

2022

# SUSTAINABILITY REPORT



**EUROPEAN INVESTMENT BANK GROUP**

**2022**

# **SUSTAINABILITY REPORT**

## European Investment Bank Group Sustainability Report 2022

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This report has been written with the active assistance of many individuals across the EIB Group. Our cordial thanks go to all of them for their support.

The power of nature is awesome. Throughout history, people have feared its storms, its floods, droughts and eruptions. At this critical time, we realise that we must instead be in tune with nature and harness its power, if we are to beat the climate change that our own actions have caused. More than half the European Investment Bank's investments are now in climate action and environmental sustainability. Our priority is to finance the green transition to renewables powered by nature, from geothermal energy to hydroelectricity and wind power. That is why we are putting these natural forces right on the covers of our major reports this year.

The EIB Group wishes to thank the following promoters and suppliers for the photographs illustrating this report.

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For further information on the EIB Group's activities, please consult our website, [www.eib.org](http://www.eib.org), and [www.eif.org](http://www.eif.org).

You can also contact our Info Desk, [info@eib.org](mailto:info@eib.org).

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**THE 2022 SUSTAINABILITY REPORT** provides an overview of the European Investment Bank Group's operations and impact in supporting sustainable and inclusive growth in Europe and across the globe.

This report was prepared in accordance with the GRI standards and should be read in conjunction with the Sustainability Reporting Disclosures for 2022, a separate document available on the European Investment Bank (EIB) **website**. The disclosures address relevant topics in a standardised and comparable form. They are meant for professional users of sustainability reports, such as financial and environmental, social and governance (ESG) analysts, civil society organisations, members of the academic community and any other interested parties.

To accompany the Sustainability Report and GRI standards, we have also published a set of disclosures in accordance with the Sustainability Accounting Standards Board framework, as well as the Group's report in line with the recommendations of the Task Force on Climate-related Financial Disclosures. All reports are available on our **website**.

The EIB Group commissioned its external auditor, KPMG, to provide limited assurance on selected statements and figures in the Sustainability Report. These statements are marked with  and highlighted in *italics*.

We trust readers will find the information in this report interesting and relevant. We welcome any comments or questions, which should be addressed to: **csr@eib.org**.



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# FOREWORD

**T**he European Investment Bank, the bank of the European Union, responded in 2022 to a wide range of challenges, from the COVID-19 pandemic, to climate change, to Russia's war of aggression against Ukraine, which upended the lives of millions and sent food and energy prices soaring.

The tragic events in Ukraine and the resulting energy crisis prove now more than ever that decarbonisation is the only reliable way to ensure affordable energy for Europeans and the world.

Climate change requires urgent and coordinated efforts to reduce emissions. The EIB Group is responding to the energy and climate challenges with record financing for sustainable energy projects. In 2022, the EIB Group — the European Investment Bank and the European Investment Fund — signed an unprecedented €20.9 billion in new financing for renewable energy, energy efficiency, storage and power grids. At the same time, the EIB Group began rolling out a special package of support for the REPowerEU plan to help the European Union end its dependency on fossil fuels, meet its climate goals and contribute to the decarbonisation of the global economy.

In 2022, the EIB Group signed a total of €72.4 billion in investments, including €9.2 billion beyond the European Union.

The EIB financed €36.6 billion for climate action and environmental sustainability, which puts the Bank on track to meet our target of dedicating half of total financing to climate action and environmental sustainability by 2025. Taking into account the €57 billion of investment mobilised by the EIF for climate action and environmental sustainability, the EIB Group has supported €222 billion in green investments since 2021. That gets us closer to the Group's target of €1 trillion in climate action and environmental sustainability investments by 2030.

The European Investment Fund, meanwhile, committed €9.2 billion to small businesses and climate and infrastructure projects in 2022. These investments are expected to mobilise around €97 billion in investment to support the transition to net zero, the digital transformation of European industries and the competitiveness of EU entrepreneurs.

**“ The tragic events in Ukraine and the resulting energy crisis prove now more than ever that decarbonisation is the only reliable way to ensure affordable energy for Europeans and the world. ”**





**Werner Hoyer**  
President  
European Investment Bank (EIB)



**Marjut Falkstedt**  
Chief Executive  
European Investment Fund (EIF)

As we respond to the long-term challenge of climate change, we are mindful that the transition to low-carbon, more resilient societies must be inclusive. In 2022, we marked the establishment of EIB Global, our dedicated arm for investments beyond the European Union, in collaboration with our partners. Under EIB Global we are expanding our range of financing tools for projects that support the transition to decarbonised and climate-resilient economies across the world.

In its first year of operations, EIB Global delivered €10.8 billion in financing for key investments to support sustainable growth worldwide and to help stabilise economies under pressure. That figure included €1.7 billion of financing for Ukraine. As early as March 2022, the European Investment Bank was among the first institutions to provide help for Ukraine's government, and our support continued throughout the year.

The challenges the world faces are daunting. But times of crisis require solidarity — and Europeans must work together to find solutions. The EIB Group is ready to spearhead our efforts to bring about a more sustainable and stable future.

# 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.**

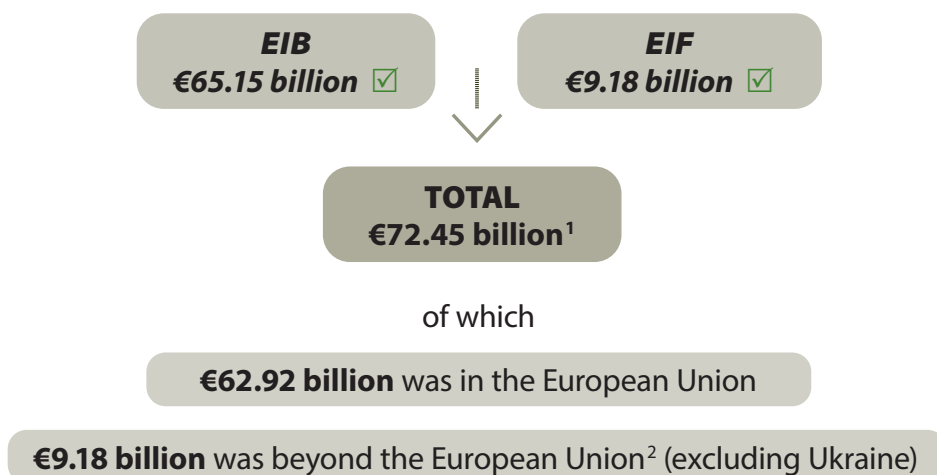
**The European Investment Bank (the EIB, or the Bank)** is owned by the EU members and is the world's largest multilateral borrower and lender. The finance and assistance we provide contribute to the achievement of EU policy goals in the European Union and the rest of the world. We operate globally, 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.







# 2022 IN FIGURES

## TOTAL FINANCING



EIB public policy goals	2022 results	Cross-cutting objectives	
Sustainable cities and regions 	€16.81 billion	 Climate action and environmental sustainability	 Economic and social cohesion*
Sustainable energy and natural resources 	€18.72 billion		
Innovation, digital and human capital 	€15.52 billion		
Small and medium enterprises and mid-cap finance 	€14.12 billion		
		<b>€36.60 billion<sup>3</sup></b>	<b>€24.82 billion<sup>4</sup></b>

The EIB uses the European Commission criteria for transition and less developed regions established for the 2021-2027 programming period (own resources only). "Green" and cohesion financing are horizontal indicators and can therefore overlap with each other and other priority areas.

EIF public policy goals	2022 results	Cross-cutting objectives	
Competitiveness and growth 	€3.65 billion	 Climate action and environmental sustainability	 Economic and social cohesion
Innovation 	€2.44 billion		
Social impact, skills and human capital 	€0.35 billion		
Sustainability and green transformation 	€2.75 billion		
		<b>€1.95 billion</b>	<b>€3.60 billion</b>

- The EIB Group total financing figure excludes a small overlap due to joint engagements of the EIB and EIF.
- Total EIB Group financing beyond the European Union includes — in addition to EIB Global — projects by the EIF outside the European Union and EIB projects in the European Free Trade Association.
- EIB own resources.
- EIB own resources, excludes support from the European Guarantee Fund.



# SUSTAINABLE FINANCE

**The EIB Group is committed to sustainable development. We provide financing that improves people's lives and promotes inclusive growth within the European Union and beyond. This chapter describes how we embed sustainability in our goals, risk management, due diligence and reporting.**

## THE EIB GROUP'S PRIORITIES AT WORK

The EIB Group's funding focuses on environmental and social sustainability, climate action and job creation, sustainable infrastructure, innovation and cohesion. By financing projects, we help promoters attract other investors, increasing the overall impact of our investments. Our public policy goals<sup>5</sup> encapsulate the EIB Group's core priorities and ensure that our activities support EU objectives, in the European Union and beyond.

**O**rganising our priorities into public policy themes and cross-cutting objectives helps to identify synergies within the EIB Group. The EIF specialises in financing microenterprises, small and medium enterprises (SMEs) and mid-caps, or firms with fewer than 3 000 employees, via financial intermediaries.

5. Due to their different nature, the EIB and the EIF have their own set of public policy goals. The EIF's public policy goals are mapped to those of the EIB to allow EIB Group volumes to be presented in the rest of this report.

## Sustainable cities and regions

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

*In 2022, the EIB Group signed loans worth €17.31 billion to support its sustainable cities and regions policy goal (compared with €13.80 billion in 2021). Among other things, operations signed over the same year will help provide safer drinking water to more than 25 million people.*

### Value adding to waste in Grenoble

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In France, the Grenoble metropolitan area is taking a step closer to a circular economy by developing a new sorting centre for household packaging. It is also upgrading its composting centre to include a new bio-waste methanisation unit. The bio-waste unit will produce about 10 GWh/year of bio-methane, which will be fed into the local gas network. The EIB is financing €45 million of the €90 million project, which aims to meet the main objectives of the European Circular Economy Package adopted by the European Parliament. The project will help increase recycling in the region, thus reducing pollutants and greenhouse gases.

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## Sustainable energy and natural resources

Meeting the European Union's climate and energy targets requires decarbonising much of the energy supply through the installation of renewable energy, such as wind and solar power, low-carbon technologies, such as hydrogen and biogas, and renewable heat, such as biomass and geothermal. We also invest in projects that protect our natural resources and biodiversity, particularly in agriculture, forestry, oceans, water and waste management.

*In 2022, the EIB Group signed €20.86 billion of investment supporting our policy goal of sustainable energy and natural resources (compared with €15.38 billion in 2021). Among other things, operations signed in 2022 would help power almost 8.5 million households and help construct or upgrade more than 28 000 km of power lines. ✓*

### REPowerEU

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The European Commission set up REPowerEU in May 2022 to respond to the upheaval in global energy markets caused by Russia's invasion of Ukraine. The plan has two main objectives: to end the European Union's dependence on Russian fossil fuels and to tackle the climate crisis by accelerating the roll-out of renewable energy and by diversifying energy supplies. The EIB Group will support the REPowerEU plan with an additional €30 billion in loans and equity financing over the next five years. This package is expected to mobilise up to €115 billion of new investment by 2027. It supplements the EIB Group's already strong support for the EU energy sector. Financing for energy averaged about €10 billion a year over the past decade.

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## Eco-friendly battery material

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Backed by the InvestEU programme<sup>6</sup>, the European Investment Bank is providing a €36.7 million loan for a first-of-its-kind commercial demonstration plant for manufacturing precursor cathode active material (pCAM). pCAM is used in the production of advanced lithium-ion cells using nickel, manganese and cobalt.

The project is being carried out by Königswarter & Ebell, a German subsidiary of Australia's Pure Battery Technologies. It relies on an environmentally friendly processing technology developed at the University of Queensland in Australia that lowers costs and reduces carbon emissions. The process can use recycled battery material known as black mass, reducing the need for nickel, manganese and cobalt, in line with the European Union's circular economy approach.

Soon, larger volumes of end-of-life and off-spec batteries will become available following an increased uptake of electric vehicles and the expanding battery manufacturing industry. Battery recycling will make the European Union less dependent on cobalt, a critical raw material for batteries. The commercialisation of the technology will also strengthen the European Union's battery production capacities, which are required for the transition to a low-carbon economy.

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6. The InvestEU programme supports sustainable investment, innovation and job creation in Europe. It consists of three building blocks including the InvestEU Fund, which is providing a financial guarantee of up to €19.8 billion to the EIB Group over 2021-2027. In practice, the InvestEU Fund backs EIB investments that help advance InvestEU policy objectives: sustainable infrastructure, research, innovation and digitalisation, small and medium firms, social investment and skills.



## Innovation, digital and human development

The EIB Group is committed to the digital and low-carbon transformation of the EU economy and to facilitating the transition to more circular and environmentally friendly economic practices. With that aim, the EIB Group is supporting the development, scaling-up and dissemination of cutting-edge technologies. It is also supporting innovative small firms and mid-caps, boosting investment in digital infrastructure and accelerating the development and adoption of digital technologies.

*In 2022, we supported innovation, digital and human capital with €17.93 billion of EIB Group financing (compared with €20.70 billion in 2021). Among other things, this financing is expected to provide 5G telecommunication services to more than 6.6 million people.*

### Irish schools programme

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The EIB is providing a €200 million loan to support investment in school buildings across Ireland. The upgrade aims to improve the learning environment for approximately 23 000 students and working conditions for teachers. The project is part of the latest phase of the Irish Department of Education's school capital investment programme. The programme is fully aligned with the national education priorities and energy efficiency programmes, as well as with the objectives of the European Education Area 2025 initiative. The EIB has provided more than €2 billion for long-term investments in education across Ireland over the last 41 years.

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## Financing for small businesses and medium-sized enterprises

The EIB Group supports companies in accessing the appropriate amount and type of financing throughout their development, from vulnerable sole entrepreneurs to innovative high growth mid-cap enterprises. The EIB Group also has a long track record in microfinance through the activities of the EIB, EIB Global, the EIF and the EIB Institute. For the smallest, riskiest firms, the EIB Group provides loans and other support to microfinance institutions and investment vehicles. These institutions in turn provide guarantees, loans and advisory services to microbusinesses and microentrepreneurs, with a focus on activities that generate income for women, young people and those living in rural and poorer communities.

*In 2022, the EIB Group provided €16.35 billion in financing for micro, small, medium and mid-cap firms, compared with €45 billion<sup>7</sup> in 2021. In the same year, we supported almost 430 000 companies, which employ more than 5.3 million people.*

### Circularity as a service

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AION specialises in the circularity of plastics. Based in Oslo, the firm ensures plastic is recycled effectively and efficiently by collecting data on the material's past and current use, as well as on its processing. "We call it 'circularity as a service,'" says Runa Haug Khoury, chief executive officer of AION. Working with its partners, the company enables transparency and digitalisation, improving the traceability and calculating the environmental impact of plastic products.

The company is working with the fast food chain McDonald's across the Nordic markets to develop sturdier trays from recycled plastics that last longer. AION also produces plastic transportation pallets that reduce waste by 90-95%, carbon emissions by 84% and costs by 20-50%, while making operations smarter, easier and safer.

AION received an equity investment from Ocean14Capital, a venture capital firm backed by the EIF, to support its growth. Ocean14Capital invests in ventures that support a sustainable and regenerative blue economy. The EIF's financing was provided as part of the European Fund for Strategic Investments, which supports financing for innovation and small and medium firms as part of the Investment Plan for Europe.

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7. In 2021, the EIF recorded an exceptional level of financing for small and medium firms, a result of urgent financing made available by the European Union under the European Guarantee Fund, which was created in response to the COVID-19 crisis.

## Climate action and environmental sustainability

The EIB and EIF pursue climate action and environmental sustainability as a cross-cutting objective in their public policy goals.

The EIB Group invests in projects and operations that reduce or prevent the emission of greenhouse gases and therefore mitigate climate change. It also invests in projects and operations that anticipate the adverse effects of climate change and take appropriate action to prevent or minimise the resulting damage. Such investments help public and private sector organisations adapt to the physical impacts of climate change.

To support the objectives of the EU Adaptation Strategy, the EIB published its first Climate Adaptation Plan in October 2021, which calls for 15% of climate action investments to be dedicated to adaptation by 2025.

The EIB provides advisory services for adaptation projects worldwide and helps clients identify their adaptation needs.

### Climate mitigation investments

Research, development and innovation of low-carbon technologies

Renewable energy projects

Lower-carbon transport solutions

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)

### Climate adaptation investments

Coping with water scarcity and flooding

Protecting the energy and transport sectors

Building resilience in cities and regions

Strengthening the resilience of food systems, forests and ecosystems

Enabling adaptation in health, education and public research

Supporting climate resilience innovation

Supporting disaster risk management

## Water desalination in Jordan

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Jordan suffers from an acute scarcity of water. Climate change is exacerbating water scarcity through rising temperatures, reduced rainfall and droughts. An influx of Syrian refugees has aggravated the situation. With the Aqaba Amman Water Desalination and Conveyance Project, Jordan has embarked on its largest-ever investment project for adapting the water sector to the effects of climate change. Plans to build a new desalination plant are therefore a top priority for the Jordanian government. When completed, the plant will supply 300 million cubic metres of desalinated water each year to Amman, the Jordanian capital, and Jordan's provinces. The EIB is supporting the project with a €200 million loan.

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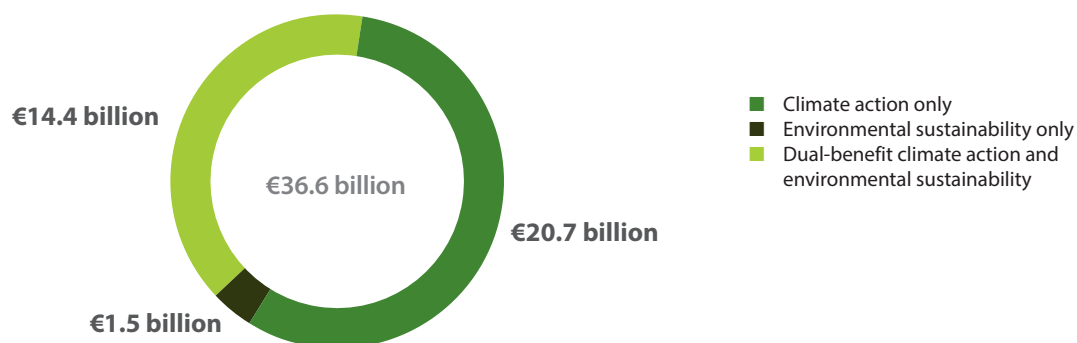
Environmental sustainability finance captures investments that contribute substantially to protecting water resources, the circular economy, pollution prevention and control, and biodiversity conservation. These are the four non-climate objectives defined by the [EU taxonomy for sustainable activities](#) (see the section on building transparent financial systems, page 35).

EIB Group environmental sustainability finance includes investments that contribute solely to one of the four environmental objectives mentioned above but also investments that bring benefits to climate action (dual benefit investments). Investments in these two categories are merged with investments in climate action to give the total overall climate action and environmental sustainability target, avoiding any double counting.

The environmental sustainability objective with the largest dual benefit is pollution prevention and control. The reduction of greenhouse gas emissions is often linked to the lowering of aerial emissions of other pollutants related to fossil fuels. The greatest stand-alone contributors to the environmental sustainability objectives are investments in the water sector (improving water efficiency or reducing the risk of pollution of water bodies) and in the circular economy.

*In 2022, the EIB committed €36.6 billion of its own resources to climate action and environmental sustainability, which represents 58% of the EIB's own resources for 2022. Out of this figure, €14.4 billion supported investments that met the dual objectives of climate action and environmental sustainability (see the figure below). For example, electrified transport projects can support climate change mitigation and pollution prevention. The Bank is well on track to meet its commitment of gradually increasing the share of its annual financing dedicated to climate action and environmental sustainability to exceed 50% by 2025 and beyond. ✓*

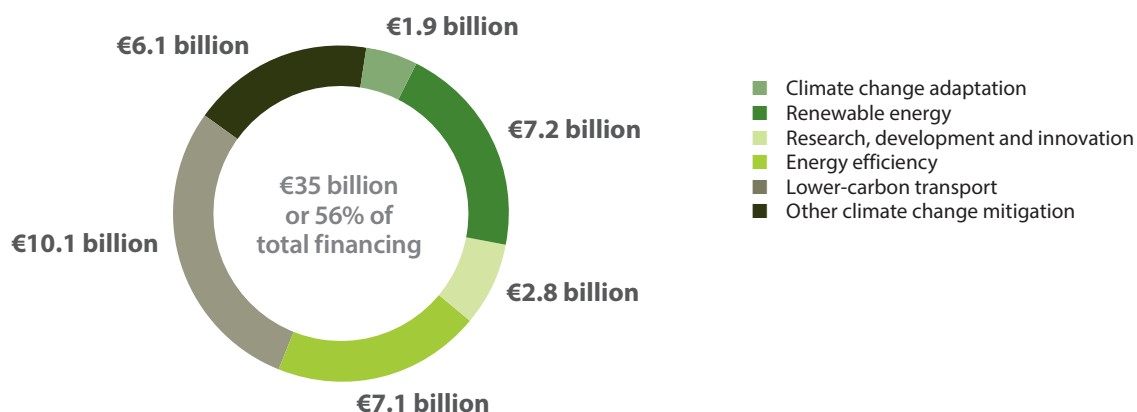
## 2022 investment in climate action and environmental sustainability



Climate adaptation finance makes up only a small share of climate action lending, at 5.4%. That is despite a significant increase in climate adaptation finance — to €1.9 billion — in 2022. Considerable work remains to achieve the EIB’s goal of allocating 15% of climate action financing to adaptation by 2025, as laid out in the [EIB Climate Adaptation Plan](#).

Climate change mitigation financing rose across all sectors in 2022, but it increased most significantly for renewable energy (up from €5.7 billion to €7.2 billion), energy efficiency (up from €4.7 billion to €7.1 billion) and research, development and innovation (up from €1.6 billion to €2.8 billion).

## 2022 climate action



As illustrated in the graphic below, the cumulative investment in climate action and environmental sustainability (green projects) supported by the EIB Group in 2021 and 2022 reached €222 billion. This brings the EIB Group on track to meet its target of supporting €1 trillion in green investment from 2021 to 2030.



## The EIF's climate business

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In addition to the Bank's ambitions, the EIF also plays a significant role in supporting the green transition. Climate action and environmental sustainability is one of the EIF's key policy goals over the 2023-2025 planning period across all its activities, including through increased support under the Risk Capital Resources and Infrastructure and Climate Funds mandates managed on behalf of the EIB, and the InvestEU mandate managed on behalf of the European Commission.

As part of its contribution to the EIB Group Climate Bank Roadmap 2021-2025, the EIF prepared a climate business development plan to maximise its impact in climate action and environmental sustainability. More specifically, the EIF is raising its 2022-2024 climate action and environmental sustainability targets to 16% of funding in 2022, 22% in 2023 and 25% in 2024. In 2022, the EIF exceeded the target with 21% of funding dedicated to climate action and environmental sustainability. Investments will focus on climate and infrastructure equity funds, equity for climate and environmental technologies and debt funding for small firms through guarantees and securitisation products.

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## Economic and social cohesion in the European Union

Cohesion was a main reason for founding the European Investment Bank in 1958, and it continues to be a priority today. Cohesion<sup>8</sup> is about helping each European region achieve its full potential, bringing about a convergence of living standards and prosperity across the European Union. This goal is just as important today as it was then, particularly as Europe focuses on a just transition to green energy as high-emitting industries decarbonise.

*In 2022, the EIB dedicated almost 46% of own resources to economic social cohesion and to convergence projects (compared with 41% in 2021).*

### The EIB prioritises projects that seek to address inequalities

Education and job opportunities

Access to public infrastructure and services

A healthy and sustainable environment

Support for a thriving economy across the entire European Union

## Tyrrhenian Link

The EIB will finance about half — €1.9 billion — of the total cost of the Tyrrhenian Link, a 970 km, 1 000 MW double-circuit submarine cable connecting Sicily with Sardinia and the Italian peninsula. The project will enhance the stability of the power systems of the two islands and allow power generated from renewable energy sources to be integrated more seamlessly, which is needed to phase out coal power plants and to meet climate targets established with the European Union. Overall, the project will contribute to the development of renewable energy sources, power grid reliability and energy security in the region. The link will reduce electricity costs and improve the quality of public infrastructure for residents. Around 250 companies will be involved in the project's implementation, with significant benefits for Italy and the regions concerned. The project supports European cohesion.



Cohesion is also a key strategic priority for the EIF, which provides strong support to SMEs located in less developed regions of Europe. Total financing for cohesion amounted to €3.6 billion in 2022.

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

8. Cohesion: The EIB uses the European Commission criteria for transition and less developed regions established for the 2021-2027 programming period (own resources only).

## EIF priorities in focus

To ensure that its business activities are linked to EU priorities, the EIF's business is guided by four public policy goals as well as the two EIB Group cross-cutting objectives of climate action and environmental sustainability, and economic and social cohesion.

### Competitiveness and growth

The EIF's core business is to facilitate the financing of small and medium firms and smaller businesses, and to attract private sector funds for investments that adhere to four objectives: business growth and expansion, internationalisation and value chains, territorial development and the building of financial ecosystems.

### Innovation

A growing policy goal for the EIF, innovation is sub-divided into smaller categories: life sciences and health, disruptive technologies, digital transformation and new products, services and business model development and commercialisation.

### Social impact, skills and human capital

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

### Sustainability and green transformation

The transition to an inclusive, low-carbon, 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.



# THE CLIMATE BANK ROADMAP

The updated EIB Climate Strategy and the EIB Group Climate Bank Roadmap 2021-2025 provide an operational framework supporting the Bank's commitment to the European Green Deal and the European Union's 2030 climate goals. These goals include limiting temperature rises to 1.5° Celsius (compared to 1990 levels), building climate resilience and working to decarbonise Europe by 2050 while protecting vulnerable regions and communities. The EIB's strategy and roadmap sets out how the EIB Group will consolidate its position as the EU climate bank and deliver on environmental and social sustainability.

**F**ollowing the mid-term review of the [EIB Climate Strategy 2016-2020](#) and the decision by the EIB Board of Directors in November 2019 to increase the EIB Group's climate ambitions, the EIB Group published its [Climate Bank Roadmap](#) with extensive public outreach during 2020. The roadmap lays out how the EIB Group will accelerate climate action. First, the EIB will gradually increase the share of its annual financing<sup>9</sup> dedicated to climate action and environmental sustainability (in other words, green finance) to more than 50% by 2025 and beyond. The overarching aim of the climate action and environmental sustainability targets is to support the massive funding needs of the green transition. Hence the second target: the EIB Group aims to support €1 trillion of green investment over the critical decade 2021-2030.

These two targets will give a boost to green investment. However, the EIB Group must be careful that other investments do not undermine the Paris Agreement and green transition. Therefore, the third target of the roadmap is to ensure that all new EIB Group operations are aligned with the goals and principles of the Paris Agreement by the start of 2021.

## The EIB Group Climate Bank Roadmap 2021-2025

The roadmap focuses on four main areas:

1. **Accelerating the transition through green finance:** increasing green investment and supporting long-term innovation and new business models.
2. **Ensuring a just transition for all:** working to support communities exposed to structural change or climate risks and addressing related social issues and social inequalities.
3. **Supporting Paris-aligned operations:** ensuring that the EIB Group's new financing operations do not undermine the principles and goals of the Paris Agreement.
4. **Building strategic coherence and accountability:** embedding these elements within a coherent policy approach, supported by internal systems and the necessary accountability.

9. EIB own resources.

## Roadmap progress and results

The EIB Group Climate Bank Roadmap 2022 progress report provides an update on the implementation of the roadmap. Two significant components were added in late 2021 to the roadmap's framework: the EIB Group Paris Alignment of Counterparties (PATH) framework and the EIB Adaptation Plan. Both initiatives were implemented for the full year of 2022.

### New climate initiatives rolled out in 2022

The EIB Group is committed to supporting its counterparties in preparing for the transition to a low-carbon, climate-resilient economy and in taking steps towards decarbonising their business activities and strengthening their resilience to climate change.

This is why the EIB Group introduced the PATH framework in January 2022. The framework supports counterparties in their transition towards a low-carbon and climate-resilient future. It applies to medium-sized or large corporates and significant financial intermediaries. If these firms are engaged in high-emitting activities and/or operating in areas that are particularly vulnerable to climate change, they are required to publicly disclose a decarbonisation or resilience plan. Financial intermediaries are required to provide information in line with the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#). The implementation of the PATH framework involved not only the screening of counterparties, but also the development and implementation of advisory and technical assistance to support clients where needed<sup>10</sup>.

The [EIB Climate Adaptation Plan](#) also came into force and was applied during the full year of 2022. Another key milestone was the creation in March 2022 of the [Climate Adaptation Investment Advisory Platform \(ADAPT\)](#), which builds upon the resources of joint EIB and EU advisory initiatives. The platform offers advisory services, skill building and advice throughout all stages of the project cycle.

Another major development in 2022 was the updating of EIB climate risk assessment tools for projects, to reflect as appropriate the joint Paris alignment framework adopted by multilateral development banks and the EU taxonomy. The EIB engaged with many financial institutions, including several in developing countries, to benefit from their experiences and to build the skills needed to manage physical climate risks.

As part of its climate commitments, the EIB Group is working on making the carbon footprint of its internal activities compatible with the Paris Agreement (such as the carbon emissions stemming from its office buildings and from staff mobility). The achievements of the EIB Group's environmental management system in this regard are described in the section on corporate governance (see page 52).

10. The EIB's Board of Directors introduced a temporary and exceptional extension of the exemptions to the PATH framework. In this respect, the existing exemption under the EIB Group's PATH framework for projects with high innovative content will be temporarily and exceptionally extended to include all renewable energy projects and electric vehicle charging infrastructure in the European Union. This will allow the EIB Group to finance a greater number of clean energy projects with a wider range of clients and utility companies, contributing to the European Union's climate objectives and energy security. The extension will run until 2027, subject to a Climate Bank Roadmap review scheduled for 2025. Over this period, the EIB will continue to engage with all its clients to support them in developing decarbonisation plans.



# SUSTAINABILITY IN DUE DILIGENCE AND IN RISK MANAGEMENT

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

**A**ll projects and investments, in the European Union and beyond, must meet EU policy objectives for supporting smart, sustainable and inclusive growth.

## Exclusions and restrictions

Select activities are excluded from EIB financing if deemed incompatible with the ethical, environmental and social principles of our public policy objectives. These are set out in the revised [EIB eligibility, excluded activity and excluded sector list](#) and include the following:

- ammunition and weapons, equipment or infrastructure dedicated to military/police use;
- projects that result in limiting people's individual rights and freedoms, or violating human rights;
- projects unacceptable in climate and environmental terms;
- ethically or morally controversial projects;
- activities prohibited by national legislation.

The EIF applies restrictions to economic sectors and activities which are not compatible with its ethical or social principles, as set out in the Guidelines on EIF Restricted Sectors. The guidelines are under revision to reflect further climate, environmental and social commitments, including the EIF's Paris alignment framework, which has been applied to all of the EIF's new operations since the beginning of 2021.

## Policies and standards or principles

The EIB Group Environmental and Social Sustainability Framework is an overarching policy framework that allows the Group to focus on sustainable and inclusive development, support a just and fair transition to clean energy and help economies and communities to become more resilient to climate change and other disasters as well as low carbon, environmentally sound and more resource efficient.

The framework consists of the [EIB Group Environmental and Social Policy](#) and a revised set of 11 EIB [environmental and social standards](#), which describe the requirements that all projects must meet, as relevant, to be eligible for EIB funding, and the EIF Environmental, Social and Governance Principles.

### Environmental and social standards

<b>Standard 1</b>	<i>Environmental and social impacts and risks</i>	
<b>Standard 2</b>	<i>Stakeholder engagement</i>	
<b>Standard 3</b>	<i>Resource efficiency and pollution prevention</i>	
<b>Standard 4</b>	<i>Biodiversity and ecosystems</i>	
<b>Standard 5</b>	<i>Climate change</i>	
<b>Standard 6</b>	<i>Involuntary resettlement</i>	
<b>Standard 7</b>	<i>Vulnerable groups, indigenous peoples and gender</i>	
<b>Standard 8</b>	<i>Labour rights</i>	
<b>Standard 9</b>	<i>Health, safety and security</i>	
<b>Standard 10</b>	<i>Cultural heritage</i>	
<b>Standard 11</b>	<i>Intermediated finance</i>	New

Similarly to the EIB standards, the EIF Environmental, Social and Governance Principles put into practice the EIB Group’s environmental and social policies. The enhanced procedures enable the EIF to better assess and monitor the environmental, social and governance (ESG) strategies, practices and risks of its financial intermediary partners, and to integrate sustainability criteria such as the PATH framework into its appraisal and contractual procedures.

*The EIB’s environmental and social standards define the requirements that the EIB’s partners and clients 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.*

The principles for the EIF’s counterparties are captured in the EIF’s ESG Principles.

## Economic assessment — measuring broader costs to society

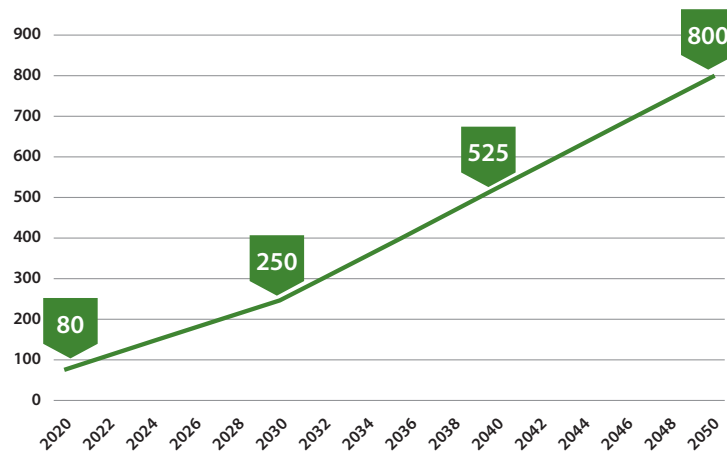
Unlike a financial appraisal, the EIB's economic assessment allows the Bank to measure the costs and benefits to broader society that a project generates, considering the various resources the project uses (human, technological or natural). Our economic analysis measures environmental externalities, or costs and benefits.

The economic appraisal of projects at the EIB includes externalities such as pollutants (carbon dioxide, sulphur oxides, nitrogen oxides and noise) or others where a shadow price for an environmental externality has been established.

For greenhouse gas emissions, we apply a shadow price for carbon to assess the cost of saving or emitting a tonne of carbon. To align our activities 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 (as measured in 2016 euros).

**EIB SHADOW COST OF CARBON (in € per tCO<sub>2</sub>e)**



The graph shows the EIB shadow cost of carbon (a key technical parameter used to estimate the full value for society when a tonne of carbon is saved), as included in the roadmap. It is based on the estimated full cost to society of limiting the rise in global average temperature to 1.5°C above pre-industrial levels and helps to assess whether EIB financing is on track with this goal. This cost will be reviewed on an annual basis and will be adjusted accordingly.

## Climate risk assessment and management

The EIB identifies and assesses climate-related risks at the portfolio, counterparty and individual project levels.

Climate risks comprise physical and transition risks and are considered over different time horizons, ranging from five years (short term), five to ten years (medium term), and ten or more years until 2050 (long term). Across these time horizons, climate risks can affect different risk categories, including credit, market, liquidity, operational and reputational risks.

The EIB Group has developed multiple tools and processes to assess and reduce the climate-related risks and the negative impact of its projects, including 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 2022.

### The EIB climate risk assessment system for projects

The EIB climate risk assessment system is a bespoke business process fully integrated in the EIB's technical due diligence. It identifies and assesses the physical climate risks of EIB-financed projects. The system helps the EIB and our clients understand if and how the physical impact of climate change could affect a project's performance over its lifetime and whether appropriate adaptation measures have been taken into account.

### Climate risk screening tool at the counterparty level

The EIB and the EIF use a climate risk screening tool to assess climate risks as well as counterparty exposure to those risks, and to quantify their potential impact on the counterparty.

The roll-out of the screening tool started in July 2020 across the EIB Group's existing lending and investment portfolios and is now being used for all credit segments in the Bank and for new operations, thereby covering the overall portfolio.

During 2022, the tool was also used to implement the PATH framework and, more specifically, to engage with counterparties that are high emitters or operate in a context of high climate vulnerability.

### Helping EIB Group counterparties to reduce their climate risks

Under the PATH framework, the EIB Group considers not just the climate impact of the projects it finances, but also the wider activities of its borrowers. The overarching aim of the framework is to engage with counterparties that are either aligning or willing to align with the goals of the Paris Agreement. It does not intend to restrict support to only those counterparties that are already Paris aligned. For more details see [New climate initiatives rolled out in 2022](#), page 16.

# CARBON FOOTPRINT OF EIB FINANCING

The EIB estimates and reports the carbon footprints of the projects it finances yearly to provide transparency about its financing activities. We use a set of methodologies to determine the expected greenhouse gas emissions from EIB-financed projects. The methodologies have been harmonised with the approach of other international financial institutions and greenhouse gas accounting standards. In addition, as part of its ongoing work under its Climate Strategy and the Climate Bank Roadmap, the Bank in 2022 began to estimate the greenhouse gas emissions of its existing portfolio.

**F**or more details on the methodologies applied, please refer to [EIB Project Carbon Footprint Methodologies](#). The greenhouse gas footprint of each project is reported in its environmental and social data sheet.

*In 2022, 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 in emissions compared to the expected alternative). For each, the threshold is set at > 20 000 tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) per year for a standard year of the project's operations. ✓*

## 2022 carbon footprint of signed projects

*In 2022, 91 of the projects in the EIB portfolio had estimated emissions above the absolute or relative emissions thresholds and were included in the carbon footprint exercise. The projects represent total EIB signatures or allocation approvals of €16 billion<sup>11</sup>. ✓*

*The related total absolute greenhouse gas emissions are estimated to be 1.6 million tonnes of CO<sub>2</sub>e per year. The overall reduced or avoided emissions from the same financing are estimated to be 4.6 million tonnes of CO<sub>2</sub>e per year in accordance with the carbon footprint methodology<sup>12</sup>. ✓*

*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 results of the aggregate figures for the last three years. The relative emissions figures show large savings of 2.3 to 4.6 million tonnes of CO<sub>2</sub>e per year. Overall, the EIB's investment projects continue to support reduced emissions.

11. 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.

12. 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 the approval of 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.



## Carbon footprint of EIB financing, 2020-2022

	2020	2021	2022
<i>Number of projects</i>	99	86	91
<i>Total EIB amount signed (€ billion)</i>	14.4	15.6	16.0
<i>Absolute emissions (Mt CO<sub>2</sub>e/year)*</i>	5.2	2.3	1.6
<i>Carbon sequestration from forestry (Mt CO<sub>2</sub>e/year)*</i>	0.3	0.0	0.03
<i>Relative emissions (Mt CO<sub>2</sub>e/year)*</i>	-3.7	-2.3	-4.6

\* 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 CO<sub>2</sub>e = megatonnes of carbon equivalents.

## Preliminary information on the EIB's approach to assessing the climate impact of its portfolio

In 2022, the EIB began estimating the emissions of its existing financial portfolio for the first time – in addition to the emissions of the projects signed in that year (see previous section). The EIB's portfolio was roughly €473 billion as of December 2022<sup>13</sup>, including close to 8 200 finance contracts. We estimate that approximately 20% of the portfolio stems from projects that were previously included in project carbon footprinting (prorated to the size of the outstanding loans that have not been fully repaid yet). Therefore, estimating the whole portfolio footprint requires additional tools.

We have carried out some sectoral analysis within the portfolio and estimate that the largest share of emissions in the EIB's portfolio come from industry (around 30%), transport (around 25%) and energy (around 20%). This analysis has been done using 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 (PCAF).

Our findings for 2022 indicate that there is considerable uncertainty and variability in the outcomes in the analysis, depending on the assumptions and tools used. Therefore, during 2023 we will be engaging with others who are working on this important topic, including users of portfolio emissions tools, and exchanging on how the emissions information might change over time. We aim to reduce uncertainty during the coming year through these exchanges and by collecting additional data and improving our carbon footprint methodologies.

13. Lines of credit (intermediated financing) and carbon sinks (such as forestry and carbon capture and storage projects) were excluded from the portfolio analysis we carried out in 2022. The EIB intends to explore options for reporting on such operations as part of its future work.



## ADVISORY SERVICES

**EIB Advisory Services enable the design, development and successful implementation of investment projects. Our advisory activities help mobilise investments in renewable energy, innovative cleantech and environmentally sustainable solutions, improving project promoters' access to finance and accelerating the deployment of the circular economy, low-carbon technologies and nature-based solutions, including in less developed regions.**

**T**he EIB offers technical and financial advisory services as well as support to develop markets and improve skills and processes at public and private project promoters. In delivering these activities, we work closely with various bodies, including the European Commission, for example through its InvestEU Advisory Hub, for which the EIB Group is the main advisory partner.

### Mobilising green finance

With the [Green Eligibility Checker](#), the [Green Gateway](#) is our flagship advisory programme designed to promote the effective implementation and reporting of green financing by financial intermediaries. The tool supports project promoters in assessing the climate impact and eligibility of projects in various sectors, including agriculture, buildings, industry, mobility and transport, and renewable energy, in line with the EIB environmental and social standards. About €4.2 billion of EIB intermediated lending operations have benefited from services offered under the Green Gateway.

Building on the success of the Green Gateway, the EIB introduced a similar advisory tool, the EIF InvestEU Sustainability Guarantee Tool, in 2022. Complementing the EIF's InvestEU Sustainability Portfolio Guarantee product, the tool assists counterparties in applying the relevant criteria that will make their financing eligible for InvestEU support.

Beyond the European Union, advisory activities also contribute towards greening the financial system. These activities include improving the ability of central banks, supervisory institutions and financial intermediaries to understand the net-zero target and raising their awareness of climate and environmental risks. The support helps improve the investment environment and resilience of financial systems and speeds up the deployment of much-needed climate action and environmentally sustainable investments beyond the European Union.

#### **Promoting green financing for small businesses in Bulgaria**

Procredit Bulgaria has big green financing ambitions. In addition to EIB financing, Procredit has received targeted advisory support under the Green Gateway advisory initiative to reinforce its ability to identify and generate green financing opportunities in Bulgaria.

Loan officers from headquarters and regional branches received on-the-job support for 18 months on diverse operational matters. The advisory project also provided recommendations, manuals and tools, as well as training.

The advisory support provided Procredit loan officers and other front-office staff with supporting material and expertise to help them navigate technical topics such as eligibility requirements, documentation collection, reporting, monitoring and the EU taxonomy.

## Promoting climate adaptation and supporting the green transition

Advisory support was also expanded under the [Climate Adaptation Investment Advisory Platform \(ADAPT\)](#) and PATH as they began operating in 2022.

Started in 2022, the ADAPT advisory platform provides technical and financial advisory services to project promoters to improve the quality and maturity of adaptation investment projects. Advisory activities under ADAPT include supporting the municipal water utility of Wrocław, Poland to evaluate climate change adaptation options that can be integrated in the city's future investment programme, and supporting the Ministry of Development and Investments in Greece in planning for and piloting climate adaptation investment at the national, regional and local level.

We are also helping local officials prepare flood risk management plans and project pipelines to limit flooding in the river basins in a comprehensive and sustainable way, taking into consideration the effects of climate change and the ecological status of surface water bodies (including in Hungary, Poland and Slovenia).

Under the PATH framework, businesses can receive advisory support to develop decarbonisation and resilience plans necessary to meet the PATH framework requirements. In a similar way, financial institutions globally can receive advisory support to align reporting with recommendations of the Task Force on Climate-related Financial Disclosures.

## Accelerating energy efficiency and renewable energy investments

Through its advisory services, the EIB Group is active in mobilising energy efficiency investments and renewable energy technologies, which are among the priorities of REPowerEU, Europe's plan to wean itself off Russian fossil fuels.

One highlight of 2022 was the creation of a model financial instrument that integrates advisory support with loans and EU grants. Initiated under fi-compass and the European Commission, the instrument is designed to boost energy efficiency investments within the European Union. Other advisory activities included publication of a contract guide for electric vehicle charging concessions and studies on public-private partnerships for district heating networks. The European Local Energy Assistance (ELENA) Facility signed 18 more contracts for technical assistance in 2022. These 18 contracts represent over €38.5 million of ELENA grants, which support over €1.1 billion of investments. At the end of 2022, a total of 148 ELENA projects<sup>14</sup> supported over €8 billion in energy efficiency investments and innovative urban transport projects all over the European Union.

14. By the end of 2022, ELENA had 80 ongoing and 68 completed projects, for a total of 148 projects. The projects were backed by €290 million in grant support, and supported over €8 billion of investment.

## Fostering innovation in cleantech and sustainable resources

Advisory services continue to promote the deployment of innovative technologies and solutions to tackle climate change by improving the investment-readiness of low-carbon energy demonstration projects in areas such as cleantech, renewable energy and sustainable fuels.

In 2022, we began a range of initiatives to nurture the green hydrogen market and develop a pipeline of hydrogen projects. These included outreach events with market leaders in the energy sectors (including the European Clean Hydrogen Alliance) and potential investors, as well as the publication of a report commissioned by EIB Advisory on partnering models to scale up hydrogen investments.

In addition, we are engaged in advisory initiatives designed to promote nature restoration and biodiversity in the European Union, and in assessing investment challenges and opportunities for scaling up nature-based solutions.

## Supporting circular economy development

In 2022, EIB Advisory increased the support it provides to EU municipalities and cities in building circular economy principles into their urban development and investment strategies. Demand for advisory support, under the Joint Assistance to Support Projects in European Regions (JASPERS) programme, for circular economy and water management projects in Greece and Romania almost doubled in 2022.

Through the circular city advisory activities, we also raised awareness among public sector promoters on advisory and funding opportunities for circular economy projects and supported cities in their transition to a circular economy.

## Ensuring a just transition

To ensure a just and sustainable transition for all, the EIB offers targeted advisory support to those regions and communities most affected by decarbonisation, addressing the social, employment, economic and environmental effects of the transition and employing the [Just Transition Mechanism](#).

# IMPACT OF EIB GROUP FINANCING












## The EIB Group's contribution to the Sustainable Development Goals

The United Nations' 17 Sustainable Development Goals (SDGs) provide a framework for measuring international efforts to end world poverty, protect the planet and ensure that everyone can enjoy peace and prosperity. All newly formulated EU policies take the SDGs into account, and the EIB Group plays an important role in implementing the UN 2030 Agenda and contributing to sustainable growth.


The EIB Group has been tracking and reporting how its investments contribute to the SDGs since 2016. The EIB Group's activities have a particular impact on the SDGs related to climate and the environment.

The EIB Group's methodology for SDG reporting, in financial terms and in terms of project outputs and outcomes, is comparable to the methodologies adopted by other multilateral development banks. All the project-level indicators are mapped to the appropriate SDGs.

The following table shows a selection of indicators from EIB-only projects signed in 2022 and illustrates how their impact is expected to contribute to specific SDGs:

Selected project indicator	EU + non-EU <sup>15</sup>	SDG
Number of SMEs/mid-caps supported	430 000	 
Number of jobs sustained in SMEs/mid-caps	5.3 million	 
Annual energy savings expected	2 million MWh	
Electricity generation capacity from renewable energy sources	15 800 MW	 
Electricity produced from renewable energy sources	31 300 GWh	 
Power lines installed/upgraded	28 300 km	 

15. Figures represent the expected outcomes of new operations signed in 2022 for the first time (based on available data at this stage) for the EIB, unless otherwise specified.

Selected project indicator	EU + non-EU <sup>16</sup>	SDG
Households that can be powered	8.5 million	 
Households in new or renovated social and affordable housing units	86 900	 
Subscribers to new 5G services	6.6 million	
Households connected to fibre networks	4 million	
Number of people benefiting from improved health services, including COVID-19 vaccines	150.4 million	
People benefiting from improved infrastructure	17 million	 
People with safer drinking water	25.4 million	 
People with improved sanitation	10.8 million	 
People with reduced risk of flooding	234 700	
People with reduced exposure to drought	11.2 million	 
Rolling stock units purchased or rehabilitated	23 600	 
Additional passenger trips made on EIB-financed public transport	570.1 million	 
Number of refugees in reception centres or temporary accommodation facilities (Ukraine Solidarity package)	3.1 million	

## **Additionality and Impact Measurement (AIM) Framework**

The EIB promotes EU policies, delivering support where it is most needed. The EIB seeks to make a difference by offering financing conditions that cannot be provided by the market alone, and by supporting project preparation and implementation. This difference between the EIB contribution and market alternatives is defined as additionality. We support projects that have an impact on residents and businesses in the European Union, its neighbourhood and beyond.

The AIM is used for ex-ante (appraisal and pre-appraisal) and ex-post (monitoring) assessment of all EIB operations. The framework is based on three pillars:

**Why** – The EIB should ensure alignment with EU policies and address less than optimal investment situations that result from market failures.

**What** – The EIB should lessen these sub-optimal investment situations and constructively shape investments for scale, scope, structure, quality and/or time.

**How** – The EIB should contribute financial and non-financial support to the project that complements support from other organisations and sources.

When a project is signed, the EIB will make the project's additionality and impact statement available to the public. These statements are based on information available when the project is approved. They summarise the rationale behind the EIB's intervention, by applying the three pillars. AIM bolsters the Bank's accountability and strengthens awareness of its additionality and impact among all relevant parties.

## **EIB gender finance**

Gender equality is one of the founding values of the European Union, and a key objective of the Sustainable Development Goals. Through its operations, the EIB seeks to ensure that gender inequalities are not reinforced, rooted or overlooked. The Bank promotes equal access by men and women to the assets, services, benefits and opportunities generated by its operations.

In 2022, the EIB financed 41 projects across the globe, including 19 in the European Union, which significantly contributed to gender equality and women's economic empowerment. The projects represent €4.8 billion of investment, including €2.7 billion in the European Union. At the Finance in Common summit co-hosted by the Bank and the African Development Bank in Abidjan, Côte d'Ivoire, in October 2022, the EIB announced the extension of its [ShelInvest](#) programme to mobilise another €2 billion of gender investment in Africa, Asia and Latin America. The EIB also focuses on promoting gender-smart climate finance.

A 2022 survey report by the EIB's Economics Department, [Support for female entrepreneurs in Europe: Survey evidence for why it makes sense](#), shows that in Europe, women-led businesses attract and retain more women, positively affecting female employment and reducing gender disparities while promoting more inclusive growth. 47% of female-owned firms have more than 50% female workers, while 74% of male-owned firms have less than 50% female employees. Women-led firms are also more likely to support employee training.



### **Mini-grids for solar power**

The EIB invested €26.3 million in We-Light in Madagascar, which provides access to solar-powered energy through mini-grids. We-Light targets health clinics and women entrepreneurs. As a result, child delivery at night has been made safer. An estimated 500 female entrepreneurs have been connected to new energy services, and company research shows the lighting provided by the mini-grids help women to be more autonomous and independent (80%), save time on chores (50%) and feel safer due to improved street lighting (92%). Moreover, We-Light's management team is one-third female, and 40% of its workforce are women. The company is also tackling gender inequalities in its hiring practices, compensation structure and wider organisational policies.

## **Advancing the blue economy**

**The blue economy encompasses all economic sectors that have a direct or indirect link to the oceans, such as renewable energy from marine environments, maritime transport, wastewater management that reduces pollution in the ocean, fisheries and aquaculture. According to projections by the Organisation for Economic Co-operation and Development, by 2030 growth in the blue economy could outperform the global economy as a whole. Keeping our oceans clean and healthy is crucial for sustainable development.**

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

### **EIB criteria for blue economy investments**

The Sustainable Blue Economy Finance Principles were set jointly by the European Commission, the EIB, the World Wildlife Fund for Nature and the World Resources Institute. The principles have been embedded in the Sustainable Blue Economy Finance Initiative, which is hosted by the United Nations Environment Programme Finance Initiative. The initiative is helping to guide sustainable investments in the blue economy as well as promote the adoption of blue economy principles across mainstream finance, investment and insurance sectors.

### **Alignment with the climate and sustainability agenda**

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

## Financing the blue economy

### Blue Sustainable Ocean Strategy

The EIB introduced the Blue Sustainable Ocean Strategy (Blue SOS) in October 2019 as a pledge to improve ocean health, build resilient coastal environments and encourage sustainable activity in the blue economy. Under Blue SOS, the EIB supports projects in four key sectors: coastal resilience and ecosystem restoration, sustainable seafood production including blue biotechnology, green maritime transport, and ocean research and development activities. As of December 2022, the EIB Group had deployed a total of €983 million in support of the four key sectors, about 39% of the target amount.

### 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. Founded in 2018 by the EIB, KfW Group and Agence Française de Développement, the initiative has now been joined by Cassa Depositi e Prestiti, Instituto de Crédito Oficial and the European Bank for Reconstruction and Development (EBRD). In February 2022, the initiative raised its financing target to €4 billion by the end of 2025. By December 2022, more than 60% of the new target had been reached by the partners, which have signed clean oceans projects all around the world. The EIB has contributed about 30% to this result.

### Project identification, preparation and implementation activities

Several ongoing project facilities help the Bank to identify, prepare and implement projects relevant 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.

### Ocean-based renewable energy

In 2022, the EIB continued its long cooperation with the offshore renewable energy industry, having invested more than €10 billion in offshore wind projects since 2003. The Bank announced its support for two more landmark projects that demonstrate the feasibility of floating wind farms in the Mediterranean. One floating wind farm offshore from Leucate-Le Barcarès in France is run by Les Éoliennes Flottantes du Golfe du Lion, and another windfarm close to Gruissan, France, will be operated by [EolMed](#).

## Partnerships for a blue economy

### The Blue Economy Mediterranean Partnership

The Blue Economy Mediterranean Partnership, which was announced in November 2022 by the EIB, the EBRD, and the Union for the Mediterranean, and which is endorsed by the European Commission, facilitates policy dialogue and the effective delivery of international donor funds to support sustainable blue economy projects in the Mediterranean region. The partnership will initially focus on Egypt, Jordan and Morocco. During 2023, the EIB will work together with its partners to set up the Blue Mediterranean Fund as part of the Blue Economy Mediterranean Partnership.

## 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 EIF and EIB will provide capacity building and advisory support for financial intermediaries and impact investors targeting blue economy investments.

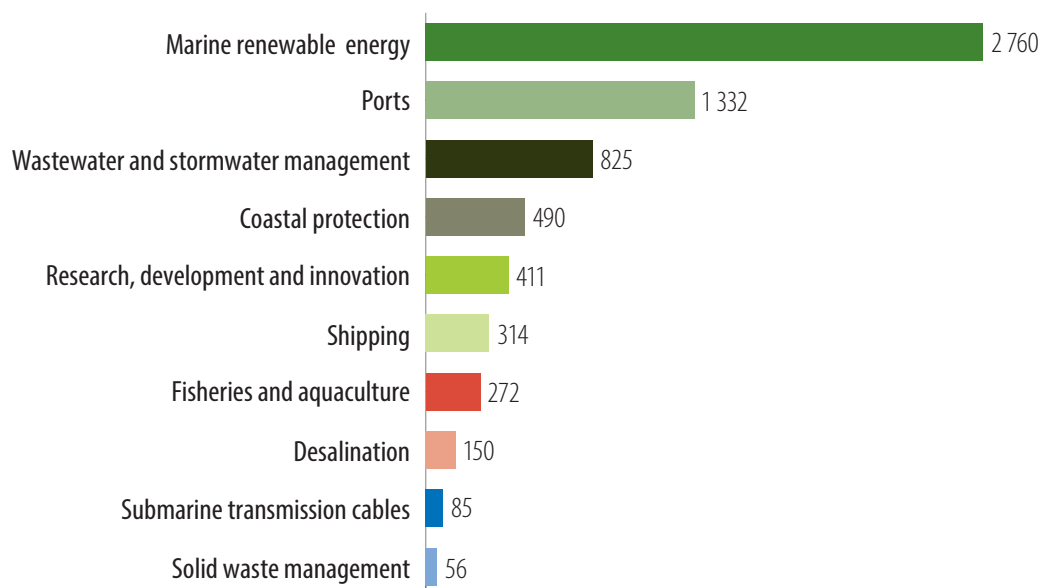
## Tracking our blue economy investments

In 2022, the EIB put in place its first system to track its financing for a sustainable blue economy.

EIB lending to the sustainable blue economy in 2022 amounted to €1.2 billion. From 2018 to 2022, EIB lending to the sustainable blue economy came to €6.7 billion, mobilising €23.8 billion of blue economy investments.

### EIB support for the blue economy, by sector (2018-2022)

Signed amount (€ million)



Since 2021, the EIB also tracks whether its operations make substantial contributions to climate or environmental sustainability objectives.<sup>16</sup> Data from 2021 and 2022 show that EIB blue economy investments not only contributed to the development of a sustainable blue economy, but that most of them (85%) also provided substantial contributions to climate and environmental sustainability objectives.

16. Investments are considered to make a substantial contribution if they provide climate or environmental benefits over a certain threshold. Climate or environmental benefits below the threshold are not tracked as substantial contributions.

### Blue SOS operations signed from December 2019 to December 2022

Number of projects	Project cost (€ million)	EIB loans (€ million)	EIB blue economy lending (€ million) <sup>a</sup>
<b>Sustainable coastal development and protection</b>			
7	2 429	807	385
<b>Sustainable seafood production</b>			
Multiple <sup>b</sup>	NA	NA	64
<b>Green shipping (including marine research vessels)</b>			
7	957	488	488
<b>Research and development</b>			
5	2 492	175	45
<b>Total</b>			
21	5 878	1 469	982

a This column captures the part of EIB loans focused on blue economy activities only. Projects can combine blue economy activities and activities that are not related to the ocean.

b The figures include intermediated lending and equity funds operations.

### Clean Oceans Initiative projects signed by the EIB from December 2019 to December 2022

Number of projects	Project cost (€ million)	EIB loans (€ million)	EIB blue economy lending (€ million) <sup>a</sup>
11	3 512	1 220	753.9

a This column captures the part of EIB loans focused on blue economy activities only. Projects can combine blue economy activities and activities that are not related to the ocean.

# BUILDING TRANSPARENT FINANCIAL SYSTEMS

The EIB Group has aligned how it defines climate action and environmental sustainability with the relevant criteria of the EU taxonomy defining a substantial contribution to environmental objectives. The EIB issues high-quality climate and sustainability awareness bonds on capital markets to fuel the growth of its financing in these areas and to take the lead in building transparent and sustainable finance markets. The EIB Group is supporting the leadership of the European Union and other international institutions in developing robust, comparable sustainable financial frameworks around the world.

## The EIB and the EU taxonomy

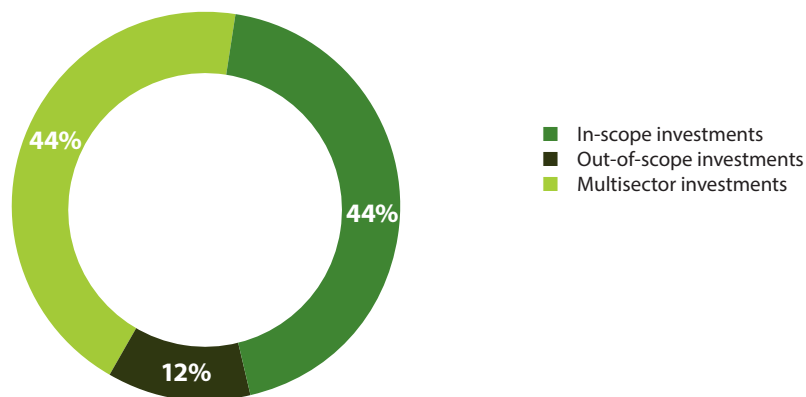
The Climate Bank Roadmap and other associated progress reports explain how the EIB Group, as the EU climate bank, is progressively aligning its methodology for tracking climate action and environmental sustainability (green) finance with the framework defined by the EU taxonomy, which is evolving over time.

Since 2021, the EIB Group has tracked financing that makes a contribution to the six environmental objectives of the EU taxonomy, going beyond previous tracking of only climate action (climate change mitigation and climate adaptation) to cover the four remaining environmental objectives<sup>17</sup>:

Sustainable use of water and marine protection	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems
This includes most investments focused on wastewater infrastructure or upgrading water infrastructure to improve efficiency.	An increasing share of investment is going to projects in industrial manufacturing or research, development and innovation (RDI) involving the reuse of resources.	A large share of investment is directed to air pollution prevention and control, often an additional benefit of projects that contribute to climate mitigation.	These areas are still underrepresented in investment. The EIB is exploring how to scale them up with the appropriate technical assistance and grant support.

17. The contribution to environmental objectives (other than climate change mitigation and adaptation) is tracked using [interim environmental sustainability definitions](#). This will be reviewed in due course once a delegated act is adopted and enters into force.

## Breakdown of 2022 lending in activities



In 2021, we began estimating the share of our investments that support sectors or activities falling under the EU Taxonomy Delegated Act. This measurement provides an indication of how much of our lending is in sectors not yet covered by the taxonomy, which will give an indication of the scale of the taxonomy development still needed. We have carried out this estimate again for 2022, 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 in the EIB Group's portfolio. For 2022 signatures, we estimate that over 40% of financing volumes were clearly in scope of the taxonomy (financing for sectors which are taxonomy-eligible activities).*

For the remainder, over 10% of financing went to activities that were out of scope of the taxonomy. The other investments were deemed to be a mix of activities that were split in some way, such as multisector finance, where establishing the divide between sectors was not defined when the investment was signed, or where estimating the split between individual sectors is not currently tracked.

The estimation does not encompass the type of entity accessing EIB finance, but only whether the activities are covered by a delegated act specifying technical screening criteria, regardless of whether the activities fulfil (or not) the criteria for any substantial contribution, do no significant harm criteria or minimum safeguards.

## Putting the EU taxonomy into practice in capital markets

The EIB issues **Climate Awareness Bonds (CAB)**, whose proceeds are allocated to projects that contribute substantially to climate change mitigation, and **Sustainability Awareness Bonds (SAB)**, whose proceeds are allocated to projects that contribute substantially to environmental and social sustainability objectives, as described below and in the CAB and SAB frameworks.<sup>18</sup> As indicated above, the EIB is taking steps to align its tracking methodology for green finance with the evolving EU sustainable finance taxonomy framework that is being established by the Taxonomy Regulation. As a result, the kinds of projects eligible for CAB and SAB funds have been expanded, as illustrated by the latest CAB and SAB frameworks.<sup>19 20</sup> Climate Awareness Bonds and Sustainability Awareness Bonds will be gradually aligned with the provisions of the upcoming EU Green Bond Standard, which requires that the proceeds of green bonds be used for projects aligned with the EU taxonomy.

These frameworks are audited with reasonable assurance (ISAE 3000), the highest level of assurance provided by auditors in the green bond market. The CAB and SAB frameworks are likely to be the only reports provided on the gradual alignment with the EU taxonomy that are audited with reasonable assurance.

**With regard to criteria for substantial contribution, 100% of CAB allocations in 2021 were aligned with the logic of the EU taxonomy<sup>21</sup>, more than 95% of these allocations were aligned with the criteria proposed by the EU technical expert group on sustainable finance<sup>22</sup>, and more than 90% were aligned with the criteria from the EU Taxonomy Climate Delegated Act.<sup>23</sup>**

## The EIB Group's contribution to sustainable finance standards

Since 2018, the EIB Group has actively contributed to the development of a sustainable finance framework in the European Union, including the EU taxonomy, through our participation in the EU Platform on Sustainable Finance, which ended in 2022. The EIB and EIF will continue to support the development of the European Union's sustainable finance framework as members of the EU Platform on Sustainable Finance 2.0.

### Extended environmental taxonomy

The EIB Group led the discussions within the EU Platform on Sustainable Finance on how an environmental transition taxonomy can be introduced within the current EU sustainable finance framework.<sup>24</sup> Many economic sectors must transition to more sustainable models even if they cannot yet reach the performance level defined by the taxonomy's criteria. The extended taxonomy would therefore support the urgent transition or discontinuation of activities that cause significant harm to the environment. Finally, activities with a low environmental impact also need to be part of the green transition, mainly through their spending on green investments.

18. The EIB Group climate action tracking for intermediated financing, including but not limited to that for small businesses, will continue to be supported through simplified approaches.

19. CAB Framework 2021 (eib.org).

20. SAB Framework 2021 (eib.org).

21. In this context, "aligned with the logic of the EU taxonomy" refers to being "structured to incorporate principles, metrics and thresholds where possible and otherwise include qualitative criteria or processes for the assessment of substantial contribution."

22. [https://finance.ec.europa.eu/publications/technical-expert-group-sustainable-finance-teg\\_en](https://finance.ec.europa.eu/publications/technical-expert-group-sustainable-finance-teg_en).

23. [https://finance.ec.europa.eu/regulation-and-supervision/financial-services-legislation/implementing-and-delegated-acts/taxonomy-regulation\\_en#climate](https://finance.ec.europa.eu/regulation-and-supervision/financial-services-legislation/implementing-and-delegated-acts/taxonomy-regulation_en#climate).

24. Platform on Sustainable Finance's report on environmental transition taxonomy (europa.eu).





## Social taxonomy

EIB and EIF experts contributed to developing the EU social taxonomy, including the definition and the application of minimum (social) safeguards within the taxonomy.<sup>26</sup>

The sustainable finance strategy of the European Union covers environmental and social aspects. With the rise of investing for social impact, it is crucial to define clearly what constitutes a social investment, as is done for environmental investments.

The proposed structure of the social taxonomy mirrors the structure of the environmental taxonomy: the development of social objectives, types of substantial contributions, do no significant harm criteria as well as minimum safeguards.

While environmental objectives and criteria can be based on science, the social taxonomy will embed international social standards according to three objectives, each of which addresses a different group of stakeholders:

- decent work (including for workers in various stages of the value chain);
- adequate living standards and the well-being of end users;
- inclusive and sustainable communities and societies.

### Common ground taxonomy

The European Union and the People's Republic of China have initiated a working group on taxonomies, as part of the International Platform on Sustainable Finance. The EIB contributed to the working group's [report](#).

The objective is to assess the similarities and differences between the two groups' existing taxonomies for environmentally sustainable investments. This way, the different stakeholders will be able to understand the types of activities that could be covered under the respective taxonomies. The group analysed 79 activities across six sectors, including:

- agriculture, forestry and fishing;
- manufacturing;
- electricity, gas, steam and air conditioning supply;
- water supply, sewerage, waste management and remediation activities;
- construction;
- transport and storage.

26. [Final Report on Minimum Safeguards \(europa.eu\)](#).

# SUSTAINABILITY FUNDING

A strategic business development, sustainability funding is necessary for implementing the Climate Bank Roadmap.

**G**reen bonds celebrated their 15<sup>th</sup> anniversary in 2022. The EIB issued the world’s first green bond, and since then sustainability finance has grown exponentially. The EIB uses sustainability funding instruments exclusively for lending activities that contribute substantially to EU sustainability objectives, as explained above. Climate Awareness Bonds focus on climate change mitigation, while Sustainability Awareness Bonds focus on other EU objectives for environmental and social sustainability.

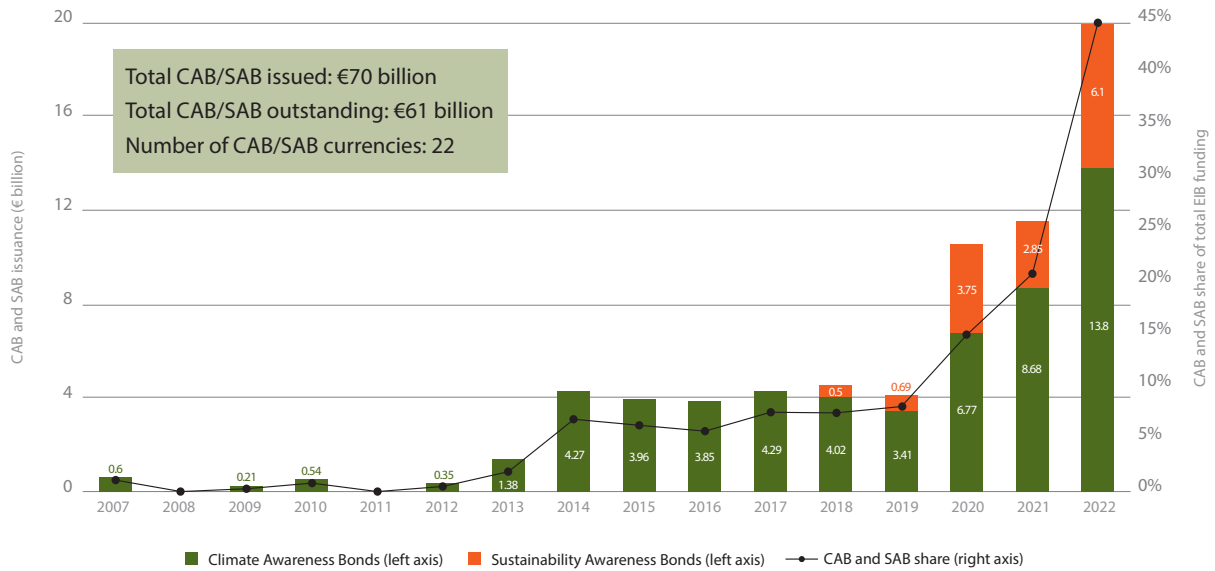
	Climate Awareness Bonds	Sustainability Awareness Bonds	
	Environmental	Environmental (other than climate change mitigation)	Social
Objectives	<ul style="list-style-type: none"> <li>Climate change mitigation (2007)</li> </ul>	So far: <ul style="list-style-type: none"> <li>Sustainable use and protection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

The EIB is committed to playing a key role in further shaping the green bond market and to fostering its development by supporting market liquidity, standardisation initiatives — particularly in the field of impact reporting — and education.

In 2022, the EIB issued €20 billion (or 45% of its funding programme) of Climate Awareness Bonds and Sustainability Awareness Bonds. The sales included the first two Climate Awareness EARN (€4 billion each, the largest CAB transactions ever) and the largest Sustainability Awareness Bond ever issued (roughly €4 billion).

The EIB has issued €70 billion worth of Climate and Sustainability Awareness Bonds since 2007 (across 22 currencies), making it the largest multilateral development bank issuer of green and sustainability bonds.

A growing share of EIB funding comes from Climate and Sustainability Awareness Bonds.



Note: With regard to 2022, 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 2022.

The growth stems from the increasing share of climate and sustainability financing in the EIB's business as the Bank implements the Climate Bank Roadmap.

### Comparing green and social bond principles with the EU Green Bond Standard

	Green/social bond principles	EU technical expert group's proposal for the EU Green Bond Standard	EIB Climate and Sustainability Awareness Bonds
Green projects	<ul style="list-style-type: none"> <li>Alignment with the green/social bond principle objectives/project categories</li> </ul>	<ul style="list-style-type: none"> <li>Alignment with the <b>EU taxonomy</b></li> </ul>	<ul style="list-style-type: none"> <li>EU Taxonomy Transition Plan</li> <li>CAB/SAB documentation already aligned</li> <li><b>Gradual extension of CAB/SAB eligibility</b></li> </ul>
Green bond framework	<ul style="list-style-type: none"> <li>Description of issuer's approach regarding the process for project evaluation and the selection and management of proceeds</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of issuer's alignment with the EU taxonomy; overall green bond strategy; project selection; methodologies and processes for allocation and impact reporting</li> </ul>	<ul style="list-style-type: none"> <li>CAB Framework since 2016</li> <li>SAB Framework since 2020</li> </ul> <p>(including both allocation and impact reports)</p>
Reporting	<ul style="list-style-type: none"> <li>Allocation and impact reporting recommended</li> </ul>	<ul style="list-style-type: none"> <li>Allocation and impact reporting mandatory</li> </ul>	
Verification	<ul style="list-style-type: none"> <li>Appointment of an external reviewer recommended</li> </ul>	<ul style="list-style-type: none"> <li>Issuers must appoint an accredited external verifier</li> <li>Verification applies: (i) to the Green Bond Framework and at least (ii) to allocation reporting</li> </ul>	<ul style="list-style-type: none"> <li>KPMG's Reasonable Assurance on CAB/SAB Framework covering framework, allocation and impact reports</li> </ul>

# 2022 SPOTLIGHTS



## EIB GLOBAL

**From renewable energy projects to building local schools, providing COVID-19 relief and tackling food security, the development arm of the European Investment Bank, EIB Global, works in countries across the globe to help raise living standards.**

In its role as multilateral development bank, the EIB has supported countries in the European Union and beyond for more than 70 years. Having invested more than €70 billion in countries outside the European Union, the EIB set up EIB Global in 2022 to unite the resources supporting non-EU countries and to increase cooperation with development finance institutions, civil society and many other partners. EIB Global enhances economic development and prosperity globally by tapping into the EIB's funding, technical expertise and experience.

EIB Global is dedicated to:

- innovative development finance;
- supporting the European Union's neighbourhood and enlargement policies;
- climate action and economic resilience, including innovative investments considered too risky for commercial banks;
- promoting European Union goals for peace, security and sustainable living;
- supporting women in participating equally in society and business;
- creating financial tools and assistance for fragile communities.

EIB Global brings the Bank closer to people, companies and institutions. We have 30 offices beyond the European Union and are creating new regional hubs to disburse financing more quickly. We set up our first regional hub in Nairobi, Kenya. This local approach allows us to offer more support for climate action, sustainable cities, digital technology, education, gender equality and healthcare.

## Establishing partnerships and engaging with the private sector

To address the climate crisis, the billions of euros invested by the EIB and our partners must be turned into trillions by attracting additional sources of funds. That means setting up new partnerships, working with more global financial institutions and, most importantly, getting the private sector more involved.

By advancing development lending and financial partnerships, EIB Global aims to accelerate growth, strengthen economies, and make rural areas more prosperous and cities more innovative. We invest extensive resources in countries on the European Union's southern and eastern flank, EU enlargement countries, those in Africa, the Pacific, the Americas and the Caribbean, and Southeast Asia.

In 2022, we invested €10.8 billion beyond the European Union, out of which €4.1 billion went towards climate action and environmental sustainability.

## Looking forward

EIB Global can be instrumental to increasing the impact of limited development finance. EIB Global is an integral part of the European Union's external and development financing toolbox, supporting the achievement of the SDGs and the implementation of the Paris Agreement, and promoting EU strategic autonomy by basing investment on EU policies. As part of the EIB, EIB Global is also an active participant in the wider international community of multilateral development banks, development finance institutions and public development banks.

### Finance in Common Summit

The third edition of the Finance in Common Summit focused on the green and just transition for a sustainable recovery. The summit, which was held from 18 to 20 October 2022 in Abidjan, Côte d'Ivoire, was co-hosted by the African Development Bank and the EIB alongside representatives from Finance in Common. The summit provided an excellent opportunity to highlight the key role of public development banks in supporting the transformation of economies and financial systems towards sustainability, while addressing the most pressing needs of developing countries and vulnerable groups. It was a visible demonstration of the EIB's leadership in sustainability, and also served to highlight the close cooperation with other institutions.

Topics included climate resilience and adaptation, green and quality infrastructure, health and social protection, human rights and the fight against inequalities.

The EIB publicised its [Finance in Africa 2022 report](#) at the summit.

# THE EIB GROUP'S CONTRIBUTION TO COP27 AND COP15

**As one of the world's biggest providers of multilateral green finance, the EIB Group contributed to key climate and environmental events during 2022. Among those were the 2022 UN Climate Change Conference of the Parties (COP27) in Egypt and the Biodiversity COP (COP15) in Canada.**

**A**lthough the EIB Group is not party to negotiations, it contributes by organising and participating in conferences and events. The outcomes of the negotiations also have important implications for the EIB.

COP27 provided the backdrop for [multiple meetings and events](#) that allowed the EIB Group to highlight new and innovative green financing and financing for a just and sustainable transition, and to showcase our technical climate and environmental expertise as well as joint work with other development banks. We also promoted the work of EIB Global, which will play an increasing role in implementing EIB strategies and operations outside the European Union.

Some highlights on the policy side included the release of the [EIB Environment Framework](#) (see the box below) and a high-level statement on the [just transition globally](#). On the operational level, highlights included the creation of the [Blue Mediterranean Partnership](#) (see the section on the blue economy, page 31), an investment in Alcazar Energy Partners II, the signature of cooperation agreements with Egypt, Namibia and Rwanda as well as support for food security, with the largest-ever loan to a UN agency (see EIB Global, page 43), to name just a few.

After more than two weeks of negotiations, the COP27 concluded with the agreement by all 198 parties of the United Nations Framework Convention on Climate Change on the Sharm el-Sheikh Implementation Plan, which calls for the creation of a loss and damage fund for countries vulnerable to the effects of climate change. It also calls for progress on the amount, accessibility and quantity of public climate finance, which will be important topics for the EIB to consider in the run-up to COP28 in Dubai.

## The environment in focus

The [EIB Environment Framework](#), which was released at COP27 in Sharm el-Sheikh, will guide the Bank's efforts to support environmental sustainability projects globally and contribute to green, resilient, equitable and inclusive development across the world. The EIB will support investments that help reduce pollution, protect health and human well-being, and support the sustainable use and protection of water resources and the development of a sustainable blue economy. The EIB will also accelerate the shift towards a circular economy and increase its contribution to operations addressing biodiversity loss and ecosystem degradation.

The EIB's contribution to biodiversity discussions at COP15 focused on how to align our operations and activities with the new Global Biodiversity Framework. The new [EIB Environment Framework](#) is a step toward putting these goals in place. The EIB also presented a new paper, [Forests at the heart of sustainable development](#), which highlights how forestry projects benefit the climate, the environment and nature, and the challenges and opportunities for increasing sustainable financing for the sector.

Finally, we also reported on progress on the implementation of the [MDB Joint Statement on Nature, People and the Planet](#), which includes the development of a common definition of "nature-positive" — or projects that go beyond halting further nature loss by reversing it and putting nature on a path to recovery — as part of the harmonised framework that each institution can apply. Finally, the new multilateral development bank working group on biodiversity and nature was formalised. The EIB will be co-chairing the group in 2023.

COP15 negotiations led to a landmark agreement with the adoption of the Kunming-Montreal Global Biodiversity Framework. This framework includes the headline target of "30x30" — the goal of conserving 30% of the world's land and oceans by 2030. Another "30x30" goal also made it into the final agreement, with developed countries committing to increasing international financial resources for biodiversity in developing countries to at least \$30 billion per year by 2030. Another notable feature of the framework was the specific target set for businesses and financial institutions to regularly assess, monitor and disclose their risks, dependencies and impact on biodiversity, which will have important implications for the EIB and its clients.



# STARTUPS SPARKING GREEN INNOVATION

Across the European Union, a new generation of entrepreneurs is turning sustainable development challenges into business opportunities. Green startups are leading the way on solutions to global issues surrounding energy, mobility, climate change and food. This wave of innovation is creating jobs and advancing technology. By leveraging the resources of the InvestEU Fund, the EIF is supporting sustainable startups by attracting private investors.

**T**he InvestEU programme provides the European Union with crucial long-term financing by mobilising significant public and private funds to support sustainable innovation and job creation in Europe. It helps generate additional investments in line with key European priorities, such as the European Green Deal, the digital transition and support for small and medium firms. The European Investment Fund (EIF) aids the implementation of InvestEU projects, using a toolkit that includes guarantees, equity investments and investments to improve skills and processes.

Within the scope of InvestEU, the EIF is contributing to two sustainable venture capital funds, the Green Generation Fund and Shift4Good.

## Female founders lead green fund

The women-led Green Generation Fund invests in startups that contribute to climate change solutions, the circular economy, the efficient use and protection of resources, health and biodiversity.

The fund has raised €100 million for investments in innovative food and green tech startups in Germany, Europe and the United States. One of its goals is to reduce the carbon emissions of the food and agriculture sector.

The EIF contributed €25 million to the fund, which is backed by an EU guarantee. The EIF's investment is one of the first in Germany under the new InvestEU programme.

Three startups in Berlin are among the Green Generation Fund's first investments:

- **The Rainforest Company** is a nutrition brand that helps to preserve and protect the rainforest through sustainably and ethically produced superfoods.
- **Neggst**, a spin-off of the Fraunhofer Institute, the German research organisation, produces and sells a plant-based egg alternative that can be processed like a conventional chicken egg, thereby limiting or replacing the mass production of eggs.
- **Klim** offers a software platform to help farmers move into regenerative agriculture. Through carbon farming — by storing carbon in the soil, for example — farmers can generate carbon certificates. Klim not only enables the simple and direct accounting of these carbon certificates, but also makes this information available along the value chain all the way to the consumer.

### **Strategic support for sustainable mobility startups**

Shift4Good is an impact venture capital fund dedicated to sustainable mobility and the circular economy. The fund supports entrepreneurs working on the most promising innovations addressing climate change and decarbonising the transport sector, which accounts for 20% of global carbon emissions.

As the venture capital fund is global in scale, strong European partners are important for scaling the fund. Under the umbrella of InvestEU, the EIF, the Renault Group and the French sovereign fund Bpifrance are major investors supporting approximately 30 sustainable mobility startups over the next five years.

Shift4Good not only funds projects that find mobility solutions, but it also provides tailor-made support and in-depth transport knowledge. In doing so, it follows strict impact guidelines that align all investments with the fund's environmental objectives. Further, the fund is compatible with the European Union's Sustainable Finance Disclosure Regulation (Article 9).

### **Accelerating the green transition**

The InvestEU programme is uniquely suited to provide long-term funding to companies as well as mobilise private investments that support EU policy priorities. European Commissioner for the Economy, Paolo Gentiloni, hopes that the programme will make funding for investment projects in the European Union simpler, more efficient and more flexible: "Securing the green transition will require sustained investment," Gentiloni says. "That is where InvestEU can play a crucial role."

## UKRAINE – A SOCIAL PERSPECTIVE

**The EIB has worked with Ukraine for 15 years, supporting the public sector and small and medium firms. Since the 2014 illegal annexation of Crimea and the occupation of the Donbas region, the Bank has financed assistance for people fleeing conflict and for local towns taking on refugees. The EIB, and more specifically EIB Global, has stepped up its assistance since Russia's more recent invasion, backing hundreds of projects essential to Ukrainians' lives during the war. Beyond Ukraine, the Bank is supporting EU members as they provide infrastructure for large numbers of refugees, most of whom are women and children.**

**T**he EIB began operating in Ukraine in 2007 as part of the European Neighbourhood Policy, the Eastern Partnership and other EU bilateral agreements. To date, the EIB has financed over €8 billion in projects, with a focus on transport, energy efficiency, and municipal and social infrastructure. After Russia annexed the Crimean Peninsula and two large parts of eastern Ukraine in 2014 — certain areas of the Donetsk and Luhansk provinces — the country underwent major upheaval, with large numbers of people moving west to escape the fighting.

In late 2014 the EIB approved a €200 million recovery framework loan designed to support public projects essential for daily life across Ukraine, rebuilding and upgrading schools, hospitals and other public facilities such as libraries and sports centres. The EIB helped repair more than 250 projects (including hospitals, schools, kindergartens, housing, water treatment plants, heating plants, trams, public administration buildings, community centres, urban roads and footpaths) that had been operating in dire conditions. More than 90 projects were completed, and the remaining were in various stages of construction, before the Russian invasion in February 2022.

The Russian invasion only strengthened the EIB's determination to stand with Ukraine. It dramatically increased its assistance to Ukraine and stepped up its work with ministries, cities and UN experts on the ground. In 2022, the EIB approved two major emergency solidarity funding packages: The first package provided €668 million for urgent needs, and a second €1.59 billion package in July is targeting repairs to damaged infrastructure. The Bank has also helped repurpose €59 million in grants to repair trains and railways, install temporary bridges, and improve healthcare and housing for people forced to flee their homes.

The EIB Institute, the EU bank's social and cultural arm, also offered ample support for humanitarian help to the Ukrainians affected by the war. The EIB Institute has provided €3.95 million in donations, part of which were deployed through NGOs. These included €95 000 for the digital learning centre TUMO and the Ukrainian organisation All for Victory Charity Foundation, which provides education to teenage Ukrainian refugees and meals for people in Ukraine that have little or no access to food. The EIB Institute has also given €800 000 to support family-style orphanages coordinated by the Olena Zelenska Foundation, and a €200 000 donation to LUkraine Asbl, a non-profit organisation representing the Ukrainian community in Luxembourg, for the purchase of ambulances, fire trucks, generators and other items destined for humanitarian projects.

## Assistance for refugees and EU members

Outside of Ukraine and across the European Union, the EIB stands by to assist those who have fled the country and the communities that are supporting them. As men aged 18-60 are not allowed to leave Ukraine, most refugees are women, children and older people. The European Commission estimates that, to date, some 7 million people, mainly women and children, have arrived in the European Union. UN Women estimates that 54% of people in need of assistance from the ongoing crisis are adult women, and the group has called on the international community to ensure that assistance provided is gender responsive.

The influx of displaced people is also straining EU members, particularly in Central and Eastern Europe, which have had to quickly ensure that refugees receive shelter and assistance. Private help has played a considerable role in the crisis, with many European families deciding to host Ukrainian families in their homes.

The Ukraine Solidarity Package, prepared in cooperation with the European Commission and complemented by the EMBRACE advisory platform supported by the InvestEU Advisory Hub, JASPERS and fi-compass initiatives, encompasses the EIB's response to these strains. The package provides a €4 billion credit line to support EU members hosting refugees and to help them develop vital public infrastructure — such as schools, housing and healthcare — for refugees and host communities.

The operation will pay special attention to the prevention of gender-based violence and abuse, and to child protection.

### The EIB's work in conflict zones

In 2022, the EIB adopted its first [Strategic Approach to Fragility and Conflict](#). It outlines the Bank's vision and approach to working in fragile and conflict-affected areas, with the aim of enhancing the development impact of EIB Global.

Investing in fragile and conflict-affected areas is challenging due to the lack of adequate data and analytics, higher levels of risk and uncertainty, as well as a weaker legal and regulatory environment, all of which result in high costs of doing business. The EIB has a dedicated Conflict Sensitivity Helpdesk, which has been operational for a number of years, assisting projects as they come to terms with management arrangements in contexts of conflict risk.

In 2022, EIB Global supported two prominent climate action projects in fragile contexts — in Chad and a regional project in West Africa — enhancing low-carbon and climate-resilient energy and mobility infrastructure. The EIB lent a total of €158 million to the projects.



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НАС ТОРБУЄ  
ДОВКИЛЯ



# GOOD CORPORATE GOVERNANCE

**The EIB Group strives for transparency and accountability in everything we do. Our corporate culture is based on ethical values and professional conduct, and we build trust by engaging with our partners, civil society and clients. We believe a diverse and inclusive workplace is critical to delivering our mission.**

Every year, we publish our [EIB Group Corporate Governance Report](#).

# TRANSPARENCY AND STAKEHOLDER ENGAGEMENT

Transparency matters to the EIB Group. We regularly publish information about our role, policies and operations, in the firm belief that it contributes to the quality and sustainability of the projects we finance and helps build trust in the EU bank.

## EIB Group Transparency Policy

The EIB Group recognises its special responsibility to be open and transparent towards EU citizens and the public at large.

The [EIB Group Transparency Policy](#) sets out the EIB Group’s approach to transparency and stakeholder engagement.

### Key principles

Openness	Ensuring trust and safeguarding sensitive information	Willingness to listen and engage
This policy is guided by openness and the highest possible level of transparency.	The EIB Group maintains the confidence and trust of its stakeholders. The EIB Transparency Policy ensures that information is protected from disclosure when disclosure would undermine the legitimate rights and interests of third parties, and/or of the Group in accordance with the exceptions defined in the policy.	The EIB Group is committed to actively encouraging stakeholder input into its policies and practices

More information is available in the [EIB Group Transparency Policy](#).

As a general rule, the EIB publishes summaries of all investment projects before each project is considered for approval by the Board of Directors, in accordance with the provisions set out in Section 4 of the transparency policy.

In 2022, the EIB InfoDesk received 3 831 written enquiries from the public (compared with 4 710 in 2021). The EIB received 53 general enquiries from civil society or other members of the public in 2022<sup>27</sup>, 25 disclosure requests and six confirmatory applications (a total of 84 queries; see Figure 8).

By comparison, in 2021 the EIB received 122 general enquiries from civil society, 24 disclosure requests and three confirmatory applications (a total of 149 queries). Five of these enquiries concerned intermediated finance operations. At the end of the year, the EIB publishes [a report about the implementation of the EIB Group Transparency Policy](#) with details about these and other figures.

27. As explained above, typical examples include correspondence about EIB-financed projects, projects under appraisal or the EIB’s policies, priorities, processes or other activities.

## Stakeholder engagement

Our engagement with civil society, foundations, think tanks and NGOs helps the EIB Group continuously improve its policies and practices and address environmental and social issues. At the EIB Group, we are committed to actively encouraging stakeholder input into our policies and practices.

Our approach can be found on the webpage [Civil Society and Stakeholder Engagement \(eib.org\)](https://www.eib.org/civil-society-and-stakeholder-engagement). Civil society engagement takes place at three levels: the board level, the project level and the policy level.

In 2022, the annual seminar between the EIB's Board of Directors brought 120 civil society organisations together online. Key topics raised during the online seminar included the EIB's continued commitment to tackling climate action, involving the Climate Bank Roadmap, the Bank's Adaptation Plan and the PATH framework. The exchange further focused on the Environmental and Social Standards Framework (which was approved by the EIB's Board of Directors on 2 February 2022 following an extensive public consultation), requirements for biodiversity assessments beyond the European Union, and the EIB Group strategy on gender equality and women's economic empowerment, among many others. The outreach gave the board members access to a wealth of expertise and a range of diverse views on key topics for the Bank.

The Bank regularly organises both formal public consultations and informal stakeholder meetings on selected relevant key corporate and sectoral policies of interest to wider communities.

## Partnerships with civil society and non-governmental organisations

Through sponsorship agreements, the EIB can explore the potential of specific areas before scaling small schemes up to larger investment projects. In 2022, the EIB Group worked extensively with civil society organisations to advance initiatives around water security, nature-based solutions for biodiversity and climate resilience, as well as sustainable oceans and rivers.

### Restoring free-flowing rivers in Europe

The EU Biodiversity Strategy for 2030 calls for the removal of obsolete barriers on 25 000 kilometres of rivers in EU countries. To contribute to that goal, the EIB created a partnership with the World Fish Migration Foundation to sponsor the [Dam Removal Europe Award](#) in May 2022. The award shines a spotlight on innovative projects by communities, river users, barrier removal practitioners and local authorities, with a view to stimulating similar initiatives to restore free-flowing rivers across Europe.

Partnering with civil society on barrier removal has enabled the EIB to develop awareness (within the Bank and externally) around the impact of removing obsolete barriers and reconnecting Europe's rivers.

### Nature-based solutions for flood risk reduction

In partnership with WWF Greece and the Global Infrastructure Basel Foundation, a global foundation promoting sustainable and resilient infrastructure, the EIB is accelerating the adoption of nature-based solutions for flood mitigation and climate resilience in the Thessaly region of Greece, which has suffered heavily from repeated flooding.

In 2022, the partnership engaged with local and regional authorities to co-design specific flood mitigation measures in selected areas. It also developed a set of biodiversity indicators and monitoring programme requirements to track improvements to ecosystem health and integrity, as well as a methodology for bringing in outside ideas for nature-based solutions and implementation.



# COMPLIANCE AND INTEGRITY

**Compliance and integrity are core elements of the EIB Group's corporate culture. To improve the EIB Group's compliance performance, existing instruments and policies are regularly updated.**

**T**he independent EIB compliance function promotes the highest standards of integrity and ensures that they are applied to all of the Bank's activities, as outlined in our [Integrity Policy and Compliance Charter](#). More information on our policies can be found on this webpage: [Compliance \(eib.org\)](#).

## 2022 policy revisions

In 2022, we enhanced our non-financial risk framework to include climate change and environmental risks applicable across the EIB Group.

The [EIB Group Anti-Money Laundering and Combating the Financing of Terrorism Policy \(AML-CFT\)](#) revised in July 2021 was implemented in 2022. The new policy streamlines and refines the risk-based approach to customer due diligence and risk assessment.

The new EIB Group Market Abuse Policy entered into force in 2022.

## Reporting on risks and compliance

An annual risk-based compliance monitoring programme identifies compliance risks and key controls. The results can be found in the annual [Compliance Activity Report](#).

In addition, anonymised cases of alleged professional misconduct are disclosed in the Annual Report of the Ethics and Compliance Committee, the fourth edition of which will be published in 2023. The report will cover cases that were closed in 2021-2022. It communicates problems transparently to all staff and raises awareness about the concrete actions the Bank has taken to address breaches of professional duties.

## Cybersecurity and data protection

In 2022, the activities of the EIB and the EIF data protection officers focused on complying with obligations of the EU's Data Protection Regulation.

A ticketing tool was designed to improve and facilitate the handling of queries on data protection. The Data Protection Register tool for the EIB and the EIF put in place during 2022 will contribute to complying with the regulatory obligations.

In 2022, a new compulsory cybersecurity e-learning module for all EIB staff members was rolled out. Through regular phishing exercises, we confirmed the EIB Group's robust resilience to cybercrime while addressing the identified areas for improvement. To date, the EIB Group is not aware of any cybersecurity incidents affecting it, and its systems are continuously and closely monitored for threats.

# ACCOUNTABILITY

The Inspectorate General comprises three independent control and accountability functions — handling of complaints, evaluation and investigation — under the authority of the independent Inspector General. This helps ensure that the EIB is accountable for its activities and learns from them.

## Complaints Mechanism

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

For a detailed record of policies and figures, please consult the [EIB Complaints Mechanism Report 2022](#).

*In 2022, a total of 54 complaints relating to EIB Group-financed operations and/or administration were received (compared with 64 registered complaints in 2021).*

- *47 of these complaints were directly submitted to the Complaints Mechanism, which declared 34 of them admissible (compared with 56 complaints of which 39 admissible in 2021).*
- *Six complaints were filed with the European Ombudsman, who declared five of them admissible (compared with eight complaints of which six were declared admissible by the European Ombudsman in 2021).*
- *One inquiry was received from the UN Office of the High Commissioner for Human Rights.*

## Procurement complaints

Procurement complaints are handled by the Procurement Complaints Committee (PCC) created in 2018. A party having or having had an interest in obtaining a particular contract, and who has been or risks being harmed by an alleged infringement of the EIB's Guide to Procurement, may submit a complaint to the PCC. In 2022, the PCC received 18 procurement complaints, compared to 23 procurement complaints received in 2021. For more information, see the [Annual Report of the Procurement Complaints Activity and the Procurement Complaints Committee of the European Investment Bank 2022 \(eib.org\)](#).

## 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 to be accountable to its stakeholders and draw lessons on how to continuously improve its work, and to provide independent and credible evidence to inform decision-making. It operates in line with international evaluation principles and standards, and promotes evaluation. For more details, see the [EIB Group Evaluation Policy](#).

Key topics evaluated in 2022 were the [EIB Group's support for SMEs and mid-caps](#) in the European Union, as well as EIB advisory activities in the European Union. In 2022, the Evaluation Division also began an evaluation of support for [water and sanitation outside the European Union](#).

For a detailed record of activities, please consult: [Activity Report 2022 and Work Programme 2023-2025](#).

## Anti-fraud and exclusion

The Inspectorate General's Investigations Division independently investigates allegations of prohibited conduct involving EIB Group-financed activities and/or members of governing bodies or staff.

The [EIB Group's Anti-Fraud Policy](#) sets forth the EIB Group's zero-tolerance approach towards prohibited conduct, which includes fraud, corruption, collusion, coercion, obstruction, money laundering and the financing of terrorism, as well as theft at the EIB Group premises and the misuse of EIB Group resources or assets.

In 2022, a total of 180 new cases were opened (compared with 174 cases in 2021). To streamline its whistleblowing and reporting governance, the Bank set up a new [External Reporting Platform](#) in 2022 which is accessible from the EIB intranet as well as the EIB website. Reports can be made anonymously.

To address fraud and corruption that might remain undetected by usual monitoring, the Investigations Division identifies red flags and indicators of fraud and/or corruption through a process of proactive integrity review. By the end of 2022, 37 EIB projects were independently selected for review through a risk assessment process, out of which one project was selected for a fully fledged proactive integrity review.

As part of its anti-fraud efforts, the EIB implements an [Exclusion Policy](#), which sets out the rules and procedures for the exclusion of entities and individuals found to have engaged in prohibited conduct from EIB-financed projects and other EIB activities for a certain period of time. In 2022, the Management Committee endorsed the Exclusion Committee's recommendations to exclude four entities for four years with conditional release after two years.

# CORPORATE, ENVIRONMENTAL AND CLIMATE MANAGEMENT

**With its environmental management system, the EIB Group continually assesses and reports on the environmental impact of its internal activities. The outcome of the assessment helps us reduce our consumption of natural resources and energy as well as waste, and in turn our greenhouse gas emissions, in line with our corporate climate programme. In addition, we continue to raise awareness within the organisation about our environmental and carbon footprint and encourage staff to behave more sustainably.**

**T**he EIB Group's environmental management system tracks and manages the environmental impact of the EIB Group's day-to-day activities. Established in 2018, the system is certified under the EU Eco-Management and Audit Scheme (EMAS) and ISO 14001 for our main building, with an intent to expand the scope of the EMAS certification to all our buildings in 2024. The EIB EMAS provides a robust framework for collecting and monitoring non-financial data on all technical and administrative activities supporting core business carried out on the main campus. This includes electricity use, water consumption, waste and staff mobility.

## Corporate climate action and environmental sustainability

Through the application of the corporate climate programme, the EIB Group has decreased its own greenhouse gas emissions to help meet EU climate objectives of limiting temperature increases to 1.5°C above pre-industrial levels.

The framework and the measures compiled in the climate programme take into consideration environmental sustainability and circularity principles. The programme includes guidelines on the way we work, the way we travel and the way we do business and requires organisation-wide collaboration. Staff engagement, change management, training, supply chain engagement and communications activities complement the programme.

In 2022, we focused our attention on implementing technical improvements, engaging staff and incentivising our suppliers to help reduce their climate impact.

### The way we work

EIB management has provided clarity on hybrid and remote work arrangements since the beginning of the pandemic and, later on, the return to work. Hybrid working and pilots testing flexible approaches to working were introduced, and video conferencing facilities upgraded. The EIB Group responded to the war in Ukraine, the energy crisis and the guidelines given by the European Commission by implementing additional energy efficiency measures.

### **The way we travel**

In 2022, the shuttles running between the EIB Group buildings in Kirchberg, Luxembourg, were replaced by electric shuttles. EU institutions also began sharing a shuttle bus between Luxembourg and Brussels that runs four times a day, replacing car travel.

### **The way we do business**

We have introduced ambitious sustainability and circular requirements for the Bank's main service contracts.

In 2022, we improved the efficiency, comprehensiveness and reliability of the internal environmental data we collect. EIB external offices are being progressively incorporated into the data collection processes and initiatives to reduce carbon emissions.

The Bank also engages quarterly with each corporate directorate to discuss their contribution and opportunities to further reduce emissions. During the quarterly Corporate Climate Forum, the directorates talk through challenges and approaches that work best. In 2022, we organised two meetings about decarbonising our internal activities and mobility. In addition, the Bank held several activities for employees, such as the EU Lux Repair Cafés, a mobility survey and participation in a cycling initiative (*Mam Vélo op d'Schaff*), as well as a bike repair workshop. The Bank began a newcomer training module on climate awareness and expanded the number of training courses on sustainable procurement (Green Public Procurement) for staff of different levels of expertise.

Finally, the Sustainable Supply Chain Engagement Plan begun in 2022 incentivises suppliers to voluntarily join the EIB Group in aligning their activities with the Paris Agreement, with an eye towards broader sustainability engagement and stricter procurement criteria in the future. The Sustainable Supply Chain Engagement Plan will progressively ramp up over 2023-2025.


In 2023 we will focus our attention on reviewing our electricity purchase strategy and carbon compensation strategy, and on implementing an environmental data software programme for the collection, computation, tracking and reporting of our environmental and carbon footprint.

## **Internal carbon footprint**

The EIB Group's commitment to measuring and managing its carbon footprint is consistent with the environmental and social policies, principles and standards the Bank applies to the projects it finances. It is further reinforced by the Climate Bank Roadmap's objective of aligning internal activities to the goals and principles of the Paris Agreement.

By understanding our carbon footprint, we can work with our staff and external service providers to identify and implement measures that reduce emissions and track our performance against targets. The EIB has led by example in disclosing the carbon footprint of its internal operations for over 15 years.

Using a science-based emissions reduction target methodology, the EIB Group has a goal of reducing its gross greenhouse gas (carbon) emissions in 2025 by about 30% as compared to emissions resulting from a business-as-usual growth scenario.<sup>28</sup> This corresponds to an absolute reduction of carbon emissions of 12.4% by 2025 compared to the gross greenhouse gas emissions reported in 2018.

*In 2022, the EIB Group's gross carbon emissions<sup>29</sup> from its internal activities amounted to 17.688 tCO<sub>2</sub>e<sup>30</sup> and its gross carbon emissions intensity per staff to 3.90 tCO<sub>2</sub>e — respective decreases of 36% and 45% compared to emissions in the baseline year of 2018<sup>31</sup>. The EIB Group is thus in line with its carbon emissions reduction pathway to 2025. *

For more details, see the EIB Group's carbon footprint report 2022, which will be published in the coming months.

## Carbon compensation strategy for internal activities

The EIB Group remains strongly committed to reducing its own corporate carbon footprint. Despite the results achieved so far, we know there is more to do. As a growing organisation, the EIB Group must continue to use energy and travel as it conducts its business. That is why carbon compensation is part of its strategy to contribute to the global net-zero objectives by 2050.

Over 2014-2020, we offset our residual emissions through the purchase of Verified Carbon Standard credits generated by the Kasigau Corridor REDD+ project, also certified under the Climate, Community and Biodiversity Alliance Gold standard. The project has prevented deforestation and forest degradation, while helping to protect wildlife and promoting biodiversity in 500 000 acres of highly endangered Kenyan forest.

The EIB Group intends to continue supporting climate finance via the purchase of carbon credits by organising a public tender to voluntary carbon credit market participants in 2023 to offset its carbon emissions in 2021 and 2022.

28. This scenario assumes that the organisation will grow and that its emissions will increase from 2019 to 2025.

29. The science-based target carbon abatement for the EIB Group's emissions of internal activities relates to its gross emissions, as per best practice. Hence it compares gross emissions over time as opposed to net emissions.

30. Accounting perimeter/operational boundaries of the EIB Group's carbon footprint since 2018 baseline year consist of scope 1, scope 2 and scope 3 emissions as per the greenhouse gas protocol definitions. Scope 3 emissions include emissions from business travel, mobility between EIB Group buildings, courier, water, waste, paper, data centres, staff commuting and homeworking.

31. Having surpassed the European Union's target of reducing carbon emissions 20-30% by 2020 from the base year emissions in 2007, the EIB Group has defined a target to comply and ensure a long-term alignment of its internal activities with the goals of the Paris Agreement and reset its base year from 2007 to 2018.

## COMMUNITY ENGAGEMENT

The EIB Institute supports community projects within the European Union, acting as a catalyst for economic and social development within the Member States and beyond. The EIB Institute values the arts and culture as an integral part of effective community engagement and corporate social responsibility.

**O**ur philanthropy report about EIB Institute grants for humanitarian disaster relief and donations of decommissioned IT equipment from the EIB is available [here](#).

### Largest-ever exhibition of the EIB art collection

Held in eight landmark venues around Limerick, Ireland, “Belonging” is the largest exhibition of the EIB collection and the first to be organised outside a capital city. The exhibition showcased a total of 82 works from all 27 EU members, as well as from the United Kingdom and the United States. The works drew on a range of media to reflect on what it means to belong, both to Europe and in a broader sense. With over 26 000 visitors in less than three months — equivalent to over one-quarter of the host city’s population — it is the EIB’s most widely attended external exhibition to date.

### Opera for Peace in Rome

In 2022, the EIB Institute supported the first Opera for Peace Academy in Rome. This one-of-a-kind programme offered 21 emerging opera singers from around the world the opportunity to find and develop their unique artistic identity. Master classes were held by acclaimed artists such as Lawrence Brownlee, Angela Meade, Thomas Hampson and Ludovic Tézier. Seminars were also held on subjects such as audition preparation, career management and working with social media. The work of the academy is to recognise talented people and give them the tools they need to build successful careers.

### Disasters know no borders

The first European conference on disaster preparedness was held on 27 October 2022 at the EIB and organised by the EIB Institute, in collaboration with the Red Cross Red Crescent Climate Centre. Speaking at the conference, EIB President Werner Hoyer said, “We need to be faster, wiser and smarter when confronted with catastrophes that are becoming more frequent with climate change and do not respect borders.” The conference was a chance for participants to share best practices in community disaster preparedness, identify necessary levels of prevention and response, and discuss how to persuade politicians to finance and implement these approaches.

## First EIB Climate Chair lecture

To promote knowledge transmission, the EIB Institute is supporting two university chairs, the EIB Chair on Climate Change Policy and International Carbon Markets (EIB Climate Chair) at the European University Institute in Florence and the European Chair for Sustainable Development and Climate Transition at Sciences Po in Paris.

The EIB Climate Chair engages with policymakers in Europe and around the world on questions related to carbon pricing and sustainable finance covering energy, industry, transport, trade, agriculture and forestry.

In June 2022, it organised its first conference on “Investing in Net Zero,” at which Professor Jos Delbeke, EIB Climate Chair at the European University Institute, gave his first [climate chair lecture](#).

## 2022 Social Innovation Tournament

The Social Innovation Tournament, the flagship initiative of the EIB Institute’s Social Programme, was created to reward and sponsor European entrepreneurs whose primary purpose is to advance social, ethical or environmental aims. The final event of the tournament takes place in a different country each year. At the 2022 final, held in Vienna, first prize for the best social entrepreneur went to the Austrian startup Dreamwaves for their app waveOut, which uses sound to guide blind users through crowded cities. The 2022 special category first prize focused on the blue and green economy, and went to ROSI, a French startup that has developed innovative recycling solutions for solar panels. Both companies received €75 000.



## EMPLOYER OF CHOICE

**Our mission at the European Investment Bank is to shape a better future for all. We hire talented professionals with diverse backgrounds from across EU countries and the world. This fosters a rich and rewarding work environment, critical to delivering our mission.**

In 2022, the EIB Group employed 4 647 staff members from all 27 EU Member States and the United Kingdom (2021: 4 412).

### Diversity, equity, inclusion and belonging at the EIB

As the bank of the European Union, we are committed to the EU's objectives and values, and aspire to live up to one of its founding principles: being united in diversity.

#### Gender equity

Achieving an improved gender balance and working towards systematic gender equity is a clear social and business imperative in EIB diversity initiatives and in our operations around the world.

The 2018-2021 EIB Diversity and Inclusion Strategy set ambitious targets to achieve improved gender balance across a range of management levels at the EIB. In 2022, we made progress in all areas:

- Women represented **33%** of **management staff categories** by the end of the fourth quarter of 2022, aligned with the target set in the 2018-2021 strategy.
- Women represented **36%** of staff at the level of **senior officer**.
- Women represented **44%** of staff at the **officer** level.

The EIB Group is an EDGE certified organisation. The Bank obtained the **EDGE Certification** for the first time in 2020 and the EIF received it in 2021. EDGE is the world's leading assessment and business certification for gender equity in the workplace. Since then, the EIB has been working to implement the EDGE Action Plan, which includes an annual review of pay gaps to address issues and to ensure that EIB pay meets the EDGE standard.

As a result, in 2022 the EIB was recertified and reached the next certification level — EDGE Move — demonstrating solid progress towards gender equity. We also received EDGEplus certification, which recognises our commitment to considering gender equity in conjunction with other diversity dimensions such as ethnicity, sexual orientation and gender identity, age, disability, neurodiversity and nationality.

Further initiatives towards gender equality included aligning the EIB Group breastfeeding policy by removing the time limit for compensation benefits to children, which previously had been 12 months of age. We also introduced a focus on menopause in 2022, welcoming a recognised menopause expert who shared with us her own experience and the work she is doing with companies around the world to help develop menopause policies that support women through this life event. In line with this, the EIB created a Menopause Exchange and Support Community, a safe space in which people who have experienced the (peri)menopause first-hand can share lived experience and learn from others. We also developed gender-based violence and harassment guidance for all staff, and we continue to develop awareness-raising measures on this subject.

Lastly, the Bank continued to roll out the female mentoring programme started in 2021 with the aim of fostering female talent in the organisation.

## Fostering inclusion and belonging

In 2022, the EIB developed and implemented two reverse mentoring programmes to encourage disability and LGBTIQ inclusion in the workplace. This learning framework provided leaders with an insight into the lived experience of disabled/neurodivergent and LGBTIQ colleagues in our organisation. It also enabled an open and confidential exchange on the role of managers in facilitating a constructive dialogue with their staff.

As in previous years, there have been many opportunities for EIB staff to engage on diversity topics. In 2022, the EIB took part in Coming Out Day celebrations for the first time, together with the European Parliament and the European External Action Service.

As a member of the world's largest disability inclusion collective, the Valuable 500, the EIB had the opportunity to host an inspiring conversation with Caroline Casey, disability activist and founder of the Valuable 500. Disability Inclusion Week 2022 also offered many opportunities for colleagues to engage on the topic of disability and neurodiversity.

The EIB has taken the first important steps to actively engage on the topic of ethnic inclusion and anti-racism. In 2022 for the first time, we observed Zero Discrimination Day and the International Day for the Elimination of Racial Discrimination.

Moreover, we engaged with recognised experts in the field of ethnic inclusion to better understand the status of inclusion at the EIB and determine the next steps on how the EIB can become even more ethnically diverse and inclusive.

The Bank continued to roll out the "Understanding and Tackling Unconscious Bias" course for all managers and staff. This interactive learning session helps participants understand unconscious bias and how it affects their work and people's decision-making.

## Learning and development

At the EIB Group, we care about the skills and professional development of our employees. Managers hold regular development discussions with employees to understand their professional aspirations and discuss the skills to develop. Together they define the development objectives and actions to prepare employees for future roles. Employees can move around internally through temporary assignments and permanent transfers.

We provide learning opportunities for all our staff and managers in areas such as leadership and management, banking and finance, credit risk, corporate technical skills, personal development, languages and digital skills.

For most of 2022, the EIB Group continued to develop the skills of its staff, using the digital learning technology made available when the Group was working under the coronavirus pandemic regulations. We offered virtual sessions and invested in digital learning libraries to give our staff the opportunity to learn at their own pace. At the end of 2022, we began offering a blended approach to learning solutions. The newly developed learning programmes included a mix of classroom (either face-to-face or virtual) facilitated sessions, self-learning via digital tools as well as on-the-job assignments.

An active EIB staff member spent an average of over 15.89 hours on learning (including instructor-led virtual and self-learning modes). The learning programmes included 567 sessions (excluding regulatory training) with 6 598 participants throughout the year.

## Organisational health and well-being

The EIB Group is committed to safeguarding the health and well-being of its staff and to promoting a safe and healthy working environment as called for in its health, well-being and safety policy, which was adopted in 2019.

We want employees to benefit from a safe and healthy working environment, and we work hard to:

- define and implement policies and processes to allow the EIB Group to comply with its legal duty to safeguard the health and well-being of its staff, in accordance with best practices and international standards of occupational health;
- provide support and advice to both staff and managers on work-related issues (such as stress or conflict) and facilitate reintegration after long-term sick leave;
- identify further measures to enable healthy working, such as raising awareness on the main risk factors like stress management, conflict resolution or mental health;
- perform fitness-for-work assessments (pre-employment, upon request or after long-term sick leave), periodic medical examinations, medical services for travel, immunisations, psychological counselling, emergency first aid and follow-up for staff on sick leave.

Furthermore, we have established an external network of professionals that we can refer employees to if they need further support, such as counselling on work-related issues. For non-work-related issues, the EIB Group's health insurance scheme covers 80% of the cost of up to 60 sessions with a psychologist.

The coronavirus pandemic has highlighted the importance of promoting mental health in addition to physical health. Since 2020, various measures that had been introduced have since become permanent, such as the possibility to telework when compatible with business needs.

In June 2021, we initiated an institution-wide psychosocial risk assessment to identify the factors of work-related stress, and measures have been adopted to improve working conditions. In 2022, we organised workshops in various parts of the EIB Group to identify additional areas for improvement at the team or department level.

In 2022, we implemented a comprehensive mental health education plan, which includes raising awareness through certified training sessions in mental health first aid. We began a mental health knowledge training course for managers, and mental health awareness sessions for all staff. Over 500 employees were trained in mental health in 2022.

Lastly, we organised administrative, logistical and psychological support for the Ukrainian families of our colleagues from Kyiv, as well as for our colleagues hosting Ukrainian families and those with ties to Ukraine.



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### ***Independent limited assurance report***

We were engaged by the management of the EIB Group (the European Investment Bank (hereafter the “EIB”) and its subsidiary, the European Investment Fund (hereafter the “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 (hereafter “GRI”) Standards, and the EIB Sustainability Disclosures, prepared in accordance with the Sustainability Accounting Standards Board (hereafter “SASB”) framework (hereafter “the reports”), are not prepared in all material respects, in accordance with the EIB internal framework for the year ended 31 December 2022.

### ***Responsibilities of the management of the EIB Group***

The Management of the EIB Group is responsible for the preparation and presentation of the the EIB Group Sustainability Report and the information and assertions contained within it, in accordance with the Global Reporting Initiative (“GRI”) Standards applicable in 2022 at the 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 2022 at the EIB Group.

This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the Reports that is free from material misstatement, whether due to fraud or error.

### ***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 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 (hereafter “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 Global Reporting Initiative (GRI) Standards, and the EIB Sustainability Disclosures, prepared in



accordance with the Sustainability Accounting Standards Board (SASB) framework (“the Reports”), are prepared in all material respects with the EIB internal framework for the year ended 31 December 2022 and are free from material misstatements.

Our firm applies 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 2022 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 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 2022 at the Group.

### ***Restriction of use of our report***

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

It might 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, 28 June 2023

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

M. Weber

A handwritten signature in blue ink, appearing to read 'M. Weber', is positioned below the printed name.





# SUSTAINABILITY REPORT

**2022**