting with the recommendations of the Task Force on Climate-related Financial Disclosures. In addition, a range of climate adaptation and green transition advisory support is provided by the Bank under mandates like the [Joint Assistance to Support Projects in European Regions \(JASPERS\)](#). This programme offers advice and training to national, regional and local authorities, as well as other beneficiaries of EU funds, to ensure that projects have high social and environmental standards. In addition to participating in the ADAPT assignments, JASPERS supports the development of national climate proofing guidelines for EU co-funded investments and leading advisory services assisting the Just Transition Fund. Finally,



Ireland: Helping farmers become greener

Around 65% of all land in Ireland is used for agricultural purposes. The agri-food sector employs almost 170 000 people and accounts for around 5% of the country's economy. Despite farmers' high productivity, their incomes are often lower than those in other sectors. In addition, only seven in ten loan applications made by farmers in Ireland are successful. This is below the EU average, according to a [recent report by EIB Advisory](#) based on a survey of over 6 000 farms.

To encourage the growth and resilience of agricultural enterprises in the country, the Strategic Banking Corporation of Ireland (SBCI) and the EIB launched a loan guarantee scheme. The SBCI is Ireland's national promotional institution, created to help banks provide affordable financing to small and medium businesses. The EIB is providing more financial power to help the SBCI offer new financing to clients across Ireland.

The latest loan scheme developed with the EIB has something different: a focus on climate action and environmental sustainability. Called the Growth and Sustainability Loan Scheme, and backed by an EIB guarantee, it can be used by Ireland's farmers through the SBCI's network of lenders. The scheme will make up to €500 million in long-term lending available to Irish SMEs, including farmers. The loans of between €25 000 and €3 million are granted at reduced interest rates, for terms of up to ten years. Launched in September 2023, the scheme will power the Irish agriculture sector while helping farmers become greener and more resilient. A key element of the scheme is the award-winning [Green Eligibility Checker](#), an online tool that lets intermediary clients assess the eligibility and climate impact of investment projects. It also helps the financial industry report on green investments.

JASPERS contributes to the European Commission's Mission on Adaptation to Climate Change and its Mission on Climate-Neutral and Smart Cities. Visit the JASPERS webpage for more information about the achievements under this programme.

Under the InvestEU Advisory Hub, the EIB and the EIF joined forces to provide advice to financial institutions, fostering green finance across Europe. Through the [Green Gateway](#) initiative, banks and asset managers assessing green eligibility criteria can access tools, training, case studies and one-on-one support. The portal offers three key assessment tools that help not only EIB Group financial intermediaries, but also other institutions providing green loans ([EIB Green Eligibility Checker](#)), sustainability-related guarantees ([EIF InvestEU Sustainability Guarantee](#)) and equity funds willing to comply with the EIF's climate action and environmental sustainability criteria (EIF Green Guide for Fund Managers).

EIB advisory services also help REPowerEU, boosting investments in hydrogen via market studies, outreach initiatives and assistance with project preparation. These services also support energy efficiency investments.

Advisory services help develop financial instruments that combine grants and loans, and they are involved in other programmes that offer grants, such as the European Energy Local Energy Assistance programme (ELENA). Through ELENA, public and private entities receive grants to help them prepare investments in the energy efficiency of buildings, better street lighting and district heating, and sustainable transport. By the end of 2023, over €9.6 billion of projects had been supported by ELENA, which will lead to energy savings of approximately 5 000 gigawatt hours, renewable energy production of over 2 060 gigawatt hours, and an estimated reduction of over 2 million t/CO₂e annually.

SUSTAINABILITY FUNDING

A strategic business development, sustainability funding is necessary for implementing the Climate Bank Roadmap. The EIB issued the world’s first green bond, called Climate Awareness Bond, in 2007, and sustainability finance has grown quickly since then. The EIB uses proceeds from sustainability funding instruments exclusively for disbursements to lending activities that contribute substantially to EU sustainability objectives. Climate Awareness Bonds (CABs) focus on climate change mitigation. A similar type of instrument called Sustainability Awareness Bonds (SABs) focuses on other EU objectives for environmental and social sustainability and operationalises the Sustainable Development Goals.

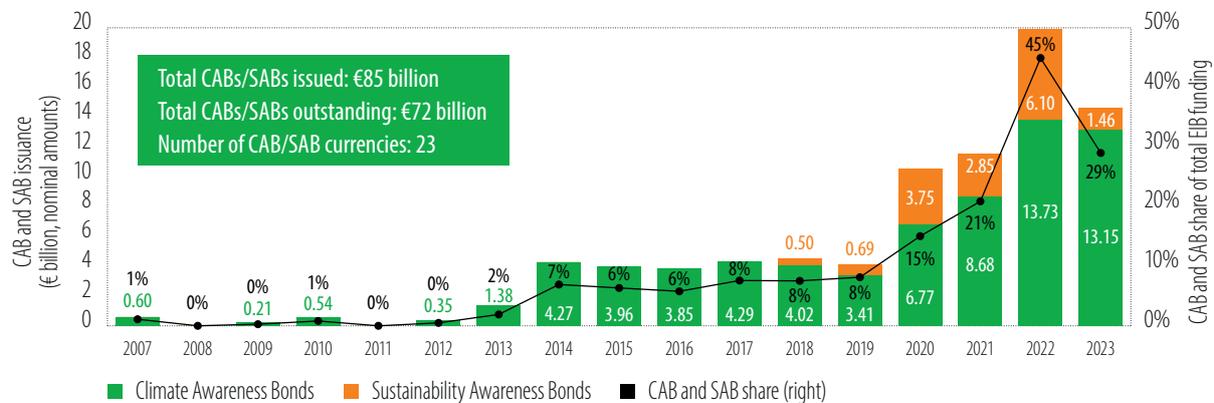
	Climate Awareness Bonds	Sustainability Awareness Bonds	
	Environmental	Environmental (other than climate change mitigation)	Social
Objectives	<ul style="list-style-type: none"> Climate change mitigation (2007) 	<ul style="list-style-type: none"> Sustainable use and protection of water and marine resources (2018) Pollution prevention and control (2018) Protection and restoration of biodiversity and ecosystems (2021) 	<ul style="list-style-type: none"> Access to water and sanitation (2018) Natural disaster risk management (2018) Access to equitable and inclusive education (end 2019) Universal access to affordable health services (end 2019) Health emergencies response and preparedness capacity (2020) Access to social and affordable housing (2021)
Eligible Activities	<ul style="list-style-type: none"> Renewable energy (2007) Energy efficiency (2007) Electric rail infrastructure and rolling stock, and electric buses (2020) Research, development and deployment of innovative low-carbon technologies (2020) Further taxonomy-eligible low-carbon activities in transport, manufacturing, waste, and energy sectors (2022) 	<ul style="list-style-type: none"> Water supply and management (2018) Wastewater collection and treatment (2018) Sustainable forest management (2021) 	<ul style="list-style-type: none"> Water supply and management (2018) Wastewater collection and treatment (2018) Flood protection (2018) Education (2019), including higher education (2020) Health (2019), including COVID-related activities (2020) Housing (2021)

The EIB plays a key role in shaping the green bond market and helping it grow by supporting market liquidity, standardisation initiatives – particularly in impact reporting – and education.

In 2023, the EIB issued €14.6 billion (or 29% of its funding programme) of Climate Awareness Bonds and Sustainability Awareness Bonds.

The EIB has issued €85 billion worth of Climate and Sustainability Awareness Bonds since 2007 (in 23 currencies), making it the largest multilateral development bank issuer of green and sustainability bonds.

Share of EIB Funding coming from Climate and Sustainability Awareness Bonds



Note: With regard to 2023 figures, please note that, in addition to the limited assurance report provided by KPMG in the context of this document, a reasonable assurance report will be available with the Sustainability Awareness Bonds Framework and the Climate Awareness Bonds Framework for the year ended 31 December 2023.

The growth is the result of gradually expanding the objectives and activities eligible for allocation of proceeds from Climate Awareness Bonds and Sustainability Awareness Bonds (see table above). This increased the eligible share of the Bank's disbursements.

The EIB has the highest level of audit assurance regarding the gradual alignment of green bonds and sustainability bonds with the EU taxonomy and the EU green bond standard. The latest [Climate Awareness Bonds Framework](#) and [Sustainability Awareness Bonds Framework](#) showcase the progress made on this path.

The core novelties are:

- alignment of all taxonomy-eligible Climate Awareness Bond allocations with the Climate Delegated Act's technical screening criteria for substantial contribution
- first comparison of taxonomy-eligible Sustainability Awareness Bond allocations with the Environmental Delegated Act's technical screening criteria for substantial contribution
- extension of the comparison with the "Do No Significant Harm" and "Minimum Safeguards" provisions of the taxonomy regulation to the EIB Group's environmental and social policy and standards for 2022, which cover a larger number of taxonomy-relevant areas.

CLIMATE PARTNERSHIPS

To achieve its green goals and increase its impact, the EIB works with a broad range of partners, including other multilateral development banks, the International Development Finance Club, UN partners, policymakers, businesses, think tanks and civil society.

The results of these partnerships are highlighted at international climate and environment events, such as the UN climate conferences and the World Bank and International Monetary Fund meetings. Some highlights in 2023 include:

- mobilising €27 billion in climate investments under the Green Gateway Initiative
- joining Mission Innovation, a global initiative of 23 countries and the European Commission working to accelerate clean energy innovation
- a joint multilateral development banks' (MDB) commitment to improve country-level collaboration and the launch of the joint programme on long-term climate strategies ([See the development banks' statement at COP28](#)).

The EIB and the EIF also contribute to the European Commission's platform on Sustainable Finance 2.0 and other sustainable finance forums. On the civil society front, the EIB signed a [memorandum of understanding with the World Resources Institute](#) to foster cooperation in climate action and other environmental areas.

GREENHOUSE GAS EMISSIONS

In its carbon emissions management, the EIB Group tracks separate carbon footprints for its financing activities and internal operations. The internal footprint is far smaller.

CARBON FOOTPRINT OF EIB FINANCING

The EIB reports yearly on the carbon footprint of the projects it finances. We do this work to estimate projects' greenhouse gas emissions. At the end of 2023, the Bank published an estimate of the greenhouse gas emissions of its portfolio for the first time.

For details on our process and the scope of financial products included in our carbon footprint, see the [EIB Project Carbon Footprint Methodologies](#). The greenhouse gas footprint of each project is reported in its environmental and social data sheet.

In 2023, we estimated and reported the greenhouse gas emissions of projects with significant expected emissions that would exceed thresholds in absolute emissions (actual emissions from the project) and relative emissions (estimated increases or reductions compared to the expected alternative). For each, the threshold is > 20 000 tonnes of carbon dioxide equivalent (CO₂e) per year for a standard year of the project's operations.

2023 CARBON FOOTPRINT OF SIGNED PROJECTS

*In 2023, 80 projects had estimated emissions above the absolute or relative thresholds, and were included in the carbon footprint exercise. These projects represent total EIB signatures or allocation approvals of €24 billion.*¹⁰

*The related total absolute greenhouse gas emissions are estimated at 1.2 million tonnes of CO₂e per year. The overall reduced or avoided emissions from the same financing are estimated at 5.2 million tonnes of CO₂e per year.*¹¹

Data for projects included in the carbon footprint are reported in our Environmental and Social Data Sheets and published in our public register of environmental information, in compliance with the Aarhus Regulation.

The table below shows the annual results for the last three years. The figures show large savings of 2.3 to 5.2 million tonnes of CO₂e per year. Overall, our projects continue to help reduce emissions, as shown by the large negative relative emissions figure.

Carbon footprint of EIB financing, 2021–2023

	2021	2022	2023
Number of projects	86	91	80
Amount signed by EIB (€ billion)	15.6	16	24
Absolute emissions (Mt CO ₂ e/year)*	2.3	1.6	1.2
Carbon sequestration from forestry (Mt CO ₂ e/year)*	0	0.03	0
Relative emissions (Mt CO ₂ e/year)*	-2.3	-4.6	-5.2

* Emissions and carbon sequestration are prorated to the EIB lending volume before aggregation. Otherwise, total project emissions (absolute) and savings (relative) would be significantly larger. Mt CO₂e = megatonnes of carbon dioxide equivalent.

10. Projects with a finance contract signed or large allocations approved in the year. Large allocations under framework loans already signed include individual investment projects that have undergone a full individual project appraisal.

11. Carbon footprints are calculated using the version of the methodology in place at the time of appraisal, as the carbon footprint is then published in the Environmental and Social Data Sheet after approval by the EIB Board of Directors. Individual carbon footprints are not subsequently adjusted due to methodology changes for the purposes of aggregating data in the annual carbon footprint exercise. The impact of applying different versions of the methodology has been assessed and is not deemed to be significant.

ASSESSING GREENHOUSE GAS EMISSIONS ASSOCIATED WITH OUR PORTFOLIO

In line with best practices, the EIB has been working to estimate and report on the total emissions associated with its entire portfolio of outstanding financed operations. This year, for the first time, we are providing quantified results. While these include most EIB operations, they do not yet cover the whole portfolio, as they do not include all EIB credit lines to banks and other financial intermediaries. The Bank is exploring how best to calculate or model the emissions of these operations.

At the end of 2023, the EIB operations assessed for portfolio emissions (around 8 000 finance contracts) were equivalent to roughly €380 billion in disbursed exposure. They are estimated to represent financed emissions of around 45 000 kilotons of CO₂ equivalent for 2023, of which approximately 50% are scope 1 emissions (direct emissions from a project), 20% are scope 2 (emissions from generating the power used by the project) and 30% are scope 3 (upstream and downstream emissions from the project, for instance from the use made of it). As explained in Chapter 7 of the EIB Project Carbon Footprint Methodologies, a limited type of scope 3 emissions is calculated for certain projects.

Most emissions in the EIB portfolio come from transport (30%), energy (29%) and industry (21%). We finance many of these high-emitting projects to support energy efficiency or other emissions reductions. Through our finance, we help clients progress in their low-carbon transitions. The portfolio includes some fossil fuel projects financed before the Climate Bank Roadmap and Energy Lending Policy were implemented.

This analysis was guided by the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) standard and the Global GHG Accounting and Reporting Standard for the financial industry developed by the Partnership for Carbon Accounting Financials.

About 48% of the portfolio-financed emissions are drawn from the carbon footprints estimated for projects since 2013 using the EIB Project Carbon Footprint Methodologies and included in the annual EIB project carbon footprint exercise. These project emissions have been prorated to the size of the outstanding loan amounts that have not been fully repaid (representing the emissions of the part of the project financed by the EIB that has been disbursed and not repaid).

The remaining projects covered by the assessment did not have a calculated or estimated carbon footprint, either because they were financed before 2013 or because they were considered below the thresholds mentioned in Chapter 5 of the EIB Project Carbon Footprint Methodologies. For these projects, emissions were generally estimated based on sectoral emission factors per million euros invested, derived from projects with a calculated/estimated carbon footprint, but capped at the thresholds applicable in the EIB Project Carbon Footprint Methodologies at the time of signature. For more information, see the [2023 TCFD report](#).

Estimating the financed emissions for such a large and diverse portfolio with projects dating back several decades encompasses uncertainty, and outcomes may vary depending on the assumptions and tools used. The 2023 estimates are a first step. The EIB will continue to work with other parties involved in this type of work, including users of portfolio-financed emission calculation tools, to improve the quality of the resulting figures.

INTERNAL CARBON FOOTPRINT MEASUREMENT AND REDUCTION PLAN

The EIB Group has defined a carbon abatement pathway for its corporate activities that aligns with the 1.5 degrees Celsius goals. The multiannual Corporate Climate Programme compiles all initiatives that help meet these goals. This includes guidelines on the way we work and travel, and requires collaboration by everyone. Staff engagement, management courses, staff training, supply chain engagement and communications are all part of the programme.

In 2023, the EIB Group's gross greenhouse gas emissions from its internal activities were 22 251 tCO₂e;¹² its gross greenhouse gas emissions intensity per employee was 4.5 tCO₂e (down 5.3% from 2022¹³) and its net greenhouse gas emissions intensity per employee was 3.5 tCO₂e. The EIB Group has decoupled the growth of gross emissions (up 1.3%) from the growth in the workforce (up 7%). In 2023, gross emissions were 18.4% below the base year emissions in 2018, which means we remain in line with the greenhouse gas emissions reduction pathway for 2025.

For more details on the internal greenhouse gas emissions inventory, see the [GRI report 2023](#) and the EIB Group's [Carbon Footprint Report 2023](#).

CARBON COMPENSATION STRATEGY FOR INTERNAL ACTIVITIES

We are committed to reducing our corporate carbon footprint. But the EIB Group also must continue consuming energy, and employees must keep travelling for business. That is why we have had a carbon compensation plan since 2014. The EIB procures high-quality carbon credits in support of climate projects with high social and economic benefits for an amount equivalent to the reported corporate residual greenhouse gas emissions in a given year. The 2023 results will be communicated in an update to the EIB Group Carbon Footprint Report.

12. To estimate gross emissions, the EIB Group uses the most recently available emissions factors. In 2023, however, we made an exception for:
 - Electricity (Scope 2), which uses 2022 figures, as the 2023 figures for "Composition du mix énergétique national" published by the Luxembourg Institute of Regulation were not available in time.
 - Air travel (Scope 3), which uses emission factors published by the UK Department for Environment, Food and Rural Affairs (DEFRA) in 2022, as opposed to 2023. This is reasonably justified by the fact that estimated aircraft load factors in 2023 (81%) are closer to actual load factors in 2019 (83%), while the DEFRA emission factor in 2023 was based on unusually low load factors in 2021 (67%). This suggests that 2023 activity may be better represented by 2022 emission factors, rather than by 2023 factors.
 - Courier services (Scope 3), which uses 2022 figures, as the 2023 GoGreen DHL figures were not available in time.
 - Electricity (Scope 3), which uses 2022 figures, as the 2023 International Energy Agency figures were not available in time.
13. Restated data, not audited.

FIGHTING POLLUTION

The world is facing a triple ecological crisis – climate change, biodiversity loss and pollution.

Pollution prevention and control are key pillars of the global and EU environmental policy agenda.

The EIB Group takes an integrated approach to preventing emissions into the air, water and soil to protect the environment as a whole, including finance for depollution projects.

EU ACTION PLAN ON POLLUTION PREVENTION

The European Union has a number of 2030 targets for pollution reduction:

- improving air quality to reduce the number of premature deaths caused by air pollution by 55%
- improving water quality by reducing waste, plastic litter at sea (by 50%) and microplastics released into the environment (by 30%)
- improving soil quality by reducing nutrient losses and chemical pesticide use by 50%
- reducing the EU ecosystems where air pollution threatens biodiversity by 25%
- reducing the share of people chronically disturbed by transport noise by 30%
- reducing waste generation and residual municipal waste by 50%.

POLLUTION IN EIB OPERATIONS

The [EIB Environment Framework](#), adopted in 2022, consolidates the EIB's efforts on environmental sustainability. It supports the EIB's work in the protection, restoration and sustainable use of nature.

Out of the four environmental objectives identified by the EU Taxonomy Regulation, the greatest volume of EIB green financing goes to the objective of pollution prevention and control. Still, even the high EIB investments in this area are dwarfed by the financing needs. A lot more work needs to be done to address the global environmental situation.

The EIB Environment Framework also supports the EU action plan "Towards Zero Pollution for Air, Water and Soil," a key part of the European Green Deal.

Pollution prevention in project finance

Of the EIB Environmental and Social Standards, standard 3, resource efficiency and pollution prevention, outlines a project promoter's responsibilities to ensure an integrated approach to resource efficiency; pollution prevention and control of emissions in the air, water and land; noise pollution; radiation; prevention of accidents; as well as waste management and the safe use of hazardous substances and pesticides. An attempt is made to avoid the shift of pollution from one area to another, ensuring consistency with the "Do No Significant Harm" principles of the EU taxonomy and contributing to the "zero pollution" goal. Standard 3 applies to a specific project when its relevance is determined during the environmental impact assessment or environmental social impact assessment (EIA/ESIA) process. Additionally, it applies to EIB projects associated with modifications or extensions of existing activities or facilities, for which it falls to the promoter to determine the appropriate requirements.



Egypt: Innovative financing for major drain clean-up

The Kitchener Drain in Egypt is one of the most severely polluted drains in the country, causing significant environmental, economic and social harm. It extends over 69 kilometres and passes through the governorates of Kafr El Sheikh, Gharbeya and Dakahleya, discharging into the Mediterranean Sea. Pollution of the Kitchener Drain comes from four main areas:

- poorly treated or untreated domestic wastewater from numerous villages within the three governorates
- uncontrolled municipal solid waste that flows along the banks and into the drains
- industrial wastewater
- fertiliser and pesticides from the agricultural drainage system.

To improve water quality and wastewater services in the region, the European Union, the EIB and the European Bank for Reconstruction and Development (EBRD) worked on an approach to tackle several sources of pollution at once. The project will construct and rehabilitate sewer systems and wastewater treatment plants, improve municipal solid waste management infrastructure, improve the drain system (dredging of canals and the rehabilitation and construction of new pumping stations), and install a monitoring system for water flow and quality.

This is the first programme of its kind in Egypt, and it could be replicated in other areas.

The EIB is providing a €213.9 million loan, the EBRD is offering €148 million in financing, and the European Union approved €45 million in grants for expenses and technical assistance. EIB Global is administering the programme.

The specific requirements of this standard include:

- resource efficiency and circular economy
- pollution prevention and control
- emergency prevention, preparedness, and response
- management of waste
- sound management of hazardous substances and materials
- pesticide use and management.

PREVENTING POLLUTION AT EIB GROUP PREMISES

As part of the environmental management system at the EIB Group, pollution from internal activities is minimised through the careful use of materials. Preventing pollution is one of six objectives in the management system. We distinguish between air pollution caused by business travel and staff commuting, and air, water and ground pollution as a consequence of waste generation. For more details, refer to the annual [EIB Group Environmental Statement](#).

WATER AND OCEANS

Protecting water and marine resources is a key goal of the EIB Group's financing in climate action and environmental sustainability, and a key element of our environmental standards. A sustainable blue economy and healthy oceans are indispensable if we are to meet the EU and global environmental and climate objectives.

The Sustainable Development Goals related to access to clean water and sanitation are not fully met in Europe, and are far from being reached in developing countries. The EIB Group's work in these sectors is crucial. According to a study by the Organisation for Economic Co-operation and Development (OECD), over 40% of the global population is likely to live in river basins under severe water stress by 2050. It is expected that more than 240 million people will go without improvements to drinking water access, and almost 1.4 billion are projected to remain without access to basic sanitation. In almost all regions, water quality is expected to deteriorate, and the amount of pollution entering the oceans will likely increase in the coming decades.

For these reasons, the European Commission's Blue Economy Strategy (2021) calls for a transition from "blue growth" to a "sustainable blue economy" by focusing on:

- climate neutrality and zero pollution
- a circular economy and preventing waste (with a goal to halve pollution from plastic, nutrients and chemical pesticides by 2030)
- biodiversity and investing in nature (with legally binding targets to restore degraded ecosystems, protect fisheries and the marine ecosystem, and designate new marine protected areas).

SDG 14, "Life below water," sets out key targets covering the reduction of marine pollution, sustainable management of the marine and coastal ecosystem, restoration of fish stocks, an increase in marine protected areas, and marine research and innovation.

There is an urgent need for more public and private investments in the water sector. As a public institution, the EIB Group has an important role to reduce investment barriers and ensure that the projects it finances are those most apt to help close investment gaps. The EIB is one of the world's largest lenders to the water sector. On average, we finance more than €2 billion of water infrastructure per year.

WATER SECURITY

To guide our activities in the water sector, in March 2023 we published the [EIB Water Sector Orientation](#), subtitled "Building climate-resilient water systems." In it, we confirm the need to strengthen water security across the globe as a consequence of climate change. The publication recognises the significant impact of water projects and the strategic role that the sector can play in mitigating the adverse impacts of climate change, particularly in terms of adaptation and environmental sustainability.

The 2022 EIB Environment Framework ensures that our work is guided by (and helps to implement) EU strategies like the EU Water Framework Directive (2000/60/EC), and the targeted directives supporting it (on groundwater, drinking water, bathing water, nitrates, urban wastewater treatment, environmental quality standards and floods). SDG 6 identifies targets to reduce water pollution, increase water recycling and reuse, increase water use efficiency, ensure sustainable withdrawals, and protect and restore water-related ecosystems. For years, the EIB Group has been supporting these EU directives and SDG 6 around the world.



Benin: Improving access to safe drinking water

Access to safe drinking water is a big challenge in many parts of Africa. Poor access to water exacerbates gender issues, causes health problems and hurts income security. The Benin water supply project, supported by the EIB, aims to ensure universal access to water.

The rural part of this project will help build 38 water supply systems in the Atacora and Donga departments in the northern part of the country. This includes the construction of water treatment infrastructure, pumping stations, water reservoirs and a distribution network, including pipes and household connections. The EIB will finance the construction of the infrastructure in five municipalities, benefiting around 65 towns and cities. The urban part of the project will extend the water supply system in the city of Djougou in the department of the Donga. This includes a new compact water treatment plant with a capacity of 50 m³/h, the rehabilitation of existing wells and the construction of new ones. Around 334 kilometres of pipes will be laid. The EIB loan will also support the acquisition of equipment for SONEB, the state water utility, to ensure the correct operation of the system.

The project will improve conditions in schools and other public places by providing permanent access to safe drinking water. This is expected to prevent illnesses associated with the consumption of poor-quality water, and to increase net household incomes by reducing water-related expenses. The operation will help women in particular, as in 90% of rural households in Benin, the task of fetching water falls to women and girls, leading to high dropout rates from school. The project will also add jobs and help the local economy.

The EIB Environment Framework also stipulates that, when financing projects that extract and use fresh water, the EIB supports promoters that ensure it is done sustainably, paying particular attention to water use efficiency. This applies to investments in the water sector, agriculture and industry. The EIB also finances a wide array of investments that protect freshwater resources. Beyond the investments for water pollution prevention, the Bank supports agriculture water management projects that avoid water overuse and pollution, or that protect groundwater abstraction areas and restore neighbouring catchment areas. The EIB also looks for additional investments that can protect water resources in the areas of water scarcity caused by climate change or population growth.

The EIB financed a record €4 billion in the water sector in 2023. Almost €3 billion of this amount went to water projects inside the European Union. 75% of this lending contributed to the Bank's climate action and environmental sustainability objective. Almost 30% of the financing helped make water systems more resilient to climate change. The water sector is the largest contributor to the EIB's adaptation financing target.

WATER PROTECTION IN EIB-FINANCED PROJECTS

Of the EIB Environmental and Social Standards applicable for project promoters, it is standard 3, resource efficiency and pollution prevention, that includes rules and precautions related to water. This standard outlines a promoter's responsibilities to ensure an integrated approach to resource efficiency, pollution prevention and control of emissions into the air, water and land, avoiding the shift of pollution from one environmental medium to another. It ensures consistency with the "Do No Significant Harm" principle and contributes to the EU's zero-pollution target.



Netherlands: Wastewater treatment in small modules

Wastewater treatment plants can be costly projects that are too expensive in many parts of the world. Fortunately, it is not always necessary to build major sewage treatment plants. The process can be conducted in a smaller way.

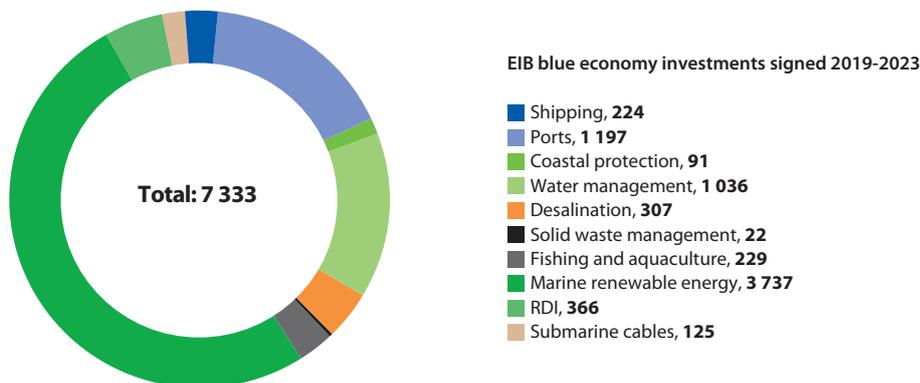
Working with a venture capital fund, the European Investment Fund is helping to bring a system to market offering water treatment that is CO₂-neutral and cost-efficient. The Dutch company PureBlue is developing modular wastewater treatment systems that can be placed anywhere and enable the reuse of wastewater. The company is backed by Pureterra, a water technology venture capital fund.

PureBlue systems treat all kinds of wastewater. They remove dirt and harmful substances such as medicine residues and other micro-pollutants. People can reuse the clean water to water plants or crops and flush toilets. The system can be used in many agriculture and industry applications, even in neighbourhoods and cities.

Module water systems allow the treatment of wastewater in locations with limited space or in places with no sewage network. This offers a sustainable alternative to conventional treatment, as the smaller units can be placed in public areas, industrial parks or in buildings. The installations use a plug-and-play principle, making them easily adaptable for large or small needs.

EIB support to the blue economy by sector from 2019-2023

EIB signed amount (€ million)



THE BLUE ECONOMY

The blue economy encompasses economic sectors linked to the ocean, such as renewable energy from marine environments, maritime transport, wastewater management that reduces pollution going into the ocean, fisheries and aquaculture. According to OECD projections, by 2030, growth in the blue economy could outperform the growth of the whole economy. Keeping our ocean clean and healthy is crucial for sustainable development.

The EIB Group is a key player in advancing a sustainable blue economy. We forge partnerships with public and private entities not only to reduce ocean pollution and preserve marine ecosystems, but also to provide economic and social benefits to the global community.

PRINCIPLES FOR BLUE ECONOMY INVESTMENTS

The Sustainable Blue Economy Finance Principles were set jointly by the EIB, the European Commission, the World Wide Fund for Nature (WWF) and the World Resources Institute. These principles have been embedded and are promoted by the Sustainable Blue Economy Finance Initiative, which is hosted by the UN Environment Programme. The initiative is helping to guide sustainable investments in the blue economy and promote the adoption of blue economy principles across the mainstream finance, investment and insurance sectors.

The EIB Group is committed to supporting a sustainable blue economy, including by applying our sustainability standards, which are intrinsic to the project screening and selection process. These standards ensure that investments are in line with the Climate Bank Roadmap targets, and consequently with the goals and principles of the Paris Agreement and the UN Sustainable Development Goals.

FINANCING THE BLUE ECONOMY

In April 2023, the EIB Management Committee approved the consolidation of the EIB's ocean programmes to concentrate those activities around a broader, unified, sustainable blue economy that comprises all relevant sectors, including those covered by the Bank's Clean Oceans Initiative and Blue Sustainable Ocean Strategy. In 2023, EIB lending to the sustainable blue economy came to €2.6 billion. From 2019 to 2023, EIB lending to the sustainable blue economy totalled almost €7.3 billion, mobilising almost €30.8 billion of investments.

CLEAN OCEANS INITIATIVE

The Clean Oceans Initiative funds projects that reduce the discharge of plastics into the oceans, support circular solutions to ocean plastic pollution and increase the collection and recycling of plastics. The projects cover solid waste management, wastewater collection and treatment, and stormwater management. The initiative was founded in 2018 by the EIB, KfW Group and Agence Française de Développement, but now also includes Cassa Depositi e Prestiti, Instituto de Crédito Oficial and the European Bank for Reconstruction and Development. In February 2022, the initiative raised its financing target to €4 billion by the end of 2025. By December 2023, more than 80% of the new target had been reached by the partners, who have signed clean oceans projects all around the world. About 30% of this result is attributable to the EIB.

PROJECT PREPARATION AND IMPLEMENTATION ACTIVITIES

Several ongoing facilities help to prepare and implement projects for a sustainable blue economy, such as the Clean Oceans Project Identification and Preparation Programme focusing on sub-Saharan Africa, the Project Preparation and Implementation Programme for Timor-Leste, and the Caribbean Investment Facility.

PARTNERSHIPS FOR A BLUE ECONOMY

In September 2023, the EIB and Agence Française de Développement initiated a call to deliver positive action for the ocean. This was signed by nine public development banks. The institutions agreed to work together on sustainable blue finance and positive ocean projects. They committed to developing a roadmap to provide concrete suggestions at the next UN Ocean Conference in 2025 in France.

THE BLUE MEDITERRANEAN PARTNERSHIP

In December 2023, together with partners and donors, the EIB strengthened the Blue Mediterranean Partnership for the southern Mediterranean region. The partnership will support policy dialogue and raise international donor funds for blue economy projects. It will start in 2024 and initially focus on Egypt, Jordan and Morocco.

INVESTEU BLUE ECONOMY

InvestEU Blue Economy, the scaled-up equity initiative that builds on the BlueInvest Fund pilot under the European Fund for Strategic Investments, is mobilising an additional €500 million of EU funds for financial intermediaries investing in the blue economy. The initiative brings together the European Maritime, Fisheries and Aquaculture Fund, the EIB Group and financing from InvestEU. The EIB and EIF are providing knowledge training and advisory support for financial intermediaries and impact investors targeting the blue economy.

One example is the Blue Champions Pilot Advisory Programme, launched in December 2023 and calling for project proposals from EU blue economy project promoters. EIB Advisory, in collaboration with the Directorate-General for Maritime Affairs and Fisheries in the European Commission, will select 20 projects considered eligible for financial advisory support.



Sweden: Sustainable production of arctic char

The arctic char is a freshwater fish belonging to the salmon and trout family, with a potential for sustainable farming. It is eaten as an alternative to salmon and trout and is sold at a premium to salmon. The EIB will help finance Sweden’s first large-scale facility for the sustainable land-based farming of arctic char. Located in northern Sweden, near Lake Kallsjön, and operated by the company Cold Lake, the project will rely on a recirculating aquaculture system (RAS) to minimise the use of fresh water. The project is expected to have a lower environmental footprint compared to current fish production practices, thanks to:

- the controlled environment, including optimised feeding techniques and sustainable feed sources
- bio-methanisation of sludges
- the use of renewable energy
- vertical integration with a hatchery and processing facility.

The project contributes to the EIB’s environmental sustainability objectives, as the prevailing arctic char production system in Sweden uses open-net cages in oligotrophic lakes. The water comes from Lake Kallsjön. Cold Lake has obtained permits to build a facility and produce 4 000 tonnes of arctic char per year.

Recirculating land-based fish farming is considered sustainable if it is certified for sustainability, including the feed consumed. The Aquaculture Stewardship Council certification is a sustainability standard for aquaculture. RAS-farmed fish have a lower environmental footprint thanks to the reduced water need, improved feed conversion ratio due to optimised environmental conditions, reduced stress and sickness, and improved feeding techniques.

INTERNAL WATER MANAGEMENT

Our commitment to increasing resource efficiency and reducing its environmental footprint includes water use and water discharge. According to our assessments, the EIB Group’s water use does not have a significant environmental impact. However, we are committed to decreasing water consumption in our buildings. The EIB Group has been managing and reporting its water use since 2013. Water use at each building in Luxembourg is recorded monthly. Overall usage is reported quarterly and annually. For more details, see the annual [EIB Group Environmental Statement](#) or the annual [GRI disclosures](#).

BIODIVERSITY AND ECOSYSTEMS

Protecting and restoring nature is the key to achieving the Sustainable Development Goals, and is essential to overcoming many development challenges such as health, jobs and livelihoods, inequality, climate change, food, energy security and fragility.

To protect biodiversity and ecosystems, more attention must be paid to nature loss and degradation on land and in water. And we must also promote sustainable natural resource management. The EIB Group supports a nature-positive, equitable future and continues to meet its nature protection commitments.

POLICY CONTEXT

The European Union has developed a biodiversity strategy for 2030 as part of the European Green Deal. The strategy has several objectives, including widening the EU network of protected areas (with a target of protecting at least 30% of land and sea areas), decreasing chemical pesticide use by 50%, restoring at least 25 000 kilometres of rivers to make them free-flowing, reducing fertiliser use by 20%, and restoring marine ecosystems to a good environmental status. The recently approved EU Nature Restoration Law requires the restoration of at least 20% of the European Union's land and maritime areas by 2030 and 90% of degraded habitats by 2050.

The Kunming-Montreal Global Biodiversity Framework (KMGBF), adopted in 2022, has four main goals for 2050 and 23 targets for urgent action this decade. These focus on ecosystem and species health, and include an end to species extinction caused by humans, the sustainable use of biodiversity, equitable sharing of benefits, and more financing for biodiversity. Among the targets are restoring 30% of all degraded ecosystems and conserving 30% of land, waters and seas by 2030, as well as mobilising \$200 billion per year for biodiversity, including \$30 billion through international finance.

The EIB Group is supporting the EU Biodiversity Strategy around the world, as well as the KMGBF, in these ways:

- The 2022 update to the EIB Group Environmental and Social Policy puts biodiversity on equal footing with climate. We strengthened our commitment to nature by improving our Environmental and Social Standards and leveraging our environmental and social due diligence to identify opportunities to maximise biodiversity benefits. Standard 4 of the EIB Environmental and Social Standards reiterates our commitment to moving from “no net loss” to “no loss” of biodiversity, and to working with traditional and indigenous communities as experts in protecting and managing biodiversity and natural resources, while respecting rights to their lands.
- The EIB integrates biodiversity and ecosystems externalities into its economic analysis. Recognising, measuring and valuing biodiversity and ecosystems in projects protects ecosystem services and helps manage them sustainably. The EIB's approach will integrate the socioeconomic value of biodiversity and ecosystems in a pragmatic way, taking into account the interconnected concerns around nature and climate, as well as the recommendation of the Dasgupta Review on the economics of biodiversity, and applying good practice.
- The EIB also mainstreams biodiversity and ecosystems in all its activities by adjusting the risk management framework, assessing biodiversity-related risks to projects and counterparties and taking “double materiality”¹⁴ into account. This will complement the Additionality and Impact Measurement framework with the development of biodiversity impact indicators and metrics. The purpose is to track progress against objectives, identify financial flows, measure impacts and trends and enhance reporting, and increase transparency in line with the provisions of the EU Corporate Sustainability Reporting Directive, as applicable.

14. Double materiality includes both biodiversity-related impacts that are material to companies and financial institutions, and financial institutions and companies that are material to biodiversity.



Morocco: Sustainable forests

Forests are home to a wide variety of plants and animals. They also fight climate change because of how much carbon dioxide trees absorb. Protecting and restoring forests supports biodiversity and mitigates climate change at the same time.

In December 2023, the EIB signed a €100 million deal to help forest management in Morocco. Spread over five years, the project will conserve or restore more than 600 000 hectares of forest. The project will fight soil erosion and regulate water flow in regions subject to major water stress and flash flooding. The project will develop watersheds to help manage water, and will rehabilitate forests in national parks to support wildlife and encourage tourism.

The objective is to sustainably manage natural resources, help endangered animals and promote ecotourism and forestry.

KEEPING RISKS LOW AND INCREASING OPPORTUNITIES

The EIB approach to nature is a statement on how the Bank can address the triple ecological crisis. This includes investments to reduce deforestation and forest degradation – for example, the development of deforestation-free commodities and value chains, or projects to reduce deforestation by sustainably increasing the productivity of agriculture. The EIB also supports solutions that are integrated and innovative in terms of optimising the goods and services an ecosystem can provide – with impact on food security, flood control, resilient livelihoods, etc. – and acknowledging the links between natural capital and economic sectors like agriculture, fisheries, forestry and manufacturing.

Additional opportunities across the globe may arise to further mainstream biodiversity in urban, transport, health, innovation, the blue economy and energy investments.

The EIB Group will continue to work with partners to develop high-integrity and scalable environmental and biodiversity credit markets, to support nature-positive and socially inclusive investments.

The degradation of ecosystems can have a disproportionate impact on rural, vulnerable and indigenous communities worldwide, because these people depend on ecosystems for many services. The EIB promotes a holistic and human rights-based approach to the conservation and protection of biodiversity and ecosystems, and the sustainable use of natural resources. The Bank has developed a comprehensive and mainstreamed approach to biodiversity risk and impact screening and management, especially with regard to protected areas, key biodiversity areas and critical habitats.

Its approach to managing biodiversity risks and impacts (of which the Integrated Biodiversity Assessment Tool is a part) was designed to ensure that biodiversity and ecosystem risks and impacts are appropriately identified, managed and addressed in all EIB operations. The assessment is not limited to impacts on legally protected areas or areas with high biodiversity, but applies to all areas and ecosystems, regardless of their state of conservation.

The EIB is developing an approach by which it will integrate the socioeconomic value of biodiversity and ecosystems into its economic analysis. The approach will be complemented by further methodologies that consider climate (in particular climate adaptation), pollution and biodiversity.

BIODIVERSITY PROTECTION

In the Climate Bank Roadmap, the Bank commits to providing more than 50% of its annual financing to climate action and environmental sustainability. The EIB Environment Framework supports this goal by stepping up efforts to finance the restoration of degraded ecosystems like forests, soils and water. The Bank also integrates nature-based solutions into investments with the overarching objective of working towards a set of climate resilience and restoration goals. This includes investing in coastal protection, wetland restoration, watershed management and the restoration of riverine connections. Investments in sustainable forestry, coastal protection and groundwater management help preserve biodiversity. Sustainable land use and management is a key requirement for the EIB's investments in the bioeconomy.

Social inclusion and gender equality are increasingly important in the Bank's investments for biodiversity and ecosystem protection. EIB Global will continue to invest in biodiversity-focused investments that help gender equality, indigenous communities and resilience building. The EIB will also support women fund managers and entrepreneurs who are helping biodiversity and the ecosystem.

Of the EIB's [Environmental and Social Standards](#) for project promoters, standard 4, biodiversity and ecosystems, outlines their responsibilities to monitor the risks affecting biodiversity and ecosystems. In doing so, they ensure consistency with the "Do No Significant Harm" principle and contribute to putting global biodiversity on the path to recovery by 2030.

FINANCING NATURAL CAPITAL

Environmental sustainability finance at the EIB Group supports water resources, the circular economy, pollution prevention and biodiversity conservation. These are the four non-climate objectives defined by the EU taxonomy.

Our support for nature finance takes several forms, including loans directly to projects and support for new financial players in the field of climate and environment, such as the Thames Tideway Tunnel, the Emscher Kanal Project and the Clean Oceans Initiative. We make loans to other financial institutions that act as intermediaries for smaller projects and companies, such as Rewilding Europe Capital. And we back funds that support investments in nature, such as the Althelia Climate Fund, the Land Degradation Neutrality Fund and the EcoEnterprise Fund.

The Natural Capital Financing Facility was one of the first financial instruments for biodiversity and climate adaptation in the European Union. The lessons learned from this facility underscored the financing needs in the current market, calling for a more targeted response. Adjustments will be needed for future financing of nature, biodiversity and ecosystem projects.

One key example of our investment in natural capital is forestry. The EIB invests about €1.2 billion a year in the forestry sector, making the Bank one of the largest forestry sector financiers. Our forestry projects focus on land degradation and biodiversity, and on increasing forest resilience to mitigate and adapt to climate change. In January 2021, the Bank extended the scope of its Sustainability Awareness Bonds to include projects that protect biodiversity and ecosystem restoration, which are closely linked to forestry and the natural capital sector.

ADVISORY SERVICES FOR BIODIVERSITY

The EIB's advisory staff promotes nature restoration and biodiversity by assessing investment challenges and opportunities for increasing nature-based solutions. A 2023 study by EIB Advisory gave the state of play of nature-based financing in Europe, including lessons learned under the Natural Capital Financing Facility that ended in 2022. The report provides insights for nature financing in the future.

Through the JASPERS initiative, EIB experts offer advisory assistance to improve beneficiaries' plans and projects. This includes facilitating compliance with EU directives related to habitats and birds, water and environmental impact. The advisory focus is to prevent environmental damage and the loss of biodiversity, and to promote nature-based solutions.

DEVELOPING PARTNERSHIPS

At COP26 in 2021, the EIB signed a Joint Statement by Multilateral Development Banks on Nature, People and Planet, making these commitments:

- leadership and helping clients implement previous decisions at COP15 and 26
- tackling nature loss
- making nature-positive investments
- using nature to guide decision-making
- reporting, monitoring and evaluation.

This statement complements the [Leader's Pledge for Nature](#) supported by various countries and the [Finance for Biodiversity Pledge](#) supported by private sector financial institutions.

The EIB is one of the key institutions using financing mechanisms and leveraging the private sector for biodiversity conservation and nature-based solutions. We are always exploring ways of investing in nature, restoring ecosystems, making food systems more resilient and integrating principles from nature and biodiversity into our work. The Bank has widened its range of partnerships, which now include the Capitals Coalition, the World Economic Forum, the World Resources Institute, the UN Decade for Ecosystem Restoration and Biopath. We have also widened our investments to improve landscapes, seascapes and livelihoods, and to create space for ecosystems to recover.

TRACKING BIODIVERSITY

The EIB Environment Framework helps countries meet biodiversity objectives. As the EU taxonomy is gradually being integrated into our green finance tracking methodology, since 2021 we have been tracking finance towards biodiversity objectives and are in the process of defining biodiversity co-benefits to track them more effectively in all other investments.

At COP28 in 2023, the EIB and nine other development banks issued [Common Principles for tracking nature-positive finance](#). These principles support the commitment set out in the COP26 statement on "Nature, People and Planet." The EIB will be piloting the application of the principles in 2024.

Scientists believe that at least 30% of the solutions for remedying the effects of climate change depend on nature – meaning healthy forests, oceans, grasslands and wetlands. The EIB will pursue opportunities that make its climate finance nature-positive, and aims to increase investments with biodiversity co-benefits, for example by mainstreaming nature-based solutions.

The Bank is also looking to increase support for sectors with the greatest biodiversity impact and development co-benefits, such as water, sanitation, forestry, oceans and agriculture. This would align our financing with target 19 of the Kunming-Montreal Global Biodiversity Framework.

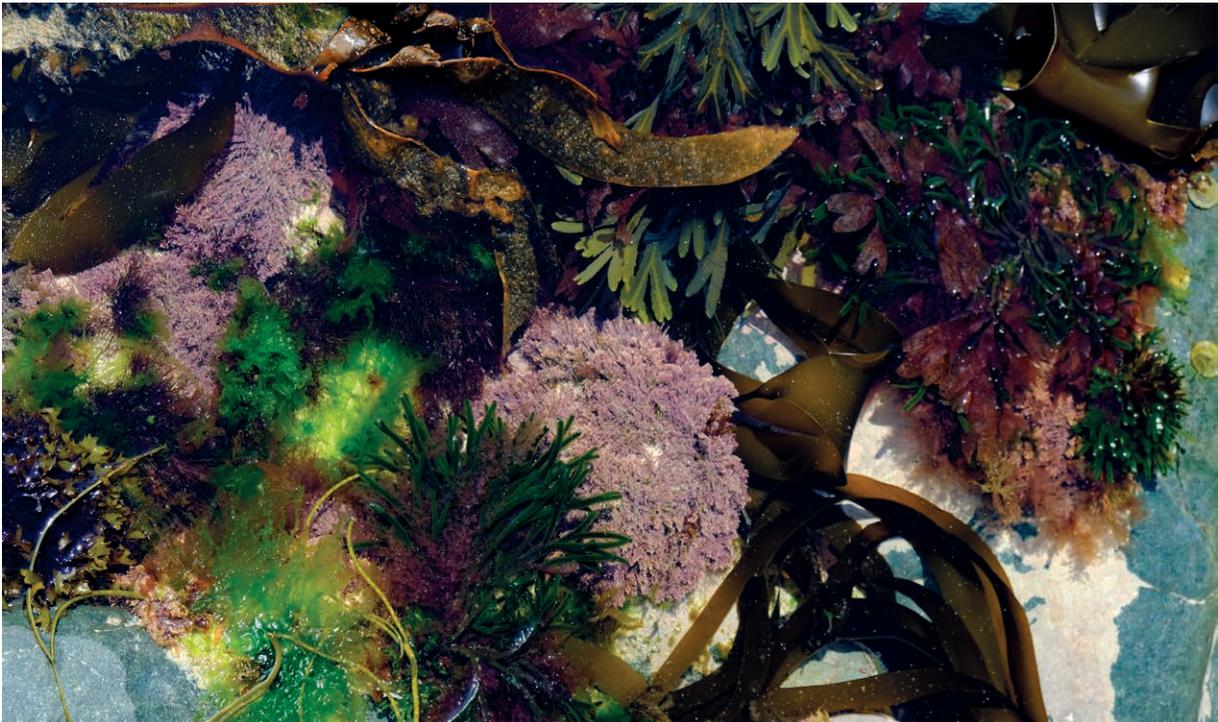
MEASURING BIODIVERSITY IMPACT

The EIB uses an Additionality and Impact Measurement framework to ensure that its projects and activities meet EU policy objectives and the UN Sustainable Development Goals.

The Bank has been working with the International Finance Corporation (IFC) and other stakeholders on a set of climate and environmental indicators for financial institutions that covers biodiversity, as well as water, pollution and land use. The work on biodiversity impact indicators will take into account global developments led by organisations like the Task Force on Nature-related Financial Disclosures (TNFD), the Food and Agriculture Organization under the UN Decade on Ecosystem Restoration, the European Environment Agency and the Europa Biodiversity Observation Network.

BIODIVERSITY MANAGEMENT IN INTERNAL OPERATIONS

Protecting biodiversity is part of the internal environment management system at the EIB Group. The grounds of the main EIB building in the city of Luxembourg, located at the top of the hill of Val des Bons Malades, contain many lawns, meadows and trees, and even the remaining parts of a forest protected under local law. Biodiversity is drawing increasing focus at the Bank, and new initiatives are being planned to measure the biodiversity of the forest on the grounds starting in 2024. For more information, see the annual [EIB Group Environmental Statement](#) and [GRI disclosures](#).



Norway: Seabed harvesting with a conscience

The seabed is an important ecosystem that must be protected. Oceans hold an abundance of unexplored and underused resources. Seafood, if harvested responsibly, can help solve the world’s pressing food challenges. But many fishing practices, such as dredging and bottom trawling, wreak havoc on marine ecosystems, hurt marine life and disrupt the vital balance at the bottom of the sea. Ava Ocean, a Norwegian company, has developed a technology to select and sort bottom-dwelling species without causing harm to their surroundings. The method was developed in collaboration with Norwegian research institutions. The company wants to reinvent seabed harvesting, enabling the preservation of vital marine ecosystems, and at the same time giving the world access to sustainable seafood. The company is backed by Ocean 14, a blue economy fund supported by the European Investment Fund. In 2022, the company’s fishing vessel, the Arctic Pearl, was able to reopen fishing for Arctic scallops in the Barents Sea after 30 years of closure.

CIRCULAR ECONOMY

Shifting away from the linear “take-make-use-dispose” system of our economy, and to a regenerative model, is essential for the future of our planet. In a circular economy, products are used as long as possible and waste is minimised.

The circular economy cuts waste by extending the lifespans of resources, materials and products, redesigning products and business processes, developing new solutions and service models, and encouraging more sustainable consumption. If we do this, we will reduce material and energy consumption, waste generation and greenhouse gases. The EIB Group supports the circular economy with three types of activity: finance, advisory support and awareness training.

OUR APPROACH TO THE CIRCULAR ECONOMY

The circular economy is an important element of the European Green Deal through its Circular Economy Action Plans. It is also one of the four non-climate objectives defined by the EU Taxonomy Regulation. The objectives of a circular economy are rooted in a wide range of EIB Group investment projects.

The EIB Environment Framework supports the transition to a circular economy. Circular projects have many benefits that address climate change, biodiversity loss, pollution, land degradation and water stress. The Sustainable Development Goals, most notably standard 12 ensuring “responsible consumption and production,” include targets for waste reduction and the efficient use of natural resources. The EIB is increasingly active in financing circular economy investments.

Among the EIB’s [Environmental and Social Standards](#), the circular economy plays a central role in standard 3, resource efficiency and pollution prevention. This standard promotes the development of business models that increase circularity, getting as much use out of products and other resources as possible. This creates substantial material savings and economic opportunities.

Promoters must assess how efficiently their project uses materials and natural resources (in terms of land, soil, water and biodiversity) as well as energy, especially for production, and its impact on the environment. Based on the outcome of this life-cycle assessment, the promoter undertakes, on a best-effort basis, preventative measures to protect natural resources and avoid significant harm to their long-term availability for human activity. Such measures include:

- reducing inefficiencies in the use of materials or natural resources like energy, water and land, and preferring products that are durable and can be recycled or easily adapted
- promoting reuse and recycling
- avoiding activities that significantly increase waste.



Poland: A new life for food scraps

Around 14% of the food produced by agriculture and fisheries is lost after it is harvested, and another 17% is wasted by businesses and households. Most of this waste ends up in a landfill.

To help address this problem, the EIB has engaged in a venture-debt operation supporting the Polish pet-food maker Protix to build a plant that uses insects – the larvae of the black soldier fly – to make animal feed and farm fertiliser. 270 kilotonnes of food waste per year will be collected and fed to the fly larvae to produce these agricultural products.

The black soldier fly is a highly efficient insect, and is able to live on food waste. The fly larvae consume and recycle it into fertiliser that can be used by local farms. The larvae can then be dried and turned into protein-rich animal feed. The process extracts high-value proteins and oils (including omega-3 fatty acids – essential components needed for fish development).

The investment contributes to a circular economy through:

- higher use of secondary raw materials, production residues and by-products
- reduction of food losses along production and supply chains
- recovery and reuse of waste.

The project uses food waste from the region around the plant. Compared to the products it substitutes, such as soy protein and vegetable oils, this plant will have a lower environmental footprint and reduce land use expansion.

SUPPORTING THE CIRCULAR ECONOMY

EIB investments reduce waste generation and increase recycling in multiple sectors (such as solid waste management, bioeconomy, industry and buildings). EIB financing also increases the efficient use of resources and by-products. We have also started supporting innovative circular business models (leasing, for example) as well as technologies and social innovations supporting circular ideas.

In 2019, the EIB launched the Joint Initiative on Circular Economy with the European Union's largest national promotional banks and institutions. The initiative set a goal of investing at least €10 billion in the circular economy by the end of 2023. This target was met, and the members have committed to increasing their goals. A new target will be announced in 2024.

To further support clients, the EIB offers circular economy advisory services through a number of initiatives providing both technical and financial support. One example is the Bank's [Circular City Centre \(C3\)](#), which supports EU cities in their circular economy transition (see also the [Circular City Funding Guide website](#)).

EIB FINANCING PRODUCTS AND INSTRUMENTS

The EIB has a range of financing products and instruments to facilitate circular economy investments in the public and private sectors. We offer circular economy thematic framework loans, intermediated lending and equity investments. The thematic instruments include clear circular economy eligibility criteria. The EIB can provide training or technical assistance on the use of these criteria and related reporting.

The Bank is stepping up its support for circular cities by offering thematic framework loans. These loans finance the circular components of long-term municipal investment programmes. Such investments can cover projects, for example, in the built environment, waste and water management and mobility.

From 2019 to 2023, the EIB financed 142 circular economy projects, as outlined below, worth more than €3.8 billion.

EIB financing for the circular economy, 2019–2023

Sector	Financing (in € millions)	Share (in %)
Industry and services	1 913	49.9
Agri-forestry and bioeconomy	839	21.9
Solid waste	443	11.6
Water	251	6.5
Energy	180	4.7
Urban development and buildings	140	3.6
Mobility	60	1.6
Multisector	7	0.2
Total	3 833	100

CIRCULAR ECONOMY IN EIF FINANCING

The circular economy is also an EIF priority, as reflected in the climate and environmental sustainability criteria that guide its financing products and investments. The EIF has a range of financing activities that contribute to a sustainable economy based on circularity.

An example of this is the EIF's €50 million commitment to the Circular Plastics Fund, which has a target size of €150 million. This is one of the first European funds to focus on plastics recycling and, in particular, the expansion of advanced recycling technologies that revert plastic waste to its original state for use as raw material, closing the industrial loop. Another example of EIF circular financing is the case study below on battery recycling.



Germany: Climate-friendly battery recycling

Recycling car batteries is nothing new – but the process leaves much room for improvement. Some components cannot be fully recovered, and a significant share of battery materials goes unrecycled. The German company Cylib, spun off from the Technical University of Aachen, has developed a better technique for recycling lithium-ion batteries. The company uses a climate-friendly method to recover all of the valuable metals in electric car batteries, recovering most of the raw materials, and achieving a recycling efficiency of 90%. Cylib is backed by the World Fund and Vsquared, two investment funds supported by the EIF.

Cylib's method reduces the acids in the hydrometallurgical processes by 12%. This leads to a reduction of additives, which further improves the environmental footprint. Using a water-based lithium recovery, no additives are needed to perform the extraction. For graphite, minimal amounts of additives are required. The resulting recycled products have a significantly lower environmental footprint compared to mining new raw materials. The Cylib process already beats EU battery regulations for the next ten years.

REDUCING THE ENVIRONMENTAL FOOTPRINT OF OUR VALUE CHAIN

Since 2009 and the [EIB Green Procurement Guidelines and Objectives](#), the EIB Group has recognised that the products and services it procures have a direct environmental and social impact, and that it has a duty to practice sustainable procurement. Under EMAS, the Group has implemented the principles of green public procurement for all competitive tendering processes that relate to a product or service with a high environmental impact, such as cleaning, IT and imaging equipment, paper, electricity, food and catering, furniture, gardening, building construction and maintenance, and vehicles.

To encourage environmental considerations, requesters of procurement are referred to the EIB Group's [EMAS Environmental Policy](#) and the [Handbook for Green Procurement](#). The contract winner must comply with all environmental legislation and specifications.

Under the corporate climate programme, suppliers for our corporate services are incentivised to voluntarily align their activities with the Paris Agreement.



SOCIAL INFORMATION

OUR VALUE CHAIN

The EIB Group's value chain primarily comprises contractors, service providers and consultants, but it also includes clients: the project promoters and financial intermediaries.

As an international financial institution, our downstream activities relate to the financial services we provide, and to the promoters and other financial intermediaries. On the other hand, there are many other services and suppliers that support this core business, including consultants, providers of office space, building maintenance, security, IT and development services.

PROJECT PROMOTERS AND EIB POLICIES

Among the EIB Environmental and Social Standards, standard 8 applies to labour rights, and standard 9 is for health, safety and security. To promote good working conditions, standard 8 ensures that projects comply with the principles of the International Labour Organization (ILO). Promoters are asked not to:

- use child labour
- use forced labour for the project, contractors or suppliers
- treat migrant workers less favourably
- base employment decisions on personal or socioeconomic factors unrelated to the job
- interfere with workers' rights to form and join workers' organisations and to engage in collective bargaining.

When significant labour-related risks are identified, a promoter may need to undertake a labour assessment or a labour audit. Where required, promoters must provide the Bank with human resources policies and management procedures. They must also establish a grievance mechanism that allows workers to raise workplace concerns.

Standard 8 includes supply chain requirements that oblige the promoters to make reasonable efforts to assess whether the primary suppliers of project-essential goods and materials pose any labour risks. Where applicable, they must also use a primary supplier that can prove compliance with the standard.

Regarding health and safety, standard 9 requires promoters to put in place a good health and safety management system commensurate with the project risks with respect to occupational and public health, safety and security. The standard has specific requirements covering occupational health (regarding training, personal protective equipment, sanitary facilities, living quarters, etc.) and public health (risks of communicable diseases as a result of the project, risks of gender-based violence linked to the influx of workers, risks related to pandemics, etc.). There are also other types of health and safety risks that standard 9 sets out, such as road safety or natural disasters. Similarly to standard 8, the health and safety requirements under standard 9 apply to both directly employed and third-party workers, and to direct supply chain workers (tier 1).

According to the [Guide to Procurement](#), as a general rule for operations outside the European Union, the Bank requires promoters to include a requirement for tenderers and contractors to complete an “Environmental and Social Covenant” template in their procurement documents. By signing this covenant, contractors and suppliers commit to human resources and health and safety procedures in line with the EIB Environmental and Social Standards. They also commit to the eight ILO core labour standards.

For our lending to intermediaries, standard 11 both imposes requirements on projects that receive EIB support and requires the intermediary financial institution to protect its employees, respecting labour rights and providing a safe and healthy working environment.

DUE DILIGENCE APPROACH

As part of the EIB risk-based due diligence on operations, the Bank reviews the information provided by promoters on labour and health and safety, such as labour management policies and procedures, labour audits, labour assessments, environmental and social impact assessments, health and safety management plans, and other studies. Depending on the level of impacts and risk identified, as part of the due diligence, the Bank may contact workers or their representatives. It may also contact unions and other civil society organisations representing workers’ interests.

When the Bank identifies undue risks or impacts for workers, it requires the promoter to remedy the situation. The Bank may undertake regular audits to ensure that labour or health and safety risks have been addressed.

GENDER EQUALITY IN EMPLOYMENT FOR EIB PROJECTS

Under its [Gender Strategy](#) and [Gender Action Plan](#), the EIB goes above and beyond regulatory requirements in promoting quality employment and leadership opportunities for women. This is especially important in sectors and countries where women are underrepresented in the workforce and management. For example, in 2023 the EIB invested directly in promoters with employment commitments for women in digital, telecommunications and transport sectors. These projects include targets and measures to support quality employment for women and address gender biases in recruitment, retention and career progression. The EIB also supports women’s employment and self-employment through its intermediated financing, in alignment with the 2X Criteria setting a global baseline for gender finance.

ENSURING DECENT WORKING CONDITIONS IN OUR VALUE CHAIN

Our tenderers are required to comply with labour laws as well as national and international standards of environmental protection, health and safety, and human rights, including those contained in International Labour Organization conventions and international agreements on environmental protection. This is attested to by the tenderer’s own declaration on honour and required under the EIB’s General Terms and Conditions.

Issues covered include child labour and other forms of human trafficking, payment of social security contributions, and breach of obligations in environmental, social and labour law. The EIB’s General Terms and Conditions state in Article 10 that a service provider must comply with environmental, health and safety conditions set out in the contract. The Bank can check on the service provider to ensure that these requirements are met.

SUPPORTING COMMUNITIES

Sustainable and inclusive development is at the core of the EIB Group's values. To strengthen environmental and social sustainability, each EIB project undergoes environmental, climate and social due diligence and monitoring.

In project financing, the EIB Group ensures that environmental, climate, social and human rights considerations are addressed and taken into account in decision-making.

RESPECT FOR LOCAL COMMUNITIES

All EIB projects in the European Union, the European Free Trade Association and candidate countries must comply with national and EU laws. Projects that have significant effects on the environment, human health and well-being must be reviewed according to the EU Environmental Impact Assessment (EIA) Directive. Projects in the rest of the world must comply with the applicable national legislation and with the core principles and essential procedural elements of EU legislation that the EIB deems relevant to the assessment and management of environmental, climate or social impacts and risks – particularly those in the EIA Directive.

When EIB operations threaten indigenous people, and when actions are required from promoters, particular attention is given to social due diligence. The UN Declaration on the Rights of Indigenous Peoples and the International Labour Organization's Indigenous and Tribal Peoples Convention are guiding documents for the EIB in this area.

The Group supports the objectives of building climate resilience and cutting emissions while protecting vulnerable regions and communities. For communities most affected by decarbonisation, the Group aims to ensure a just and sustainable transition, offering targeted advisory support and addressing the social, employment, economic and environmental effects, and employing the EU Just Transition Mechanism.

THE EIB INSTITUTE: BOOSTING ECONOMIC AND SOCIAL DEVELOPMENT

The EIB Institute was created to support social, cultural and academic initiatives across Europe. It is a key pillar of the EIB Group's community and citizenship engagement.

In 2023, the EIB Institute celebrated ten years of helping save important cultural heritage sites through the "7 Most Endangered" programme. This ongoing programme combines the cultural expertise of Europa Nostra, the largest heritage network in Europe, with the technical appraisal and rescue planning skills of the EIB.

In 2023, the EIB Institute raised donations for humanitarian groups helping victims of natural disasters, including earthquakes in Morocco in September (€250 000), and Turkey and Syria in February (€500 000), and floods in Slovenia (€200 000). Other donations went to help cholera victims in Malawi (€250 000) and addressed the mental health and winter needs of the Karabakh Armenian children who fled to Armenia after the military escalation in September 2023 (€200 000).

The EIB Institute's Social Innovation Tournament rewards European entrepreneurs who are helping society. Typically, these are projects in education, healthcare, the circular economy, inclusion or ageing.

PROTECTING COMMUNITIES THROUGH OUR WORK

A JUST TRANSITION FOR ALL

The EIB Group aims to ensure that no people or places are left behind in the green transition.

Climate change, climate action, and social and economic development are intrinsically linked across the globe. That is why the Climate Bank Roadmap focuses on gender equality, conflict and fragility, climate-induced migration and a just transition.

Building on experience in the European Union through the Bank's support to the Just Transition Mechanism¹⁵, the EIB Board of Directors approved an EIB Global approach to a just transition and resilience in July 2023. The new approach was launched at COP28. EIB Global will work with public and private partners to identify opportunities and address challenges around a just transition and just resilience. This process includes using Just Energy Transition Partnerships, Team Europe initiatives and wider partnerships. The EIB is the first international financial institution to launch a just resilience approach, to be applied in 2024.



Mauritania: Protecting coastlines from rising seas

Rising sea levels are expected to be one of the main consequences of climate change. This is particularly threatening for coastal cities, especially in developing countries. A new investment initiative to protect vulnerable cities in Africa from climate change was launched in December 2023. The EIB joined with Meridiam, a French global investor in public infrastructure projects. This is Mauritania's first project developed and financed by The Urban Resilience Fund, which is managed by Meridiam. This project is part of the EIB Climate Adaptation Plan, which aims to triple EIB climate adaptation financing by 2025. It is also part of EIB Global's new just transition and just resilience approach to help the communities most impacted by climate change.

The Nouakchott Coastline Development Project will protect Mauritania's capital city, Nouakchott, from coastal erosion and flooding. Adapting to rising sea levels also means developing new activities for communities, preserving old activities and enabling new economic opportunities. The project is based on a combination of traditional brick-and-mortar development, nature-based ideas and an innovative economic model focused on long-term value.

Some EIB [Environmental and Social Standards](#) are specifically designed to protect local communities from the negative impacts of projects. This includes standard 1 (environmental and social impacts and risks); standard 2 (stakeholder engagement); standard 6 (involuntary resettlement); standard 7 (vulnerable groups, indigenous peoples, and gender); standard 8 (labour rights); standard 9 (health, safety, and security) and standard 10 (cultural heritage).

15. The Just Transition Mechanism is a key element of the Sustainable Europe Investment Plan assisting EU regions most affected by the transition challenge. A comprehensive proposal for the EIB Group was published in 2022: [Supporting the Just Transition Mechanism](#).

GENDER EQUALITY AND WOMEN'S EMPOWERMENT

The EIB Group is committed to gender equality and women's economic empowerment, and has included these goals in its business model and its lending, grant and advisory work within and beyond the European Union. The Group has adopted a Strategy on Gender Equality and Women's Economic Empowerment based on three areas:

- **Protect:** We ensure that gender inequalities are not reinforced or overlooked. We mitigate gender-specific risks, such as gender-based violence and harassment, and develop procedures to uphold the rights of girls and women.
- **Impact:** We back projects that contribute to gender equality and more opportunities for women. We ensure that women and men have equal access to the benefits and opportunities generated by our investments.
- **Invest:** We finance female entrepreneurs, women-led companies and businesses that create quality jobs for women or that cater to women through their products and services. We do this through local banks, funds and microfinance institutions.

WOMEN'S ACCESS TO FINANCE

In 2023, the Bank financed 63 projects that significantly contributed to gender equality and women's economic empowerment across the globe, providing €5.8 billion of investment (€3.4 billion in the European Union and €2.4 billion in the rest of the world). EIB Global contributed 39.3% of its operations to gender equality in 2023.

These investments supported women's access to finance and public and private sector projects that advance gender equality and close gender gaps in the bioeconomy, digital, energy, health, mobility, urban development and water sectors.

Our [Climate Bank Roadmap](#) defines gender-responsive climate finance as a priority area. Diversity speeds up climate action and environmental sustainability. Companies with gender-diverse boards are 60% more likely to reduce energy consumption and 40% more likely to cut greenhouse gas emissions. At the same time, women and men are affected differently by climate change and environmental degradation because of gender roles and social norms. In 2023, 37 projects, or 59% of the EIB's financing for gender equality, contributed to climate action and environmental sustainability. The financing will enable women to play an active role in tackling the effects of climate change, and will back women-led climate funds and female entrepreneurs in the areas of climate and environment. We make sure that women benefit from low-carbon and climate-resilient infrastructure and services generated by our investments.

For more information and examples, see the EIB Group gender equality and women's economic empowerment overview published in February 2024.

ENGAGING WITH INDIGENOUS COMMUNITIES

Wherever indigenous people have an attachment to an area that will be affected by a project, the promoter must support their rights by ensuring compliance with national legislation and the requirements laid out in EIB standard 7.

There must be free, prior and informed consent for the recognition awarded by the state to the indigenous groups affected. In addition to the general requirements for consultation, the process with indigenous people must include:

1. the involvement of their traditional authorities, representative bodies, indigenous peoples' organisations as well as members of the affected communities
2. due consideration and respect for relevant customary laws
3. sufficient time for collective decision-making
4. obtaining their free, prior and informed consent (FPIC) regarding the proposed activities.

MITIGATION AND REMEDIATION OF NEGATIVE IMPACTS

Projects that are likely to have a significant effect on the environment, human health and well-being, or human rights must go through an environmental and social impact assessment. In the European Union, for candidate countries and European Free Trade Association (EFTA) members, this process must be conducted in accordance with EU environmental and social legislation. Outside of these regions, promoters are encouraged to use the environmental and social impact assessment process in accordance with the core EU legal and procedural principles, and those that the EIB considers relevant. The assessment of any social aspect is embedded in this process, and includes the consideration of human rights risks.

The environmental and social impact assessment encompasses public consultation and stakeholder engagement, including local communities, in line with the EIB Standard on Stakeholder Engagement. Stakeholder engagement may be the responsibility of the competent authority. In this case, promoters are required to collaborate with the authorities to meet this EIB standard. Promoters should begin stakeholder engagement early to ensure that the opinions of stakeholders – namely those directly affected by the project – are taken into account.

The EIB has embedded effective access to a remedy in its Environmental and Social Sustainability Framework. It requires promoters to identify impacts, address them and provide a remedy when harm occurs. The EIB requires promoters of projects outside the European Union to establish a grievance mechanism allowing workers to raise workplace concerns. Grievance mechanisms should comply with the effectiveness criteria of the UN Guiding Principles on Business and Human Rights. As part of its due diligence and monitoring activities, the Bank assesses the performance of the procedures governing these grievance mechanisms.

To ensure compliance with the Environmental and Social Standards, the Bank may offer promoters technical assistance or training to develop and implement project-level grievance mechanisms.

Any member of the public can address complaints to the Complaints Mechanism alleging maladministration by the EIB Group. Outside the European Union, the EIB requires promoters to inform key stakeholders in the projects it finances, including local communities affected, about the existence and mandate of project-level grievance mechanisms and about the Complaints Mechanism. The Complaints Mechanism may support the resolution of complaints through dispute resolution between the promoter and the complainant. It can also perform a compliance review of alleged breaches of Environmental and Social Standards to determine whether there was maladministration by the EIB Group. In such a case, the Complaints Mechanism can make recommendations to the Group to remedy the situation.

EMPLOYER OF CHOICE

Our mission at the EIB Group is to shape a better future for all. We hire talented professionals with diverse backgrounds from across the European Union and the rest of the globe. This fosters a rich and rewarding work environment.

The EIB Group has nearly 5 000 staff from all 27 Member States. The Group offers an environment where people can achieve their goals while maintaining a work-life balance. We offer professional development opportunities through training, internal mobility and career growth. We also provide a competitive salary package.

DIVERSITY, EQUITY AND INCLUSION

Diversity, equity and inclusion of all staff and a sense of belonging are key ways to ensure a positive working culture. At the EIB Group:

- We embody the EU principles of equality, dignity, non-discrimination and respect for human rights.
- We put diversity, equity and inclusion at the heart of who we are and what we do.
- We believe that diversity, equity and inclusion make us perform better and be more innovative while fulfilling the core mission of improving lives and promoting long-term, sustainable growth.
- We build an inclusive culture of diverse voices – one that is collaborative, respectful and kind, where staff feel they belong and no one is left behind.
- We want to reflect the diversity of Europe on all teams, in all locations and throughout our business.
- We hire, value and develop talent with unique characteristics, creating a work environment where people can be themselves and have equal access to opportunities to develop their skills and careers.

The EIB and EIF Codes of Conduct set out the Group's policy of zero tolerance for discrimination based on age, gender, sexual orientation, religion or beliefs, disability, race, ethnic group or social origin, skin colour, genetic features, language, nationality, membership of a national minority, political or any other opinion, property or birth.

Several initiatives were launched in 2023 to drive forward our diversity, equity and inclusion commitment. These include an e-learning programme on gender-based violence and harassment, signing the Luxembourg Women in Finance Charter committing us to publicly report on our progress towards gender equity, and the celebration of Women's Month in March, the EIB Group Pride Week in July and the Disability Inclusion Week in December.

GENDER EQUITY

The EIB Group made progress on gender balance at all levels in 2023. At the end of 2023, women represented 34.7% of management staff categories (SC/9-8; C/7) at the EIB, a rise of 1.7% compared to 2022 (33%). At the EIB Group, including the EIF, this figure is 32.3%.

Gender considerations are mainstreamed in all areas of the EIB's recruitment, from adding a third gender option in our recruitment portal to developing gender-balanced long and short lists. Thanks to these measures, in 2023 women made up 37.9% of staff recruited at the EIB at level 6 and 47.9% recruited at level 5.

The EIB Group is certified by EDGE – the leading certification for gender equity in the workplace. The Bank received it for the first time in 2020, and the EIF joined in 2021. The EIB has been working to implement an EDGE Action Plan, which includes an annual review of pay gaps to address issues and ensure that EIB salaries meet the EDGE standard.

As part of the progress made in 2023, the EIB received EDGE MOVE certification, which recognises advances in gender representation in terms of numbers, but also with regard to policies and inclusive culture. In 2023, for the first time, the EIB became EDGEplus certified, for considering the intersection of gender with other diversity dimensions. The EIF received EDGE MOVE and EDGEplus certifications in September 2023.

ENGAGING WITH STAFF

Salaries and terms of employment at the EIB Group are regulated by the governing bodies. They are oriented towards EU best practices and adhere to the highest social standards. The EIB Group respects the principles set out in the Treaty on the Functioning of the European Union, pursuant to which all organisations must promote social dialogue, social protection, workers' health and safety, information, and consultation of workers. At the EIB Group, staff are represented by the College of Staff Representatives and, at the EIB, by trade unions as well.

As laid out in the Convention Governing Staff Representation at the EIB, the College of Staff Representatives represent the entire staff, and can meet to consider any issue, including any matter involving consultations with the administration. The convention is a collective instrument negotiated between the EIB and staff representatives. For more information on collective bargaining agreements, see the 2023 GRI report.

SEEKING ADVICE AND RAISING CONCERNS

The EIB Group has a duty to adhere to the highest standards of integrity, ethics and professional conduct. This applies to relationships with colleagues and project counterparts, and to any other EIB activity. The Group also supports a corporate culture based on ethical values and professional conduct.

The Office of the Group Chief Compliance Officer (OCCO) is the key control function to ensure the integrity of EIB staff, management and activities. The main aspects covered by the EIB compliance function are:

- ethics, including policies, procedures and handling all cases of alleged breaches of the EIB Group Staff Code of Conduct
- integrity due diligence of EIB Group counterparties and operations, including anti-money laundering and combating the financing of terrorism
- tax integrity checks (compliance monitoring, regulatory compliance and training).

The compliance function at the EIF individual entity level is headed by the EIF chief compliance officer, under the EIF chief risk officer, and has direct access to the EIF chief executive, deputy chief executive and statutory bodies.

OCCO is responsible for administering the EIB Group Staff Code of Conduct and managing conduct issues. Requests relating to advice and concerns are treated confidentially, and mechanisms can be used anonymously.

WORKFORCE NUMBERS

As of 31 December 2023, the EIB Group had 4 968 employees in 55 offices in the European Union and beyond.

Total workforce

	2021	2022	2023
EIB	3 816	4 019	4 273
EIF	596	628	695
EIB Group	4 412	4 647	4 968

More information on the staff, gender breakdown, age, contract types, etc. can be found in the annual EIB Group GRI disclosures.

WORKERS WHO ARE NOT EIB GROUP EMPLOYEES

As of 31 December 2023, there were 2 743 people working with us, but not directly employed by the EIB Group. At the EIB, there were 2 527 such workers, while at the EIF there were 216. More than half of them (66%) were consultants. There was no significant change in these numbers in 2023.

The EIB Group employs temporary workers mainly for short-term absences or temporary increases in workload, using employment agencies. Tasks performed by temporary workers range from administrative to executive assignments. The Group does not use temporary workers for management positions. Managers always ensure that temporary workers are well integrated into their teams and are provided with guidance and support.

The Bank also uses consultants to provide services such as advice on specific projects. Sometimes the Group hires consultants directly, but most consultants are hired through a consultancy company.

WORK-LIFE BALANCE

The EIB Group provides eligible staff with six months of remunerated full-time parental leave or up to 12 months of part-time parental leave to take care of dependent children under a certain age. The EIB Group does not differentiate between full-time and part-time staff. 99.8% of staff members who took parental leave during the reporting period of 2023 returned to work at the end of their leave – the same figure as in 2022. The numbers on parental leave are reported in our annual GRI disclosures.



BUSINESS CONDUCT

We support EU citizens and are accountable to their interests. While we are required to adhere to certain principles by law, we also establish our own voluntary policies.

CODES OF CONDUCT

These are the policies for the governing bodies of the EIB Group.

- **Code of Conduct of the Audit Committee of the EIB:** This is based on the principles enshrined in the Bank's Statute, its Rules of Procedure, texts governing Bank activity and other general principles. This code is inspired by the codes of conduct for the management committee and staff.
- **Code of Conduct of the Board of Directors of the EIB:** This lays down the internal rules and practical arrangements in matters of professional ethics for the Board of Directors of the European Investment Bank. It identifies the core values and principles of the EIB's business ethics and sets out standards of professional behaviour for the Board of Directors.
- **Code of Conduct of the Management Committee of the EIB:** This lays down the internal rules and practical arrangements in matters of professional ethics for the Management Committee of the European Investment Bank. It identifies the core values and principles of the EIB's business ethics, setting out standards of professional behaviour for the Management Committee.
- **Code of Conduct for the Audit Board of the EIF:** This is based on the principles enshrined in the EIF Statutes, its Rules of Procedure, subsequent texts governing fund activity and other general principles. It contains ethical principles that must be observed in the work of the Audit Board.
- **Code of Conduct for the Board of Directors of the EIF:** This sets out the rules and principles for the EIF Board of Directors and alternate members.
- **Code of Conduct for the Chief Executive and Deputy Chief Executive of the EIF:** This identifies the core values and principles of the EIF's business ethics and sets out standards of professional behaviour for the Chief Executive and Deputy Chief Executive.

FIGHTING CORRUPTION AND BRIBERY

The EIB Group has zero tolerance for prohibited conduct in connection with the activities it finances or its staff. The EIB Group has policies on preventing fraud and corruption and other types of prohibited conduct, including collusion, coercion, obstruction, money laundering, the financing of terrorism, theft at EIB Group premises and misuse of EIB Group resources or assets, as defined in the [EIB Group Anti-Fraud Policy](#).

The EIB Group endeavours to ensure that its funds are used for the intended purposes and that they comply with the EIB Group's zero-tolerance approach to fraud and corruption. The Inspectorate General's Investigations Division leads the EIB Group's efforts in investigating and preventing fraud and corruption. Its work centres on investigating allegations of prohibited conduct in relation to EIB Group operations and activities. The Investigations Division receives allegations from a wide range of internal and external sources. It assesses these allegations to decide whether to open an investigation. The investigation procedures are harmonised with other international financial institutions.

The division also carries out other activities:

- fraud detection, such as proactive integrity reviews that identify red flags or indicators of prohibited conduct
- policy work, such as advising colleagues on the integrity provisions in EIB Group policies, procedures and other documentation, and addressing fraud and corruption issues
- prevention of fraud and other prohibited conduct through staff awareness training
- participation in international efforts to raise awareness of fraud and corruption in the public and private sectors.

There is significant information sharing between these activities: Proactive work reveals red flags potentially signalling fraud that may lead to investigations; investigation findings and recommendations may lead to policy changes; and lessons learned from proactive work and investigations are used to raise staff awareness of fraud and corruption risks.

Another important aspect of the Inspectorate General's Investigations Division is cooperation with national and international partners. The efforts of the EIB Group to combat fraud and corruption are part of broader anti-fraud and corruption efforts across the globe, particularly within the European Union. The Investigations Division cooperates with the European Public Prosecutor's Office, the European Anti-Fraud Office, national law enforcement bodies and international financing institutions, by exchanging information and running joint missions and investigations.

The EIB Group Anti-Fraud Policy contains specific measures to prevent fraud and corruption during project appraisal. During this process, the EIB Group's operational services act as the first line of defence against prohibited conduct, given their knowledge of the counterparties and operations. Integrity concerns arising during the loan appraisal process are reported to the respective EIB Group compliance functions.

The Bank requires employees to take several compliance and awareness courses, such as one on control and accountability mechanisms for new staff, anti-fraud training, and anti-money laundering and combatting the financing of terrorism (AML-CFT).

INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

Allegations of corruption or other prohibited conduct or misconduct usually come from these areas:

- collusion among bidders in an EIB Group procurement process
- corruption in the award of a contract by a bidder
- government officials or intermediaries
- fraud in the implementation of a project
- misconduct by EIB Group staff.

In 2023, the EIB Group worked on 470 cases. 169 were new allegations. In 2023, the Investigation Division closed 172 cases, while 196 cases remained open.

EIB Group	2021	2022	2023
New cases	174	180	169
Cases closed	204	147	172
Cases under investigation or assessment	166	199	196
Cases under monitoring	148	102	93



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Independent limited assurance report

We were engaged by the management of the European Investment Bank Group (the European Investment Bank “EIB” and its subsidiary, the European Investment Fund “EIF” together referred to as the “Group”) to report in the form of an independent limited assurance conclusion that, based on the work performed and evidence obtained, nothing has come to our attention that causes us to believe that the statements and indicators marked in italics and with a tick that are disclosed in the EIB Group Sustainability Report, prepared in accordance with the Global Reporting Initiative (GRI) standards, and the EIB sustainability disclosures, prepared in accordance with the Sustainability Accounting Standards Board (SASB) framework (the “Reports”), are not prepared in all material respects, in accordance with the EIB internal framework for the year ended 31 December 2023.

Responsibilities of the EIB Group management

The management of the EIB Group is responsible for the preparation and presentation of the EIB Group Sustainability Report and the information and assertions contained within it, in accordance with the GRI standards applicable in 2023 at the EIB Group; for determining the EIB Group’s objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Similarly, the management of the EIB Group is responsible for the preparation and presentation of the EIB Sustainability Disclosures and the information and assertions contained within it, in accordance with the Sustainability Accounting Standards Board (“SASB”) framework applicable in 2023 at the EIB Group.

This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the Reports.

The management of the EIB Group is responsible for preventing and detecting fraud and for identifying and ensuring that the EIB Group complies with laws and regulations applicable to its activities.

The management of the EIB Group is responsible for ensuring that staff involved in the preparation and presentation of the Reports are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

Our responsibilities

Our responsibility is to examine the Reports and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Boards as adopted for Luxembourg by the Institut des Réviseurs d’Entreprises (IRE).



That standard requires that we plan and perform our procedures to obtain limited assurance about whether the statements and indicators marked in italics and with a tick that are disclosed in the EIB Group Sustainability Report, prepared in accordance with the GRI standards, and the EIB sustainability disclosures, prepared in accordance with the SASB framework (the “Reports”), are prepared in all material respects in accordance with the EIB internal framework for the year ended 31 December 2023 and are free from material misstatements, as the basis for our limited assurance conclusion.

Our firm applies the International Standard on Quality Management 1, “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance and Related Services Engagements” (“ISQM 1”), as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier (CSSF) and accordingly, maintains a comprehensive system of quality control, including the design, implementation and operation of a system of quality management of audits or reviews of financial statements, or other assurance and related services engagements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as adopted for Luxembourg by the CSSF, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Summary of work performed

A limited assurance engagement on the Reports consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Reports, and applying analytical and other evidence gathering procedures, as appropriate, with relation to the statements and indicators marked in italics and with a tick . These procedures included:

- inquiries of management to gain an understanding of the Group’s processes for determining the material issues for the Group’s stakeholder groups;
- interviews with relevant staff at corporate and business unit level responsible for providing the information in the Reports;
- a media analysis and an internet search for references to the Group during the reporting period;
- inquiries about the design and implementation of the systems and methods used to collect and process the information reported, including the aggregation of data into information as presented in the Reports;
- comparing the indicators and statements in the Reports marked in italics and with a tick to corresponding information in the relevant underlying sources, when applicable;
- verifying that the indicators and statements in the Reports marked in italics and with a tick were correctly derived from the Group’s 2023 audited financial statements, when applicable.

The procedures selected depend on our understanding of the statements and indicators marked in italics and with a tick within the Reports and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

Our engagement also included: assessing the appropriateness of the statements and indicators marked in italics and with a tick within the Reports and the suitability of the criteria used by the EIB Group in preparing the statements and indicators marked in italics and with a tick within the Reports in the circumstances of the engagement.



The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and may not be detected. Our limited assurance engagement is not designed to detect all weaknesses and errors in the Reports as the evidence has been obtained on a sample basis. Accordingly, we do not express an audit or a reasonable assurance conclusion on the Reports as a whole or on the indicators and statements in the Reports marked in italics and with a tick ☑.

Further, the internal control structure within which the control procedures which are the subject of our engagement are designed to operate, has not been subject to any limited assurance procedures and no opinion is expressed as to its effectiveness.

Any projection of the suitability of design and implementation of controls and their meeting the requirements of the Reports to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

The limited assurance opinion expressed in this report has been formed on the above basis.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the indicators and statements in the Reports marked in italics and with a tick ☑ are not prepared, in all material respects, in accordance with the internal reporting criteria applicable in 2023 at the EIB Group.

Restriction of Use of Our Report

Our report is solely for the purpose set forth in this report and is not to be used for any other purpose.

It shall not be translated, summarised, disclosed, published or transmitted electronically, in a whole or in part, for any other purposes, without our prior consent.

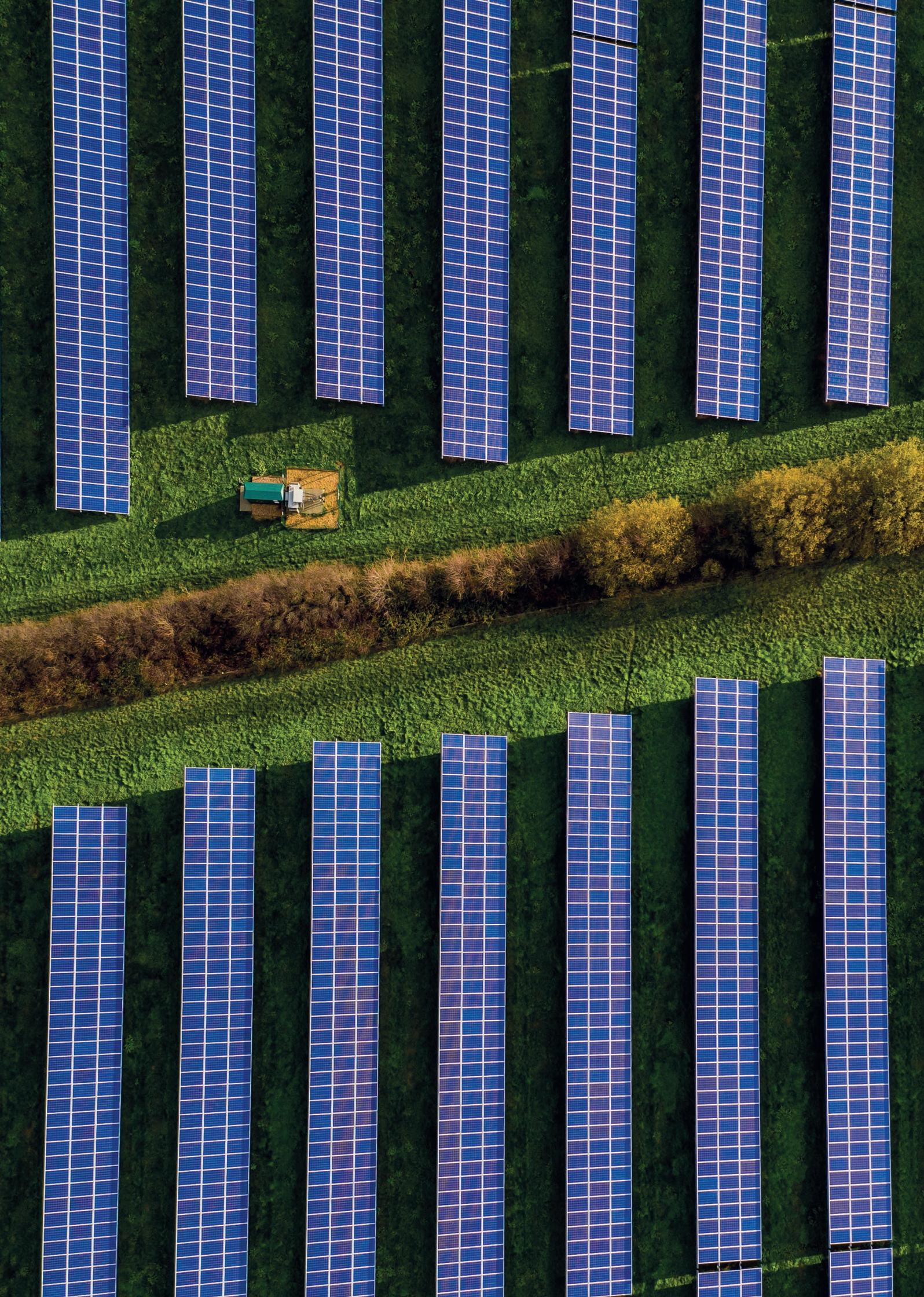
We will agree with you the basis and timing of communications.

Luxembourg, July 22, 2024

KPMG Audit S.à r.l,
Cabinet de révision agréé

A handwritten signature in black ink, appearing to read 'M. Weber'.

M. Weber





SUSTAINABILITY REPORT

2023