

**Report by the Chair of TREF, Sarah Verth,
to the Finance Committee on 10 December 2025**

Since my report to the Finance Committee last June, TREF has met once, on 13 November, in hybrid mode. We were pleased to welcome new TREF members Mia Nikolić of Serbia and Igor Mandić of Slovenia, which joined CERN as a Member State on 21 June this year, as well as Jan-Paul Brouwer, the future Director for Finance and Human Resources, and Lisette van den Boogaard, the future Head of the Human Resources department, both of whom attended our meeting as observers. We also said our farewells to several people, beginning with two Member State representatives, namely Barbro Åsman of Sweden, who was also my predecessor as TREF Chair, and, in his absence, Miroslav Zotović of Serbia. As you know, Laurent Salzarulo's term of office as Chair of the Finance Committee comes to an end this month, so we also bade him farewell. Then, as CERN's current Management prepares to hand over the reins to the incoming team, we said our goodbyes to the Director-General, Fabiola Gianotti; the Director for Finance and Human Resources, Raphaël Bello; the Head of the Human Resources (HR) department, James Purvis; and the Head of the Experimental Physics department, Manfred Krammer. We also bade farewell to the Staff Association representatives, whose mandates end this year. Finally, this was the last meeting of TREF's technical secretary, Cécile Curdy, who moves on to a new role within the Organization next year. We thanked them all warmly for their tremendous contributions to TREF's work and wished them the very best.

The first item on our agenda was a presentation by Florian Sonnemann, Head of the Finance and Administrative Processes (FAP) department, on the personnel-related component of the 2026 cost-variation index. Based on the data on the net remuneration of civil servants received from EUROSTAT, the overall personnel budget index stands at 1.24%. The overall indices for 2026 will be submitted to the Finance Committee for recommendation today and to the Council for approval tomorrow. Dr Sonnemann's term of office as Head of the FAP department comes to an end this month and we thanked him for his many instructive presentations to TREF over the years.

Since November last year, TREF has heard regular updates on the ongoing reform of CERN's internal justice system, which is designed to ensure a more streamlined and professionalised approach to internal justice. This time, we were pleased to hear a presentation by Kathinka Hewitt, legal adviser and project lead in the HR department, of a set of proposed amendments to chapter VI of the Staff Rules and Regulations, which deals with dispute resolution and disciplinary procedures. The Staff Association indicated that, as well as being represented on the Internal Justice Working Group, it had reviewed the proposed amendments during the *concertation* process and supported them. TREF was fully satisfied with Ms Hewitt's explanations and unanimously supported the proposed amendments, which are on your agenda for recommendation today and, if approved by the Council tomorrow, will enter into force on 1 July next year. However, these amendments are not the end of the story. The Working Group is also drafting a new administrative circular, for publication in July, and is working on various organisational changes that will be implemented at the same time. TREF looks forward to receiving updates as the work progresses.

Next, we heard a progress report on the activities of the Standing *Concertation* Committee's Working Group on the Guarantee of Pensions and Health Insurance Coverage, presented by its Chair, Jean-Michel Favre of the Legal Service. The last remaining topic of those that the Working Group was set up to study is health insurance coverage for Pension Fund beneficiaries. Substantial progress has been made on this topic in the last three years, in particular with the approval by the Council, in December

2022, of the principle that health insurance coverage must be guaranteed, including in the event of the Organization's dissolution, until the death of the last member of the CERN Health Insurance Scheme. As it appears that a single foundation under Swiss law, as imagined by the Council years ago, would not be suitable to manage both the pension and the health insurance schemes, the Working Group has considered other solutions to ensure that, in the event of CERN's dissolution, the two schemes can continue to operate until the cessation of the rights of the last member. Following exchanges with various stakeholders, the Working Group has concluded that the most appropriate would be to maintain or establish an entity under international law to manage all aspects of the dissolution, including management of the pension and health insurance schemes and decommissioning of the scientific infrastructures. TREF was informed that the Working Group would reflect further on the arrangements to be put in place to implement this preferred option, with a view to preparation of the Management's proposals for submission to the Finance Committee and the Council in due course. TREF took note that work on this topic is continuing and looks forward to hearing updates on the progress made. As Dr Favre will be leaving CERN at the end of the year, this was his final presentation to TREF and we took the opportunity to thank him for his excellent leadership of the Working Group and for all his work on behalf of CERN over the years.

The next item on our agenda was a presentation by the CEO of the Pension Fund, Doug Heron. First, he presented an update on the activities of the Working Group on Factors and Parameters, which was established by the Director-General in 2021. TREF took note that, since the Council's approval of updated factors for early retirement and the purchase of additional periods of membership in December 2023, work has continued on young spouse reductions and transfer values. The Working Group aims to submit its proposals for updates to these factors to the Council in the course of 2026. Also in 2026, the Working Group will begin its review of some of the seven parameters identified by the Actuary in 2019. This second phase of the work is expected to be concluded in 2027 at the latest. Mr Heron then presented some potential amendments to the Pension Fund Rules and Regulations, relating to the non-concurrence of benefits and the method for the annual adjustment of pensions, as well as linguistic modifications relating, notably, to inclusive language. The intention is to finalise the proposals in 2026. TREF looks forward to hearing updates on all of these matters in due course.

TREF then heard a presentation on the final report on the 25 by '25 initiative to promote gender and nationality diversity, by the leader of the Diversity and Inclusion programme, Louise Carvalho. The printed report is available for FC members and Council delegates in the room adjacent to the Council Chamber and I would encourage you to take a copy if you haven't already. Steady progress has been made on diversity and inclusion since the appointment of CERN's first Equal Opportunities Officer in 1996, and 25 by '25, which marks the latest step in that journey, has played an instrumental role in helping this important area to flourish. We were pleased to hear that the initiative has been a great success, particularly with regard to gender diversity. The proportion of women among the employed members of the personnel currently stands at 24.7%, an increase of 3.3 percentage points since the initiative was launched, and women now represent 22.2% of new arrivals in STEM roles. On the nationality diversity side, progress is less easily measured, but a reduction in both the number and the size of clusters has been observed. Ms Carvalho emphasised that, although the initiative has now come to an end, efforts to recruit and to retain a diverse population of staff, fellows and graduates will, of course, continue. TREF congratulated all those involved in the 25 by '25 initiative on the excellent results achieved and looks forward to seeing CERN's gender and nationality diversity improve still further in the coming years.

Next, we heard two presentations from James Purvis, Head of the HR department, in preparation for the 2027 five-yearly review of financial and social conditions, which will begin next year. The first was an overview of the five-yearly review process, including the aims and framework of the review, the mandatory and optional components and the timeline. This was followed by a summary of the main decisions taken in the framework of the 2021 review. TREF has an important role to play in the five-yearly review and I will keep the Finance Committee informed as the exercise progresses.

Anne Capodici, leader of the Talent Acquisition group, then gave a presentation on the impact of the conscious hiring initiative one year after its launch. TREF was pleased to note that an increase in the number of hires from several poorly balanced Member States has been observed in the staff, graduate and student populations over the past year. The reasons for this are twofold. First, the number of applications from nationals of poorly balanced Member States has increased, thanks to significant outreach efforts made under the HR department's Talent Acquisition Strategy. And second, the implementation of the conscious hiring measures across the Organization has contributed to an improvement in the rate of conversion of applications to hires. Measurable effects are expected to emerge progressively as the conscious hiring initiative matures, and we look forward to hearing more on this topic in the future.

Finally, I'd like to give you an update on the activities of TREF's recently established Working Group on National Personnel Returns, which I also have the pleasure of chairing. You may remember that the Working Group's aims are to propose a definition of "balanced personnel returns", to examine the personnel statistics, in particular those pertaining to national return, and, having sought input from relevant stakeholders at CERN and in the Member States, to produce recommendations for TREF on how best to move forward. The Working Group has met three times in the second half of this year, and also continued its discussions at the November TREF meeting. The vast majority of our Member States are represented on the Working Group and it has been extremely interesting to hear their views on personnel return and to work towards a common understanding of the challenges, which differ from country to country, and the possible solutions. We will hold one more meeting in the new year and present our final report and recommendations to TREF thereafter. I will, of course, keep the Finance Committee informed of the Working Group's progress and look forward to sharing the results of our work with you in due course.

A record 22 Member States were represented at TREF's November meeting. This excellent attendance is particularly gratifying with the five-yearly review around the corner, and I very much hope that it will continue into 2026. The tripartite discussions between representatives of the Member States, the Management and the Staff Association that take place at TREF's meetings are an essential part of the five-yearly review process and TREF will therefore meet three times next year, instead of the usual two. Our next meeting will take place on 18 March, by videoconference, and will include reports on several important subjects relating to the five-yearly review, including staff recruitment and retention, the data collection process for salary comparison and comparator research institutions for graduates, as well as the Management's proposal concerning the financial and social conditions to be reviewed. I strongly encourage all delegations to send a representative to attend this important meeting.