



EIB GROUP **SUSTAINABILITY**
OVERVIEW **2013**



*Working together
to finance results
we can be proud of*

GROWTH FOR JOBS

75.1bn^{EUR}
EIB Group financing
focusing on projects with
impact on **growth and jobs**



230 000

SMEs benefitted from
EIB Group finance in 2013

 **9.1bn**^{EUR}
in support of our initiative
Skills and Jobs - Investing
for Youth

FINANCE FOR CLIMATE ACTION

CLIMATE ACTION
19^{bn}^{EUR} lending



11 SOLAR PROJECTS
signed



WIND
FARMS **17**



37 PUBLIC
TRANSPORT
PROJECTS

Total
CLIMATE
BONDS **1.4bn**^{EUR} issued at

EIF commitments

3.4bn catylased
volumes
of **16bn**
for **European SMEs**

10

**Environmental and
Social Performance
Standards**

TRANSPARENT

ENGAGED

ACCOUNTABLE

**SUSTAINABLE
INNOVATION**

17.2bn EUR
invested in **innovation**
at Group level

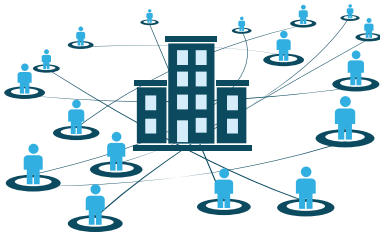
1m EUR **EIB Institute**
subsidies
to **research** and
education

Support for

19
projects by

**Universities and
Research Centres**

856m EUR for innovative
SMEs and Mid-Caps via the
Risk Sharing Instrument



Supporting Youth Jobs and Skills in Spain

A EUR 200m loan intermediated by Santander Bank for tackling investment needs in the education sector and fighting youth unemployment. The funds are going to: loans for students in higher education; measures to support young people looking for their first job; loans for young entrepreneurs; financing for the education facilities and research projects of Spanish universities.



The Palestinian territory: creating sustainable jobs

A USD 1m contribution to ACAD Finance in Palestine will extend microcredit to agricultural entrepreneurs like Nethmia Salameh. A EUR 1,520 ACAD loan will help her "to purchase five more sheep which would allow me to increase my income and would greatly help me in paying the fees of my son's university", she says.

GROWTH FOR JOBS

EIB Group increases support for SMEs by 50%

It was a record year for support to SMEs by the EIB Group (EIB and EIF), extending EUR 21.9bn in financing for SMEs and Mid-Caps. The largest single loan (EUR 1bn) for jobs and growth was provided to a Spanish financial institution, the Instituto de Crédito Oficial (ICO), for onlending to SMEs in Spain which promote growth and offer employment opportunities.

Investing in youth employment

We created the EU-wide 'Skills and Jobs - Investing for Youth' programme to tackle youth unemployment, one of Europe's main challenges. We focused particularly on employment opportunities and education infrastructure. This is already showing tangible results. The Bank has approved investments of EUR 4.5bn targeting secondary and tertiary vocational training facilities and programmes. Almost EUR 4.6bn has also been allocated for youth-employing SMEs.

Microfinance in Europe supports economic development

The European Progress Microfinance Facility, funded by the EIB and the European Commission through the European Investment Fund (EIF) has supported 21 microcredit providers in 15 European countries with over EUR 100m in 2013. Moreover, 30 microfinance providers received a free of charge rating or credit assessment under the EIF-European Commission JASMINE technical assistance programme.



FINANCE FOR CLIMATE ACTION

Ambition on Climate Action

A 'Statement on Climate Action' strengthened our ambition on climate issues in support of the EU's leading role. The statement presents our objectives and approaches towards fighting climate change. In 2013 the EIB invested EUR 19bn in climate action.

Stricter energy criteria

Our new energy lending criteria reinforce our support for investment in renewable energy, energy efficiency and energy grids. The new criteria include strict emissions performance standards for fossil fuel plants: < 550g CO₂/kWh. They are the result of a comprehensive consultation process. By applying them in our lending we help the EU to meet its energy and climate objectives.

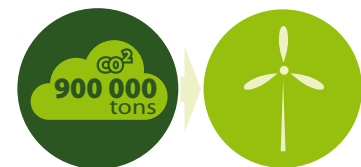
Market development for Climate Bonds

EIB Climate Awareness Bonds (CABs) raise funds from fixed income investors to support our lending for renewable energy and energy efficiency. 2013 was a record year for CAB issuance - we issued our largest annual volume ever, EUR 1.4bn. The EUR 650m CAB, first launched in July 2013, was subsequently increased to the size of EUR 1.15bn by year end, making it the largest bond from a supranational borrower in the green bond market. With our first CAB issue back in 2007, we pioneered a strict earmarking approach. This entails the ring-fencing of proceeds in a dedicated liquidity portfolio, safeguarding the segregation of funds.



Climate adaptation in Turkey

A EUR 150m EIB loan to support afforestation in Turkey has covered the reforestation of 70 000 hectares of degraded forest and 30 000 hectares of rangeland, with erosion control measures on a further 190 000 hectares. An additional EUR 150m loan in 2013 provides further impetus to this project.



Harnessing the Baltic Sea wind to power German homes

When operational in 2014, "EnBW Baltic 2" will be the largest wind farm off the German Baltic Sea coast. It will generate electricity for around 340,000 households, avoiding the production of 900,000 tons of CO₂. We are lending up to EUR 500m to EnBW for this project; more than 40% of the total cost.



Supporting the next generation of eco-friendly cars

A EUR 400m EIB loan is financing Renault's R&D to develop a new generation of efficient, affordable and environmentally friendly cars. The EIB has lent almost EUR 1bn to Renault since 2009 for R&D for electric vehicles and conventional powertrains.



Contributing to a healthier food industry

We lent EUR 45m to the Puratos Group, a Belgian-Spanish family-owned group, active in the production and commercialisation of ingredients for the bakery, patisserie and chocolate sector. Puratos' new R&D programme aims to reduce the fat, sugar and sodium content of its ingredients to render sweet treats healthier.

SUSTAINABLE INNOVATION

Dual approach to innovation

Innovation at the EIB Group is based on a dual approach: stimulating it through our lending in key enabling sustainable technologies and innovating ourselves in our financial products. In 2013 we have financed the entire innovation cycle to the tune of EUR 17.2bn, from fundamental research to commercialisation, via prototyping and testing, and finally the growth phase, offering technical assistance at each point of the cycle.

Boosting cancer treatment research

The EIF and Cancer Research Technology (CRT) launched the third investment made by the GBP 50m Cancer Research Technology Pioneer Fund to bridge the gap between cancer drug discovery and early treatment development. This new investment allows for the development of drugs, and will fund early clinical trials.

Financing innovative Mid-Caps

We launched a new instrument specifically targeting innovation financing for medium-sized companies in Europe. The Growth Finance Initiative (GFI) provides loans of up to EUR 25m to mid-cap companies focusing on industry sectors that heavily rely on research, development and innovation (RDI). The first loan under the new scheme was signed in November with the Belgian company EVS. EVS' annual RDI investments generally constitute between 15-20% of the company's revenues and about half of its ca. 500 employees work in the R&D department.



TRANSPARENT, ENGAGED & ACCOUNTABLE

10 Performance Standards

A new development to render our loans more sustainable and transparent: we apply 10 Environmental, Climate and Social Standards to all regions, for all types of financing, to the whole project and throughout the entire project cycle. It helps us to assess the impacts and risks of the project. It also enables our clients to improve their sustainability performance through implementation of sound environmental and social practices, transparency and accountability.

Human Rights fully incorporated

The revision of our 'Environmental and Social Guidelines' resulted in these 10 Performance Standards and further integration of Human Rights considerations into our project cycle, on the basis of the UN framework for business and human rights. Our strict adherence to our revised guidelines helps ensure that the financial returns of a project can never be of more importance than the environmental and social aspects.

Reinforcing transparency by joining IATI

We have joined the International Aid Transparency Initiative (IATI), a voluntary, multi-stakeholder initiative that seeks to make information about aid and development finance easier to access, use and understand for a larger public.



Human Rights implications: Roma families' resettlement

The EIB Group has been fully engaged with multiple stakeholders in relation with the planned resettlement of Roma families as part of the EIB-financed Belgrade Sava Bridge Project in Serbia. The EIB ensures that project activities are in line with the EU and international human rights standards. We are collaborating with the families, the City of Belgrade and other relevant institutions to improve living conditions.

Zero tolerance on fraud and corruption

The EIB has been shifting its Fraud and Corruption approach from reactive to proactive since 2010. As the financing institution of the European Union, the Bank and its staff have a duty to adhere to the highest integrity, ethical and professional standards, which are a primary feature of an appropriate business conduct, both in the relation with our colleagues and in our activities. During the year, the Group registered 92 new allegations and worked on a total of 198 cases, of which 72 were closed.



198

Our approach to sustainability is shaped by our specific skills and expertise as a financial EU institution, our contribution to sustainable growth, our commitment to transparency and our engagement with stakeholders. Reviews of our performance by sustainability research and rating agencies help us to improve our strategy and policies.



Position: 1 (out of 6 financial peers: MDBs)

'EIB has a strong and detailed environmental policy (...). EIB adopted a policy on green procurement and detailed environmental and social standards in its credit and loan activities.'



Prime Status

Best-in-class status awarded to companies demonstrating strong commitment to environmental and social issues.



The EIB Group consists of the European Investment Bank and the European Investment Fund.

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