CORPORATE

EIB Group **Carbon Footprint** Report 2017

GHG emissions resulting from EIB Group internal operations

EUROPEAN INVESTMENT FUND

European Investment Bank

60 years

The EU bank

ABOUT THIS REPORT

Carbon Smart has been commissioned by EIB Group to calculate the carbon footprint of all head office locations for its 2017 Environmental Report. This report provides the EIB Group and its stakeholders with a detailed account of the carbon footprint arising from the Group's head office operations in Luxembourg. It has been prepared following interviews with key EIB Group personnel, a review of internal and external documentation, interrogation of source data and data collection systems including comparison with the previous years' data.

This report provides a comprehensive breakdown of EIB Group carbon emissions arising in 2017 from all head office operations, as well as a comparative analysis of performance in relation to previous years dating back to EIB Group's baseline year in 2007. All data collected and analysed within this report has followed the World Resources Institute (WRI) GHG Protocol principles of relevance, completeness, consistency, transparency and accuracy.

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Please note that, throughout this report, all reported EIB Group consumption and emissions figures have been rounded to whole numbers for presentational purposes. However, the calculated percentages shown are based on the unedited performance figures and may therefore appear to differ due to the rounding of decimal places.

The EIB Group

The EIB Group provides finance and technical assistance to achieve sustainable, inclusive growth through two complementary entities, the European Investment Bank (EIB or 'Bank') and the European Investment Fund (EIF). The EIB Group is the European Union's long-term financing institution.

The **European Investment Bank (EIB)** is the EU bank. The world's largest multilateral borrower and lender, it is the only bank owned by the EU Member States. The finance and assistance we provide contribute towards the achievement of EU policy goals. We also operate globally as a multilateral development bank. The EIB Institute is part of the Bank. It is dedicated to promoting European initiatives for the common good through social, cultural, educational and research activities. This includes reducing inequalities, enhancing knowledge and innovation and fostering cohesion across Europe.

More background information about the EIB may be found on the website www.eib.org.

The **European Investment Fund (EIF)** specialises in risk finance to benefit micro, small and medium-sized enterprises (SMEs) and stimulates growth and innovation across Europe. It provides finance and expertise for sound, sustainable investment and guarantee operations. EIF shareholders include the EIB, the European Commission, and a wide range of public and private banks and financial institutions. By developing and offering targeted products to its financial intermediaries, such as banks, guarantee and leasing institutions, micro-credit providers and private equity funds, the EIF enhances access to finance for SMEs.

More background information about the EIF may be found on the website www.eif.org.

The EIB Group first calculated its carbon footprint in 2007, adopting a 20-30% reduction target from this baseline to 2020. This was consistent with the European Commission target for 2020 of a 20% reduction in EU greenhouse gas emissions from 1990 levels (with an 8% reduction to be achieved between 2008 and 2012 as agreed under the Kyoto Agreement). For Luxembourg, the National Emissions Reduction target was set at 28% by 2012 based on its relative wealth at the time.

The EIB Group's commitment to measure and manage its footprint is consistent with the Bank's environmental and social policies, principles and standards for the projects it finances. Through understanding our carbon footprint, we can identify and implement measures to reduce our emissions and track performance against target.

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This report has been prepared by Carbon Smart Ltd. On behalf of the European Investment Bank Group using data provided by EIB Group Services

Report dated: May 2018

1. EXECUTIVE SUMMARY

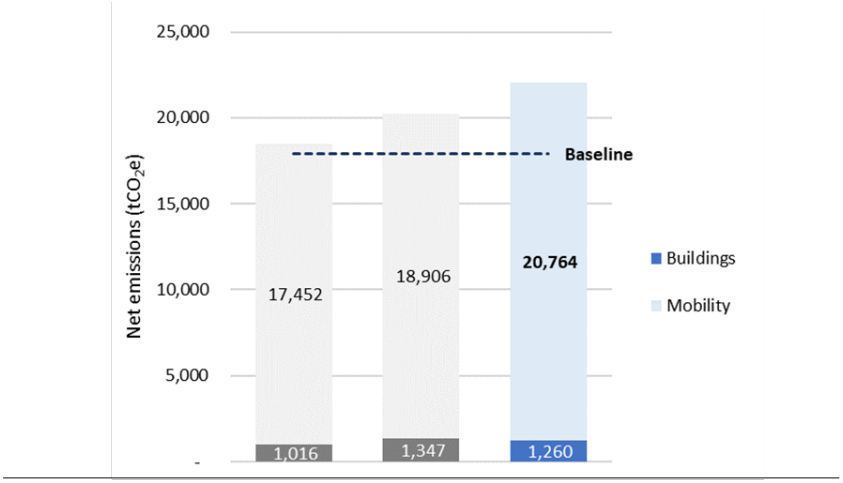
"Since 2007, EIB Group emissions intensity per employee has decreased by almost 50%"

	Net emissions	Total employees	Intensity per employee
	22,024 tCO_2e	3,682	5.98 tCO_2e
vs. 2016	+8.8%	+11.9%	-2.8%
vs. Baseline[1]	+22.8%	+145.3%	-49.9%

The EIB Group aims to lead by example in managing our environmental performance and disclosing the impact of our operations. We have been reported on the environmental impacts associated with our operations for over a decade. Over the past year, the continued growth in our business and employee numbers has created upward pressure on both business travel and buildings-related emissions, contributing to an 8.8% increase in total net emissions in 2017.

In absolute terms, although EIB group emissions are now 22.8% higher than in our baseline year, our employee numbers have more than doubled in the same period. Despite the continued growth in net emissions, last year saw a further 2.8% reduction in emissions per employee and we are pleased to report that the emissions intensity of the business has decreased by almost 50% since 2007.

Figure 1. EIB Group net emissions performance and trends



	2015	2016	2017	vs. 2016	vs. Baseline
Total net emissions (tCO_2e)	18,468	20,252	**22,024**	↑ 8.8%	↑ 22.8%
Employees	2,913	3,290	**3,682**	↑ 11.9%	↑ 145.3%
Emissions intensity (tCO_2e per employee)	6.34	6.16	**5.98**	↓ 2.8%	↓ 49.9%

[1] Baseline year is 2007. For all baseline figures, please refer to section 3.1 (Emissions by scope) of this report.

1.1. Celebrating over 10 years of environmental reporting

"The EIB Group has reported on the environmental impacts associated with its operations since 2007"

Over the last decade, the EIB has undertaken a number of initiatives to improve disclosure and reduce the environmental impact of its operations including:

2007

- **Completed BREEAM-IN-USE assessment** of the EKI building
- Implementation of **active light management systems**
- Removed local deskjet printers. Implemented "Follow me" printing system with automatic deletion of unreleased print jobs
- **Extended reporting scope** to include additional Scope 3 emissions sources, such as water and paper consumption
- **Approved implementation of EMAS in EIB Group Climate strategy**
- **Donation of obsolete ICT equipment** to charitable organisations, where appropriate
- **Implementation of Virtualisation technology** including renewal and consolidation of hardware to reduce energy consumed in data centres
- Optimisation of heating, ventilation and air conditioning (HVAC) systems with real-time adjustment to meet fluctuating demand
- Deployment of **instant messaging communications platform** to reduce travel between EIB buildings
- **Reduced emissions intensity per employee by almost 50%** since 2007

2017

1.2. 2017 Performance – key highlights and drivers:

"Despite an 11.9% increase in headcount, our total net emissions grew at the slower rate of 8.8%"

Continued growth in both business and net emissions

In 2017, EIB group headcount grew significantly, rising 11.9% to 3,682 employees, up from 3,290 in 2016. As a sizeable proportion of our carbon footprint is linked to employee numbers, this growth has contributed towards increased emissions from most sources within our reporting boundary.

Mobility emissions, such as business travel, owned vehicles and employee commuting account for 94.3% of EIB Group net emissions. As might be expected given the substantial increase in headcount, the total distance travelled across all forms of transport rose by 8.2% last year, contributing towards a 9.8% increase in mobility emissions.

Buildings-related emissions including purchased steam, natural gas and the consumption of paper, water and waste in our offices are also impacted by higher employee numbers. Although buildings energy consumption and emissions have increased in 2017, this is due to the full year occupancy in IAK and PKI Bloc C buildings, which were only occupied for part of 2016.

Continued growth in flights

The most significant increase in 2017 relates to flight emissions, which increased by 1,769 tCO_2e, followed by commuting (139 tCO_2e) and electricity (99 tCO_2e) both of which are linked to the increase in employee numbers. These emissions rises were offset by reductions in purchased steam, which benefited from more efficient supply, rental cars following improved data quality due to a reduction in paper use.

Reducing emissions intensity

Despite further increases to consumption and emissions following the growth of our business in 2017, we remain well ahead of our stated 2020 target to reduce relative emissions by 20-30%, even when accounting for the expansion of our reporting scope to include additional emissions sources and refinements to our methodology[2].

[2] Further information regarding the impact of methodological changes can be found in Appendix II: Methodology.

Looking ahead to 2018

To further broaden the scope of our current environmental management processes, in 2018 we will commence work on the implementation of an Environmental Management System (EMS) in accordance with the EU Eco-Management and Audit Scheme (EMAS)[3] as part of the EIB Climate strategy[4] approved by the Board of Directors in May 2017.

The successful implementation of an EMS in accordance with EMAS will reinforce systematic environmental review processes to better determine our environmental impacts (energy, waste generation, water use, etc.) and develop carbon reduction objectives and targets for further environmental improvement within the framework of an appropriate EMS. Offsetting and compensating through high quality, certified mechanisms will remain a feature in respect of the EIB Group's residual carbon emissions.

EMAS@EIB

[3] European Commission – Environment – Eco-Management and Audit Scheme: http://ec.europa.eu/environment/emas/index_en.htm

[4] EIB Climate Strategy: http://www.eib.org/infocentre/publications/all/eib-climate-strategy.htm?f=search&media=search

2. CARBON FOOTPRINT

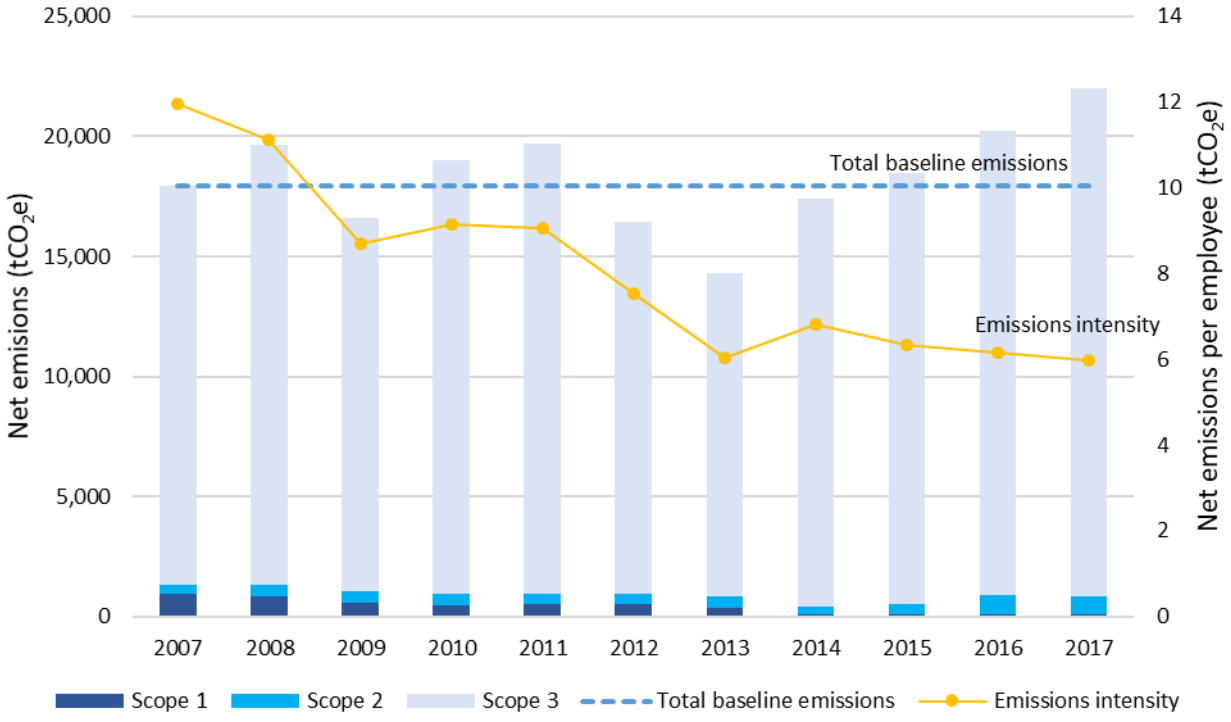
2.1. 2017 Performance summary

	Net emissions	Employees	Intensity per employee
	22,024 tCO_2e	3,682	5.98 tCO_2e
vs. 2016	+8.8%	+11.9%	-2.8%
vs. Baseline	+22.8%	+145.3%	-49.9%

In 2017, the number of EIB Group staff increased by 11.9%, whilst our total net emissions are growing at a slower rate of 8.8% to 22,024 tCO_2e. The continued growth of our business resulted in more business travel activity and notably more flights, which have risen concurrently. Several other emissions sources linked to employee numbers also increased in 2017, such as commuting and minibus emissions.

Despite continued growth in employee numbers creating an increase in total net emissions, we are pleased to report a further reduction in our emissions intensity, which fell by 2.8% to 5.98 tCO_2e per employee. Though EIB Group employee numbers have more than doubled since our baseline year, emissions intensity has almost halved in the same period and the continued reduction in the emissions intensity of our operations means we remain well ahead of our target to reduce relative emissions by 20-30% by 2020.

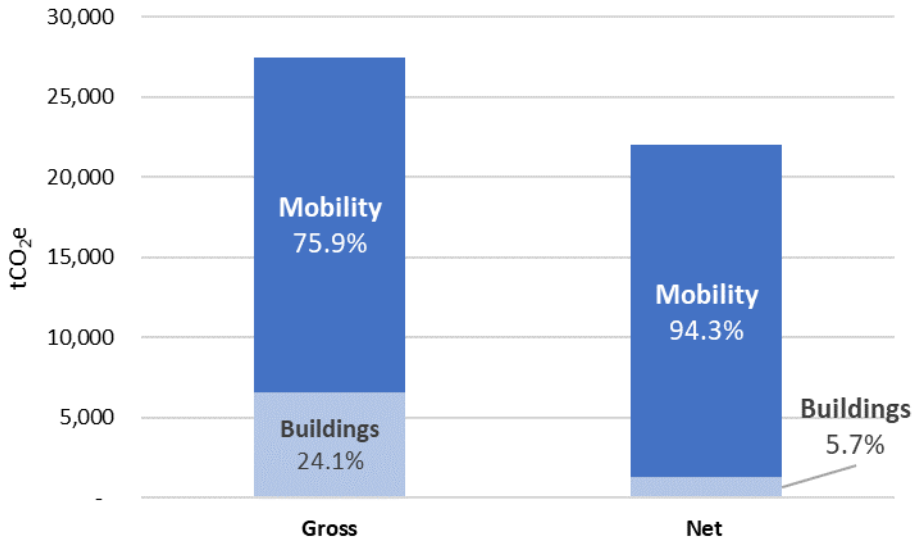
Figure 2. EIB Group net emissions over time (tCO_2e): Total emissions and relative emissions per employee



"Total net emissions are lower than total gross emissions as 100% of EIB Group electricity is purchased from renewable sources"

On a net basis, emissions relating to buildings usage account for just 5.7% of our overall footprint, with air travel the single largest contributor to total emissions on both a net and gross basis. Electricity is our second largest source of consumption, however, since all EIB Group purchased electricity is covered by green Guarantees of Origin (GOs) it is therefore reported as net zero emissions. On a gross basis, buildings related consumption accounts for 24.1% of overall consumption.

Figure 3. Percentage breakdown of net and gross emissions (tCO_2e)



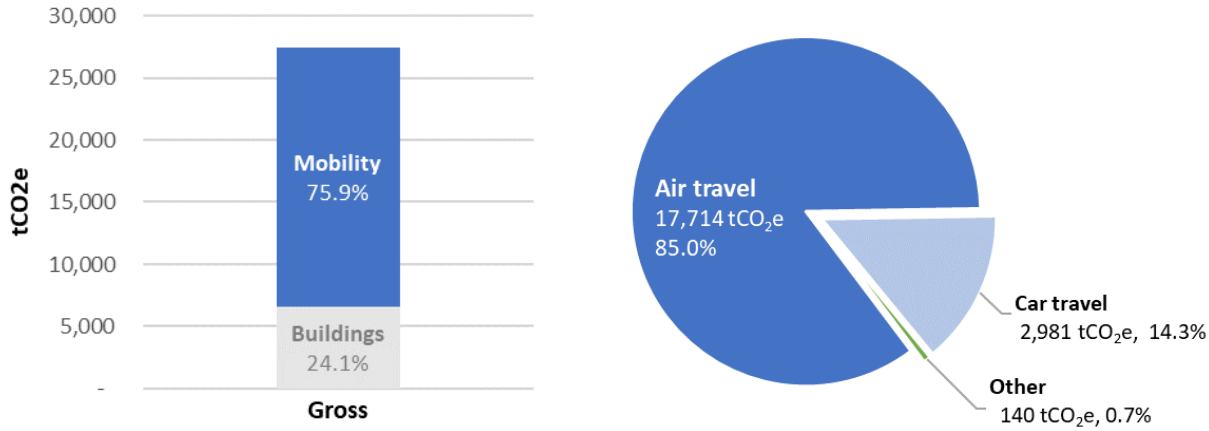
2.2. Mobility emissions

	Distance travelled	Vs. 2016	Gross emissions	Vs. 2016
Mobility	64,984 thousand km	+8.2%	20,835 tCO_2e	+9.8%

Given our role as a global financier, business travel is an unavoidable part of EIB Group business and mobility emissions are responsible for 94.3% of total net emissions and 75.9% of gross emissions. Of all EIB Group mobility emissions, air travel accounts for the majority (85.0%) followed by emissions from car travel (14.3%), which is primarily employee commuting (13.8%). The remaining mobility emissions sources are less significant, with courier, rail travel and minibus emissions combined accounting for less than 1%. Emissions from couriered shipments contribute less than 0.3% of emissions on a gross basis and, as these emissions are offset, they are treated as zero emissions on a net basis.

The EIB Group already has policies in place regarding travel classes to minimise emissions and cost. Our policy requires the consideration of alternatives to travel, including teleconferencing and videoconferencing whenever compatible with business interest. Staff are also encouraged to use sustainable means of transport in their daily commute through awareness raising initiatives and other practical measures, such as the provision of free bus travel cards.

Figure 4. Breakdown of mobility gross emissions by source



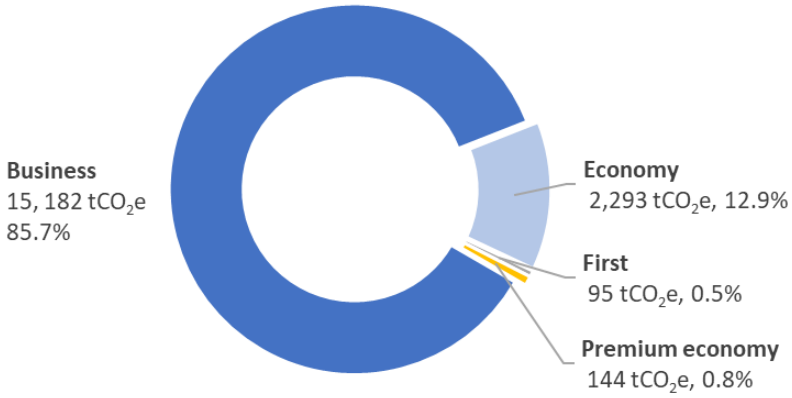
** Other mobility emissions are comprised of courier, 72 tCO_2e (0.3%), minibus 46 tCO_2e (0.2%) and train travel 22 tCO_2e (0.1%)*

2.2.1. Air travel

	Distance travelled	Vs. 2016	Gross emissions	Vs. 2016
Air travel	49,751 thousand km	+10.7%	17,714 tCO_2e	+11.1%

Following the continued growth of the business and employee numbers, air travel emissions rose again in 2017, with nearly 50 million kilometres travelled by EIB group staff (up 10.7% from last year). Associated emissions from air travel rose by 11.1%, broadly in line with the increase in distance, as we further refined our methodology to ensure the correct apportioning of additional DEFRA emissions factors. In 2015, DEFRA introduced international emissions factors for all non-UK flights whereas prior to 2016, emissions for all EIB Group flights were calculated as though they were to or from the UK. By using DEFRA's international flights emission factors, we are able to calculate air travel emissions more precisely and ensure granular reporting these emissions by flight class[5].

Figure 5. Air travel emissions by travel class



Most air travel emissions (85.7%) are attributable to longer distance business class flights with a smaller proportion (12.9%) arising from shorter distance economy flights. In 2017, we are also able to report emissions linked to premium economy and first-class flights, which together account for 1.3% of air travel emissions. That premium economy and first-class flights account for a very low proportion of overall air travel emissions provides some demonstration of the efficacy of our policies regarding travel classes, given the greater emissions intensity of these travel classes.

[5] For further details of the impact of this change, please see Appendix II: Methodology.

2.2.2. Car travel

	Distance travelled	Vs. 2016	Gross emissions	Vs. 2016
Commuting	12,901 thousand km	+5.9%	2,874 tCO_2e	+5.1%
Company cars	451 thousand km	-4.9%	62 tCO_2e	-10.4%
Rental cars	198 thousand km	-51.5%	45 tCO_2e	-50.9%

Car travel is the next most significant source of mobility emissions, accounting for 13.5% of EIB Group net emissions, most of which relates to employee commuting, which we have historically calculated based on the availability of parking spaces at EIB Group offices. The 11.9% increase in EIB Group staff and buildings occupancy has contributed towards this year's 5.1% increase in commuting emissions.

In recognition of the impact commuting emissions have on our overall footprint, in 2017 EIB Group participated in a mobility survey instigated by the VerkéiersVerbond[6], part of the Luxembourg Ministry of Sustainable Development, to determine the transport habits and future requirements of EU institution staff based in the Kirchberg area of Luxembourg City. The EIB Group participated alongside EU Institutions in an inter-institutional working group, collaborating with the VerkéiersVerbond to help shape future transport links, services and infrastructure in the Kirchberg area. The data collected from this survey and subsequent analysis will provide support and assistance for future planning decisions relating to roads, pedestrians, cycling and public transportation. Through our participation in this survey and engagement in the working group, we therefore aim to ensure the commuting requirements of our staff are adequately represented in the appropriate Forum. Following the results of the survey, we hope that subsequent planning decisions regarding the provision of cycling and public transportation alternatives may contribute towards a reduction in our commuting related emissions. Furthermore, the EIB Group also encouraged staff to participate in the other initiatives such as the Luxmobil[7] survey, which aims to map mobility across Luxembourg.

Emissions from EIB Group owned transport account for just 0.3% of overall net emissions. Each year, we strive to expand the coverage and transparency of our disclosure wherever possible. 2017 is the second year we have included emissions from rental cars used for business travel. Although they account for a small proportion of overall net emissions, the inclusion of rental car emissions provides a more complete disclosure of emissions from car travel. Additionally, we have improved data quality for rental cars this year, recording distance travelled rather than spend data.

[6] VerkéiersVerbond: https://www.mobiliteit.lu/verkeiersverbond/verkeiersverbond-cest-quoi
[7] For more information on the Luxmobil survey, visit www.luxmobil.lu

2.2.3. Other mobility emissions

	Consumption	Vs. 2016	Gross emissions	Vs. 2016
Courier[8]	14,805 shipments	-3.0%	72 tCO_2e	-3.0%
Minibus	94 thousand km	+19.3%	46 tCO_2e	+23.7%
Train	1,574 thousand km	-18.5%	22 tCO_2e	-17.1%

All other mobility emissions (courier shipments, minibus and rail travel) account for just 0.3% of net emissions and 0.5% of gross emissions. Courier shipments decreased slightly in 2017, however these emissions are offset and do not contribute towards our overall net footprint. Emissions from the minibus rose significantly in 2017, partly attributable to the increase in employee numbers, and due to the expanded route to cater for additional EIB Group buildings (IAK and the expansion of PKI) which had their first full year of occupancy this year. This year also saw decrease in the total distance and emissions relating to train travel, which account for just 0.1% of overall net emissions.

[8] Couriered shipments are offset and are treated as zero emissions on a net basis.

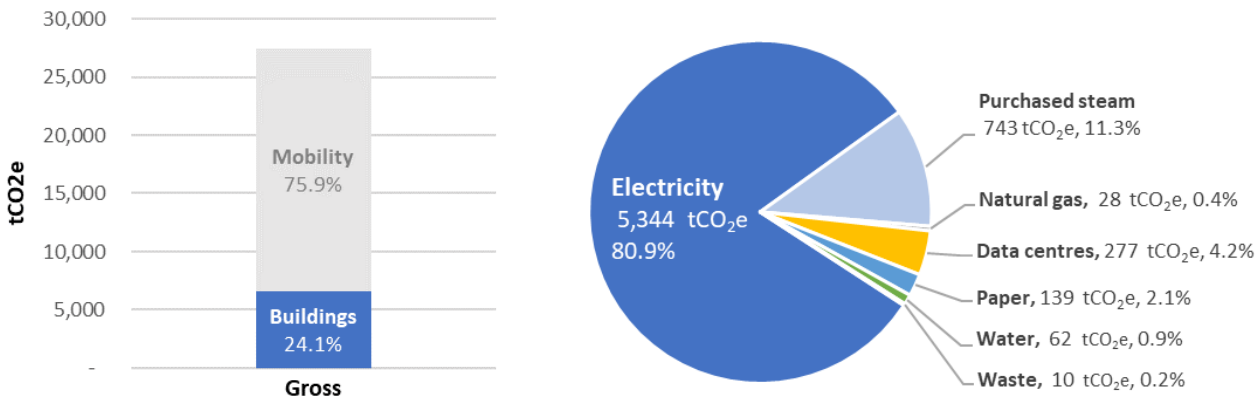
2.3. Buildings emissions

"Since 2009, 100% of EIB Group electricity consumption has been provided by renewable energy sources"

Almost a quarter (24.1%) of EIB Group gross emissions relate to buildings usage, with electricity consumption responsible for 80.9% of all buildings related emissions. As all EIB Group purchased electricity is covered by green Guarantees of Origin (GOs), it is therefore reported as net zero emissions and thereby reducing the buildings-related proportion of overall net emissions to just 5.7%.

Buildings electricity consumption is our second largest source of consumption after air travel and represents our single greatest area of influence. On a net emissions basis, purchased steam used for heating is our largest buildings-related emissions source, contributing 743 tCO_2e in 2017. Other sources of buildings-related consumption including natural gas, paper, water, waste and data centre emissions are comparatively modest, accounting for just 2.3% of net emissions and 4.2% of gross emissions.

Figure 6. Breakdown of buildings gross emissions by source



2.3.1. Electricity

	Consumption	Vs. 2016	Gross emissions	Vs. 2016
Electricity	18,855 MWh	+9.2%	5,344 tCO_2e	+1.9%

Electricity consumption in our office buildings increased significantly in 2017, largely due to the first full year occupancy of IAK, and PKI Bloc C buildings to accommodate additional staff. Electricity emissions increased at a slower rate due to the ongoing decarbonisation of the Luxembourg grid. Despite the additional electricity consumption from IAK and PKI Bloc C, we are pleased to report reduced consumption at our main campus buildings (WKI and EKI). Minor consumption increases occurred at the BKI and BLB buildings and at the SKI training centre, although the contribution of these buildings towards overall buildings consumption is very limited.

Table 1. Electricity consumption by building (MWh)

Building	2016	2017	Variance
WKI	7,279	**7,169**	-1.5%
EKI	5,502	**5,486**	-0.3%
IAK	1,230	**2,771**	+125.3%
PKI	1,641	**1,772**	+8.0%
BLB	1,328	**1,347**	+1.4%
BKI	202	**222**	+9.6%
Creche	82	**81**	-1.9%
SKI	7	**7**	+6.8%
Total	17,271	**18,855**	+9.2%

Where reductions have been reported in 2017, they can be attributed to our continued focus on buildings energy management systems, including:

- Ventilation systems management and optimisation, including real-time alignment of heating and cooling system consumption to meet fluctuating demand;
- Lighting management systems;
- Use of virtualisation technology and outsourcing server equipment in external data centres supporting more environmental and cost-efficient operation.

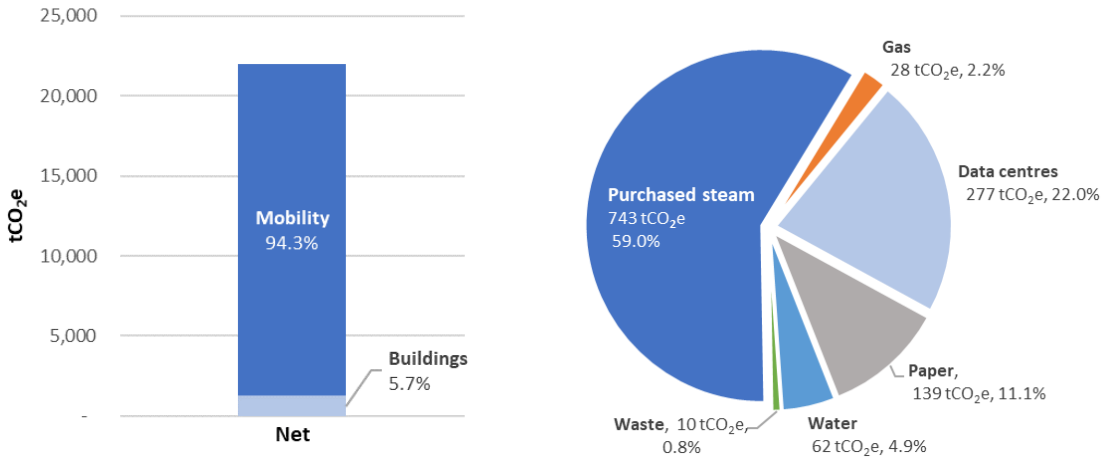
2.3.2. Purchased steam

"By switching supplier, we reduced the emissions intensity of purchased steam at our BLB building by more than 70%"

	Consumption	Vs. 2016	Gross emissions	Vs. 2016
Purchased steam	14,736 MWh	+10.4%	743 tCO_2e	-6.9%

Purchased steam is the most significant source of buildings-related emissions on a net basis, accounting for 3.4% of our overall footprint and 59.0% of all net buildings-related emissions. In 2017 consumption increased partly as result of the full year occupancy of both IAK and PKI Bloc C buildings and, based on a review of Heating Degree Days (HDDs) for Luxembourg, 2017 was also 6.0% colder than last year and therefore more heating would have been needed this year to maintain ambient temperatures. Despite the increase in consumption, overall emissions from purchased steam fell due to significant reduction in the emissions intensity of our supply at BLB (down to 66 gCO_2/kWh from 226 gCO_2/kWh).

Figure 7. Breakdown of net buildings-related emissions by source



Further reductions in purchased steam emissions from other EIB Group buildings are expected in 2018 with the conversion of supply from gas-only combustion to biomass. Once implemented, using wood pellets as a renewable fuel will enable our purchased steam to be treated as zero emissions on a net basis thereby contributing to a further reduction in our overall footprint.

2.3.3. Other buildings-related emissions

	Consumption	Vs. 2016	Gross emissions	Vs. 2016
Data Centres	979 MWh	+2.5%	277 tCO_2e	-4.3%
Paper	150 tonnes	-12.8%	139 tCO_2e	-13.9%
Water	58,493 m^3	+5.9%	62 tCO_2e	+5.9%
Natural gas	155 MWh	+0.3%	28 tCO_2e	+0.3%
Waste	717 tonnes	+2.7%	10.3 tCO_2e	-6.4%

Data centres and paper consumption represent the next largest buildings-related emissions sources at 22.0% and 11.1% respectively, with waste, water and natural gas accounting for 7.9% combined. EIB Group continue to identify and implement initiatives to improve disclosure and reduce consumption.

2.3.4. Data centres

Emissions from data centres are accounted for within Scope 3 emissions, as the data centres are not owned or operated by EIB Group, but they hold data associated with the activities of the Group. This year, whilst total consumption increased slightly, associated emissions were reduced by 4.3% following a reduction in electricity emissions factor for Luxembourg.

2.3.5. Paper

EIB group has undertaken several measures to reduce paper consumption in recent years, including the removal of all local Deskjet printers in 2015 and the implementation of the "follow-me" printing system where users can print to a shared print queue/device and jobs are automatically deleted if not released within 24 hours. We are therefore pleased to report a 12.8% reduction in overall paper consumption in 2017, despite the increase in headcount.

2.3.6. Water

Water consumption across our office locations has also increased by 3,284 m^3 and is largely driven by increased headcount and the full year occupancy of IAK and PKI Bloc C buildings in 2017. Following an 11.9% increase in headcount, our water consumption increased approximately half this rate (5.9%).

2.3.7. Natural gas

Only two sites across the campus report a small amount of natural gas consumption, with purchased steam used to heat the majority of EIB Group buildings. This year saw a minor increase in consumption from 154,550 kWh to 155,085 kWh.

2.3.8. Waste

The total volume of waste disposed increased by 2.7% in 2017 although we are pleased to report that differences in the distribution of waste by disposal method resulted in a 6.4% decrease in waste emissions. Both general waste for incineration and paper waste – two of our largest waste types reduced in 2017, however this was offset primarily by an increase in organic waste.

Table 2. Waste emissions and activity data

Type	Treatment	Volume (tonnes)	tCO_2e
Mixed	Incineration	148.5	3.2
Organic	Compost	333.1	2.0
Paper	Recycled	198.2	4.3
Glass	Recycled	14.8	0.3
Plastic	Recycled	17.4	0.4
Metal	Recycled	1.6	0.1
Wood	Recycled	3.2	0.1
Total		**716.7**	**10.4**
Excluding hazardous, WEEE and construction waste		*38.9*	*n/a*

3. ENVIRONMENTAL INDICATORS

3.1. Emissions by scope (tCO_2e)

	Emissions source	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Scope 1	**Natural gas**	28	28	24	0	297	399	433	329	464	743	833
	Company cars	62	70	58	69	75	96	103	112	107	99	100
Scope 2	**Electricity**	5,344	5,245	5,717	5,693	6,765	6,876	7,061	7,111	7,367	7,454	6,085
	Purchased Steam	743	798	421	354	485	459	390	502	490	374	249
	Cold supply										29	32
Scope 3	**Business travel (Flights)**	17,714	15,945	14,705	13,661	11,150	9,151	12,091	11,413	10,817	13,449	12,383
	Business travel (Rail)	22	27	19	16	13	17	40	0	41	40	24
	Minibus	46	38	32	27	56	52	141	130	130	270	270
	Commuting	2,874	2,735	2,638	2,701	2,042	6,190	6,369	6,369	4,407	4,363	3,749
	Courier	72	74	70	70	70						
	Rental cars	45	92									
	Water	62	58	50	47	50						
	Waste	10	11	11	13	10	-6	-2	-4	0	-1	0
	Paper	139	162	105	73	106	83	115	146	120	227	200
	Data centres	277	290	405	422							
Totals	**Total Scope 1**	**91**	98	82	69	372	495	536	441	570	842	933
	Total Scope 2	**6,087**	6,042	6,137	6,047	7,249	7,335	7,451	7,613	7,857	7,857	6,366
	Total Scope 3	**21,262**	19,430	18,035	17,030	13,496	15,488	18,755	18,055	15,515	18,348	16,626
	Total Gross emissions	**27,439**	25,570	24,254	23,146	21,118	23,317	26,741	26,109	23,943	27,047	23,926
	Electricity (Green Tariff)	-5,344	-5,245	-5,717	-5,693	-6,765	-6,876	-7,061	-7,111	-7,367	-7,392	-5,993
	Courier	-72	-74	-70	-70	-70						
	Total Net emissions	**22,024**	20,252	18,468	17,383	14,283	16,441	19,681	18,998	16,576	19,656	17,932
	Annual variation	+8.8%	+9.7%	+6.2%	+21.7%	-13.1%	-16.5%	+3.6%	+14.6%	-15.7%	+9.6%	
Intensity	**Employees**	**3,682**	3,290	2,913	2,556	2,369	2,185	2,175	2,079	1,906	1,769	1,501
	Net emissions per employee	**5.98**	6.16	6.34	6.80	6.03	7.52	9.05	9.14	8.70	11.11	11.95

3.2. Net emissions by type

To provide further visibility for our carbon footprint, we report a series of emissions intensities to illustrate emissions per employee. In doing so, we are able to demonstrate that whilst EIB Groups carbon footprint has increased in absolute terms, this is to be expected given the substantial growth in our business over the last 10 years. By looking at emissions intensities per employee, we see our relative impact has reduced considerably, and we are significantly ahead of our stated target to achieve a 20-30% reduction in relative emissions by 2020.

Figure 8. Net emissions intensities (tCO_2e) per employee: Mobility and energy

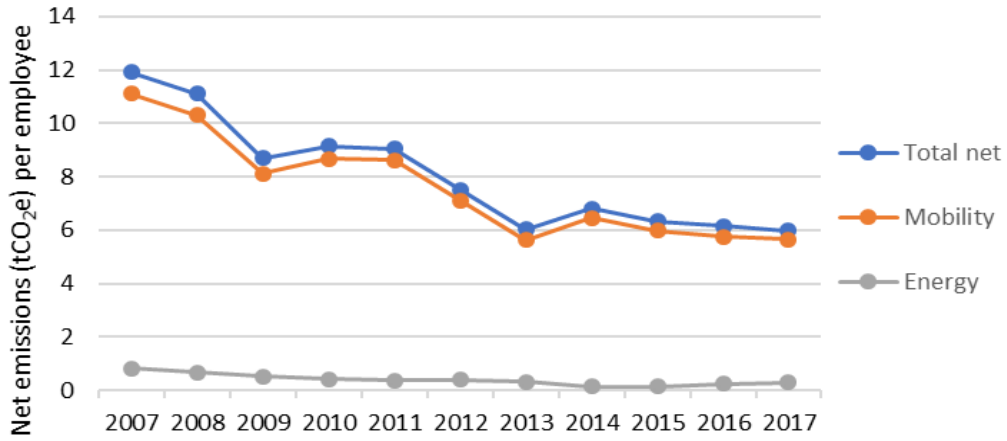
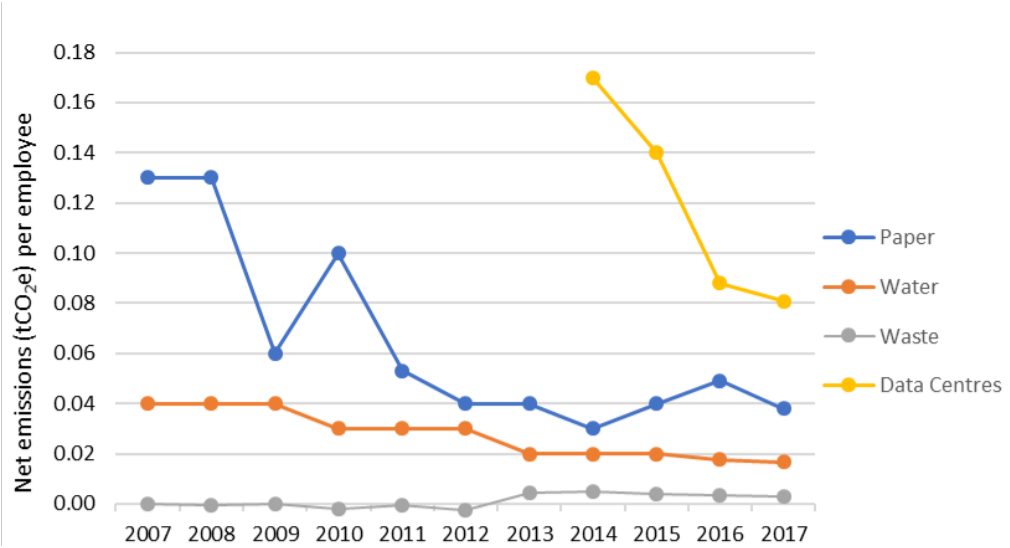


Figure 9. Net emissions intensities (tCO_2e) per employee: Other buildings emissions sources



As with similar organisations across financial and professional services sectors, buildings-related emissions are restricted to office-based consumption and the principal determinant of our overall footprint is our mobility emissions. In subsequent reporting years, we intend to explore alternative means of contextualising our carbon footprint to better gauge our performance. We will seek to introduce additional metrics that can be used to assess our environmental performance and focus our efforts on delivering initiatives that will avoid, mitigate or reduce the impacts associated with our business.

APPENDIX I: Organisational and operational boundary

Organisational boundary

The organisational boundary defines the businesses and operations that constitute the company for the purpose of accounting and reporting greenhouse gas emissions. Companies can choose to report either the emissions from operations over which they have financial or operational control (the control approach) or from operations according to their share of equity in the operation (the equity share approach).

The EIB Group's carbon footprint uses the operational control approach. As such, it includes the Group's head office operations in the Kirchberg district of Luxembourg City where it operates several office facilities, an occasional use training centre and Creche facility. External offices are not included due to their small size and difficulties obtaining consistent data. It is assumed that the impact of these offices is likely to be non-material, although further efforts will be made in subsequent reporting years to understand the environmental impacts of our international subsidiary offices.

Operational boundary

Defining the operational boundary involves identifying emissions associated with its operations, categorising them as either direct and indirect emissions. Companies choose the scope of accounting and reporting for indirect emissions.

The following definitions are used:

Direct GHG emissions

- **Scope 1:** emissions from sources that are owned or controlled by the reporting entity (i.e. any owned or controlled activities that release emissions straight into the atmosphere).

Indirect GHG emissions:

Indirect emissions result from an organisation's activities but are sources that are owned or controlled by another entity. These are classified as:

- **Scope 2:** Indirect GHG emissions from the consumption of purchased electricity, heat, steam or cooling.

- **Scope 3:** Indirect GHG emissions from other activities. A detailed Standard exists that sets out the rules for 15 categories of Scope 3 emissions[9].

[9] For more details, see Figure 10. EIB Group Organisational and operational boundary below.

The operational boundary for EIB's carbon footprint report includes the following:

- **Scope 1:** Natural gas combusted in boilers to heat EIB buildings and used in the co-generation plant to generate heat and power, and transport fuel used to run vehicles owned by the EIB. There are no relevant fugitive emissions because air conditioning systems use ammonia.

- **Scope 2:** Purchased grid electricity (from green tariffs) and steam used for power in the properties (lighting, air conditioning, small power, elevators, etc.).

- **Scope 3:** Transport fuel and power used by air and rail transport operators for EIB business travel, by the outsourced mini-bus service that operates between the Luxembourg sites and by employee-owned vehicles for commuting to and from work; emissions from waste management operations due to incineration or recycling of waste generated by the EIB; emissions from energy consumption in external data centres that store EIB data; and, emissions generated in the production of office paper purchased by the EIB.

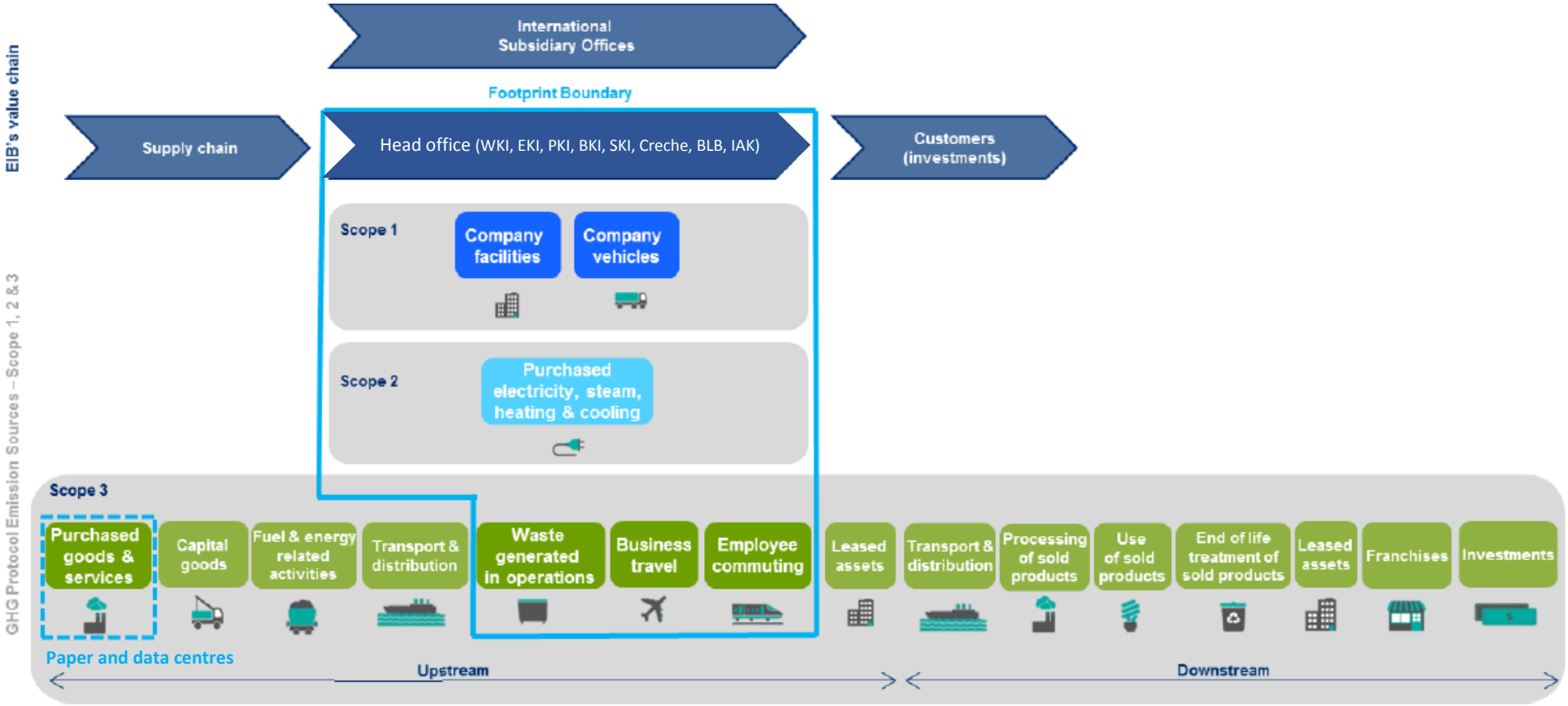
In pursuit of continual improvement, the EIB Group reviews its footprint boundary annually and regularly looks for opportunities to expand its scope of reporting, especially in the area of scope 3 emissions. In 2017, the EIB Group increased the frequency of its internal emissions reporting and improved the data quality and methodology with respect to calculating rental car hire and air travel emissions. Looking forward, the EIB Group will continue to explore opportunities where possible, to expand its reporting scope, such as the inclusion of other emissions from business travel like hotels stays and conferences, the indirect emissions of recruitment drives and the emissions of external offices outside its main offices in Luxembourg where appropriate.

Reporting period covered

The reporting period covers 1 January 2017 to 31 December 2017.

Organisational and operational boundary diagram

Figure 10. EIB Group Organisational and operational boundary



APPENDIX II: Methodology

EIB Group carbon footprint analysis in 2017 follows the World Resources Institute GHG Protocol, consistent with the approach adopted in 2017. The GHG Protocol is recognised as the most widely used international accounting tool for government and business leaders to understand, quantify, and manage greenhouse gas emissions. It is an international standard used by a diverse range of organisations, including many in the banking sector, and it is widely accepted as best practice.

To calculate the GHG emissions inventory, we identified all relevant GHG emissions sources and collected activity data from the relevant Group services and applied the emission factors, calculating emissions from each source. This data was then aggregated to create EIB Group's total carbon footprint. The following sections set out the details of the process followed.

Emission sources and activity data

Activity data is a quantitative measure of activity that results in GHG emissions. The table below shows the activity data provided by the EIB Group for each emissions source. It is mainly primary data e.g. the amount of natural gas used for heating or the distance travelled by air, except commuting data, which is based on the average number of vehicles and average distance travelled. The activity data is also used as environmental impact indicators as per the GRI reporting framework.

Table 3. EIB Group activity data

Scope	Emissions source	Units	Resolution
Scope 1	Natural gas for heating	kWh	Monthly by site
	Owned vehicles	km	Monthly by vehicle
Scope 2	Purchased electricity	kWh	Monthly by site
	Purchased steam	kWh	Monthly by site
Scope 3	Business travel – Air	Passenger km	Quarterly by journey, incl. class and distance
	Business travel – Rail	Passenger km	Quarterly by journey, incl. class and distance
	Outsourced minibus	litres	Quarterly distance and fuel consumption
	Employee commuting	Parking spaces	Average space availability by month
	Couriers	Shipments	Quarterly figure
	Water	m^3	Monthly by site
	Waste	kg	Monthly by site, type, disposal method
	Paper consumption	Quantity	Monthly by paper size and type
	Data centres	kWh	Monthly by site
	Rental cars (New from 2016)	km	Biannual distance and expenditure by supplier

Emission factors

Emission factors are calculated ratios relating GHG emissions to a measure of activity at an emissions source. They are used to convert activity data to carbon emissions. Consistent with prior years, the emission factors represent carbon dioxide equivalent (CO_2e) wherever possible. They convert the impact of each of the six greenhouse gases covered by the Kyoto Protocol — carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF_6) – into a common unit of tonnes of CO_2e based on their Global Warming Potential (GWP). The GWP is a measure of how much heat the respective gas retains in the atmosphere over a given time horizon, based on the Intergovernmental Panel on Climate Change (IPCC) 100-years GWP coefficients. For all scope 3 fuel emission factors, the emission factors include emissions from direct combustion as well as upstream emissions of producing fuels (mining, excavation, and transportation).

Table 4. Annual variance of emissions factors by source

Emission source	Emission factor	Change vs. 2016	Data source
Natural gas	**0.182** $kgCO_2e$/kWh	-	EIB Group
Owned vehicles	**0.138** $kgCO_2e$/km	-5.71%	EIB Group
Electricity	**0.283** $kgCO_2$/kWh	-	IEA[10]
Purchased steam	**0.043** $kgCO_2e$/kWh **0.226** kgCO2e/kWh (BLB Jan - Mar) **0.066** kgCO2e/kWh (BLB from April 1st)	-70.8%	Ville de Luxembourg
Business travel – Air[11]	**0.138** to **0.552** $kgCO_2e$/Passenger km	+0.65%	Defra
Business travel – Rail	**0.012** $kgCO_2e$/Passenger/km	+0.91%	Defra
Outsourced minibus	**2.65** $kgCO_2e$/litre	-	EIB Group
Employee commuting	**0.182** $kgCO_2e$/km	-2.42%	Defra
Courier services	**4.830** $kgCO_2e$/shipment	-	DHL
Water	**1.052** $kgCO_2e/m^3$	-	Defra
Waste	**21.76** $kgCO_2e$/tonne **6** $kgCO_2e$/tonne (Organic recycled)	+3.6% -	Defra
Paper consumption	**928.6** $kgCO_2e$/tonnes	-1.1%	Defra

[10] International electricity emissions factors are no longer publicly available via Defra and are now sourced directly from the International Energy Agency (IEA).

[11] From 2015, Defra publish emissions factors for international flights not to/from the UK. Previously, all EIB Group flights reported as short-haul / long-haul flights to/from the UK regardless of destination. From 2017, all non-UK flights now use correct international flights emissions factors enabling more granular reporting by travel class.

Emissions inventory calculation

An inventory of GHG emissions by source was calculated by applying the emission factors to relevant activity data and aggregating the results to calculate EIB Group's absolute carbon footprint. A relative footprint was also calculated using employee numbers. Since 2014, the methodology for calculating numbers of employees was changed from an FTE (full time equivalent) basis to total number of contracted employees. In 2017, in addition to presenting aggregated results by Scope in accordance with the GHG Protocol, we also distinguish between "mobility" and "buildings-related" emissions to support communication of their comparative materiality within total emissions.

Data quality and completeness

Table 5. Data quality and assumptions by source

Scope	Emissions source	Activity Data	Assumptions applied
Scope 1	Natural gas	Primary data	-
	Owned vehicles	Primary data	Fuel efficiency conversion based on manufacturer's data
Scope 2	Purchased electricity	Primary data	-
	Purchased steam	Primary data	-
Scope 3	Business travel – Air	Primary data	-
	Business travel – Rail	Primary data	-
	Outsourced minibus	Primary data	Fuel efficiency conversion based on manufacturer's data
	Employee commuting	Inferred from average of available parking spaces	Average daily distance = 35km 220 days per year
	Couriers	Primary data	-
	Water	Primary data	-
	Waste	Primary data	All general waste is incinerated with heat recovery
	Paper consumption	Primary data	-
	Data centres	Primary data	-
	Rental cars (New)	Primary data	-

Poor: Priority for improvement **Satisfactory**: Could be improved **Good:** No change required

Impact of methodological changes

The table below shows the impact of methodological changes introduce by EIB Group since emissions were first reported in 2007.

Table 6. Impact of EIB Group methodological changes on gross emissions by source

Scope	Emissions source	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Scope 1	Natural gas											
	Company cars											
Scope 2	Electricity[12]		↓									
	Purchased Steam											
Scope 3	Air travel[13]	↑	↑									
	Train travel											
	Minibus											
	Commuting											
	Courier[14] *(since 2013)*					↑						
	Rental cars[15] *(since 2016)*	↓	↑									
	Water[16] *(since 2013)*					↑						
	Waste											
	Paper[17]		↑									
	Data centres *(since 2014)*[18]		↓		↑							

Key: ↓ Gross emissions reduced ↑ Gross emissions increased

[12] The 2016 IEA electricity emissions factor of 0.304 $kgCO_2$ is 22.3% less than the Defra factor of 0.391 $kgCO_2e$ used in 2015. Had IEA factors been used in 2015, reported gross emissions would have been 1,238 tCO_2e lower than the 5,717 tCO_2e gross emissions reported. This methodological change had no impact on EIB Group net emissions.

[13] The use of Defra international flights emissions factors in 2016 resulted in a slight increase in reported emissions that year. In 2017, the methodology was further refined to ensure correct apportionment of flights emissions factors linked to origin and destination, either to or from the UK, or international.

[14] The inclusion of courier shipments has increased EIB Group gross emissions by approximately 70 tCO_2e per annum since 2013, thought these are offset and therefore considered zero on a net basis.

[15] Rental car emissions were first reported in 2016, increasing EIB Group net emissions by 92 tCO_2e (0.5% of the overall net footprint). The data quality was improved in 2017 by using distance travelled rather than spend data.

[16] The introduction of water emissions in 2013 has increased EIB Group net emissions by approximately 50 tCO_2e per annum over and above baseline emissions.

[17] The inclusion of paper types and sizes in 2016 additional to the standard A3 and A4 sheets reported in previous years contributed an additional 6 tCO2e over and above baseline emissions.

[18] As per electricity, if data centre emissions in 2015 had been calculated using IEA factors directly rather than sourcing via Defra, they would have been 88 tCO_2e lower than the 405 tCO_2e reported.

Exclusions

EIB Group external offices are only partially included within scope insofar as air travel for these offices is booked via the central travel booking system and is therefore included within the reported air travel emissions. All other emissions sources for these offices are presently excluded from the scope of reporting due to a lack of data availability. Further efforts will be made in subsequent reporting years to understand the environmental impacts of our international subsidiary offices.

Hazardous waste, construction waste and waste electrical and electronic equipment (WEEE) is also excluded due to these waste streams being measured in volume (m^3) or units rather than weight (kg), which is needed to calculate emissions. Again, emissions from these waste streams are likely to be very small since total waste contributes only 0.05% of the total net carbon footprint. The EIB Group is committed to continually improving the data quality of reported data wherever possible and we continue to refine our methodology to improve the coverage and transparency of our disclosure.

Updates to previously published figures

None required.

APPENDIX III: Carbon Smart Opinion Statement

Carbon Smart's statement provides the European Investment Bank Group and its stakeholders with a third-party assessment of the quality and reliability of EIB Group's carbon footprint data for the reporting period 1 January 2017 to 31 December 2017. It does not represent an independent third-party assurance of EIB Group's management approach to sustainability.

Carbon Smart has been commissioned by EIB Group to calculate the carbon footprint of all head office locations for its 2017 Environmental Report. Through this engagement, Carbon Smart has assured EIB Group that the reported carbon footprint is representative of the business and that the data presented is credible and compliant with the appropriate standards and industry practices. Data has been collected and calculated following the WRI GHG Protocol principles of relevance, completeness, consistency, transparency and accuracy.

Carbon Smart's work has included interviews with key EIB Group personnel, a review of internal and external documentation, interrogation of source data and data collection systems including comparison with the previous years' data.

Carbon Smart has concluded the points listed below:

Relevance

We have ensured the GHG inventory appropriately reflects the GHG emissions of the company and serves the decision-making needs of users, both internal and external to the company.

Completeness

EIB Group continues to use the operational control approach to define its organisational boundary. EIB Group calculate total direct Scope 1, 2 and major Scope 3 emissions, including upstream emissions for several Scope 3 emissions sources. Reported environmental data covers all employees and all entities that meet the criteria of being subject to control or significant influence of the reporting organisation.

Consistency

To ensure comparability, we have used the same calculation methodologies and assumptions as for the previous year except where stated otherwise. Any revisions or refinements to the methodology used and the impact of any such changes have been clearly stated in this report.

Transparency

Where relevant, we have included appropriate references to the accounting and calculation methodologies, assumptions and re-calculations performed.

Accuracy

To the best of our knowledge, all data presented within this report is considered accurate within the limits of the quality and completeness of the data provided by EIB group.

APPENDIX IV: GRI Standard Indicators

GRI 302: Reduction of energy consumption

Energy savings due to conservation and efficiency improvements have resulted in a decrease by 44.8% of the fuel and energy purchased by the EIB per employee since 2007, as shown in the following table.

Table 7. Energy consumption per employee

Energy source	2017	2007	Variance	% change
Natural gas (MWh)	155	4,041	-3,886	-96.2%
Electricity (MWh)	18,855	15,620	+3,235	+20.7%
Steam (MWh)	14,736	5,785	+8,951	+154.7%
Total (MWh)	**33,746**	**25,445**	+8,301	+32.6%
Number of employees	3,682	1,501	+2,181	+145.3%
Energy per employee (kWh)	**9,165**	**16,952**	-7,787	-44.8%

Within existing buildings, the EIB continues to conduct various technical optimisations to minimise energy wastage. These optimisations include:

- Regulation and distribution of heating and cooling systems (adapting consumption to demand in real time);
- Lighting management;
- Ventilation systems management;
- Maintenance of the Quality Label from SuperDrecksKëscht® fir Betriber for the EKI and WKI buildings (since 2007).

GRI 305: Reduction of GHG emissions

In addition to the energy saving measures described in the preceding section, the EIB has continued to maintain existing initiatives to further reduce its GHG emissions.

Aiming at 'carbon neutrality' for its energy supplies, the EIB has been buying 100% renewable energy (hydropower, biomass and wind) from its electricity supplier LEO SA. This has reduced the annual internal carbon emissions by an average of 6,154 tCO_2e each year since 2011.

GRI 306: Waste by type and disposal method

The EIB disposes of waste through the Luxembourg municipal authorities. Waste is sorted in-house to the extent possible so that it can ultimately be recycled. All unsorted waste is incinerated with energy recovery. Details of the quantities of waste by the official categorisation are shown in the table below.

The Luxembourg SuperDrecksKëscht® fir Betrieber green label was first awarded to the Bank for its internal waste recycling practices in 2007 and renewed annually to date for the East and West Kirchberg buildings. The criteria for obtaining the label are as follows:

- Motivation of all participants;
- Transposition of all measures for waste prevention;
- Visible and accessible collection sites;
- Safe and environmentally correct storage;
- Waste collection according to types;
- High quality and transparent waste recycling and disposal;
- Environmentally correct management.

The SuperDrecksKëscht® fir Betriber label is certified in accordance with the internationally accepted ISO 14024:2000 standard. This certificate comprises among other things the control procedures and requirements the inspectors have to satisfy. Thus waste management in the certified businesses fully meets the requirements for ISO 14024.

The table below discloses 2017 EIB Waste split in accordance to the European Waste Catalogue as per European Commission's Decision 2000/532/EC of 3 May 2000.

Table 8. Waste categories

Code CED	Official description of waste	Unit	2017	2016	2015	2014	2013	2012
08 01 11*	Waste paint and varnish containing organic solvents or other hazardous substances	kg	162	-	-	203	n/a	n/a
08 03 17*	Waste printing toner containing hazardous substances	kg	12,270	6,569	-	4,800	5,700	5,300
13 02 08*	Other engine, gear and lubricating oils	kg	-	19	-	29	61	-
15 01 01	Paper and cardboard packaging	kg	44,849	33,115	23,740	22,847	80,076	75,606
15 01 02	Plastic packaging	kg	4,194	2,573	1,358	1,721	1,335	406
15 01 02 15 01 04 15 01 05	Plastic packaging Metallic packaging Composite packaging	kg	9,586	9,077	9,376	7,880	n/a	n/a
15 01 03	Glass, insulation, wood, metal (related to works)	kg	2,405	-	-	-	-	-
15 01 06	Mixed packaging	kg	-	-	322	233	5,967	5,952
15 01 07	Glass packaging	kg	14,765	18,812	26,875	62,250	38,897	39,444
15 01 10*	Packaging containing residues of or contaminated by hazardous substances	kg	926	542	-	532	917	964
15 02 02*	Absorbents, filter materials (including oil filters not otherwise specified), wiping cloths, protective clothing contaminated by hazardous substances	kg	1,030	34	-	96	1,363	-
15 02 03	Absorbents, filter materials, wiping cloths and protective	kg	395	218	-	404	n/a	n/a

Code CED	Official description of waste	Unit	2017	2016	2015	2014	2013	2012
	clothing other than those mentioned in 15 02 02							
16 01 14	Glass, insulation, wood, metal (related to works)	kg	-	-	-	-	-	-
16 02 14	Discarded equipment other than those mentioned in 16 02 09 to 16 02 13	kg	19	652	728	-	215	-
16 02 16	Problematic wastes (e.g. paint, battery, filter)	kg	140	-	-	-	-	-
16 05 04	Problematic wastes (e.g. paint, battery, filter)	kg	141	-	-	-	-	-
16 06 01*	Lead batteries	kg	-	459	63	55	145	-
16 06 02*	Ni Cd batteries	kg	-	52	-	60	n/a	n/a
17 01 07	Glass, insulation, wood, metal (related to works)	kg	1,602	-	-	-	-	-
17 02 01	Glass, insulation, wood, metal (related to works)	kg	42	-	-	-	-	-
17 02 03	Plastic	kg	38	-	-	-	-	-
17 04 05	Iron and steel	kg	-	529	-	1,510	8 m3	-
17 04 07	Glass, insulation, wood, metal (related to works)	kg	47	-	-	-	-	-
17 04 11	Cables other than those mentioned in 17 04 10	kg	34	25	37	21	-	141
17 05 04	Soil and stones other than those mentioned in 17 05 03	kg	20	1,212	-	-	9	-
17 06 04	Insulation materials other than those mentioned in 170601 or 170603	kg	57	1,813	2,886	3,168	1,891	1,396
17 08 02	Glass, insulation, wood, metal (related to works)	kg	23	-	-	-	-	-
17 09 03	Other construction and demolition wastes (including mixed wastes) containing dangerous substances	kg	-	-	-	-	-	-
17 09 04	Mixed construction and demolition wastes other than those mentioned in 17 09 01, 17 09 02 and 17 09 03	kg	9,020	13,723	3,379	1,659	5,097	-
18 01 03*	Waste whose collection and disposal is subject to special requirements in view of the prevention of infection	kg	50	50	-	5	n/a	n/a
19 12 01	Glass, insulation, wood, metal (related to works)	kg	32	-	-	-	-	-
19 12 04	Plastic and rubber	kg	20	-	-	-	-	-
20 01 01	Paper and cardboard	kg	153,312	212,683	145,505	96,950	84,165	77,958
20 01 08	Biodegradable kitchen and canteen waste	kg	314,860	246,830	283,750	232,400	181,700	136
20 01 13*	Wastes whose collection and disposal is subject to special requirements in order to prevent infection	kg	-	8	-	24	n/a	n/a
20 01 19	Pesticides	kg	-	-	-	-	-	-
20 01 21*	Fluorescent tubes and other mercury-containing waste	kg	206	-	-	-	-	-

Code CED	Official description of waste	Unit	2017	2016	2015	2014	2013	2012
20 01 25	Edible oil and fat	kg	1,870	345	2,390	2,040	2,170	2,172
20 01 33*	Batteries and accumulators included in 160601, 160602 or 160603 and unsorted batteries and accumulators containing these batteries	kg	1,310	197	-	407	437	351
20 01 35*	Discarded electrical and electronic equipment other than those mentioned in 20 01 21 and 20 01 23 containing hazardous components(commercial)	kg	-	156	396	516	n/a	n/a
20 01 36	Electronic waste	kg	200	-	-	-	-	-
20 01 37*	Wood containing hazardous substances	m^3	260	-	70	180	n/a	n/a
20 01 38	Glass, insulation, wood, metal (related to works)	kg	519	-	-	-	-	-
20 01 39	Plastics	kg	3,574	2,920	2,164	2,408	1,554	1,438
20 01 40	Metals	kg	1,563	2,259	2,103	2,118	1,893	1,575
20 01 99	Glass, insulation, wood, metal (related to works)	kg	6,145	-	-	-	-	-
20 02 01	Biodegradable waste	kg	16,380	23,200	50	100	n/a	n/a
20 03 01	Mixed municipal waste	kg	153,808	169,183	214,331	331,900	137,550	136,500

[1] Any waste marked with an asterisk (*) in the list of wastes shall be considered as hazardous waste pursuant to Directive 2008/98/EC, unless Article 20 of that Directive applies.

CORPORATE

EIB Group **Carbon Footprint** Report 2017

GHG emissions resulting from EIB Group internal operations

European Investment Bank Group

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

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