

Equator Principles

Information about how the EPs is incorporated into your institution's internal policies and processes.

EIFO joined the [Equator Principles](#) in 2004. The Equator Principles provide a voluntary framework for assessing and managing environmental and social risks in transactions.

EIFO's process assuring Equator Principles compliance lies with EIFO's ESG department whose main responsibility it is to evaluate environmental and social risks. The ESG department follows our [ESG and sustainability policy](#).

The transactions in scope typically include buyer credit transactions over USD 100 million, and project finance transactions over USD 10 million.

In 2023, EIFO approved 6 Equator Principles projects in total. On one hand, 3 projects were project finance transactions, whereby 2 of them were classified as Category B projects and 1 was classified as a Category A project. On the other hand, 3 projects were related to project-related corporate loans, whereby 2 of them were classified as Category B projects and 1 were classified as Category C projects.¹

The main sector for EIFO's Equator Principles transactions is the wind power sector.

In all Equator Principles transactions, compliance with Equator Principles has been covenanted according to international standards. The projects are all subject to a minimum of annual monitoring during both the construction and operational phases.

Projects with expected high CO2 emissions are required under the Equator Principles to report publicly on the emissions. For large emitters, an alternative analysis is also required to evaluate fewer intensive alternatives.

EIFO implementation

The Equator Principles are part of EIFO's ESG Policy. EIFO's ESG department carries the overall responsibility for the implementation of the ESG policy, which is revised in alternate years, and is subject to approval by our Board.

The ESG department consists of 4 full-time environmental and social sustainability consultants and 1 part-time consultant, which form part of EIFO's Policy and ESG division. All 5 environmental and social sustainability consultants hold mandates as Equator Principles Reviewers.

¹ Under the Equator Principles, category A project are projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented; and category B projects are projects with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures. The seeming discrepancy between the OECD classification and the Equator Principles classification can be explained by the definitions of what constitutes an A project under each framework. The OECD Common Approaches includes an illustrative list of A projects and thus has a more nuanced definition of what constitutes an A project. Where a project is classified an A project under the OECD Common Approaches and a B under the Equator Principles, EIFO considers it a "B as appropriate" under the Equator Principles and hence applies guidelines for an A project under the OECD Common Approaches

The ESG department performs interpretation and application of international standards, including:

- › Equator Principles
- › The OECD Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence (The “Common Approaches”3)
- › IFC Performance Standards and EHS Guidelines › UN Guiding Principles for Businesses and Human Rights and UN Global Compact
- › Global Reporting Initiative (GRI)
- › Assessment of animal welfare conditions
- › Overall knowledge of national and international developments within the ESG field

Environmental and social sustainability is an integral part of EIFO’s risk assessment of transactions. EIFO’s internal environmental and social sustainability consultants always take part in EIFO deal teams. Based on the Environmental and social sustainability assessment, it is decided by the Board of Management whether the business transaction can be approved or not. An approval may be subject to certain conditions. The conditions attached to the approval will be incorporated into the loan agreement or alternatively a customer agreement.

Project Finance

		Number of Projects	
		Category A	Category B
Number of Projects		1	2
Region			
	<i>Americas</i>	0	0
	<i>Europe, Middle East & Africa</i>	1	2
	<i>Asia</i>	0	0
Sector			
	<i>Power</i>	1	1
	<i>Others</i>	0	1
EP Country Designation			
	<i>Designated Country</i>	1	1
	<i>Non-Designated Country</i>	0	1
Independent Review			
	Yes	1	2
	No	0	0

Project detail (Project Finance)

Project name	Sector	Project location	Classification (OECD/EP)	Reporting period (years, months)	Independent review
Ariano	Power	Italy	B/B	19,6	Yes
Baltic Power	Power	Poland	A/A	23	Yes
St Louis Hospital Project (CHN)	Others	Senegal	B/B	12,2	Yes

Project-Related Corporate Loans

		Number of Projects	
		Category B	Category C
Number of Projects		2	1
Region			
	<i>Americas</i>	0	0
	<i>Europe, Middle East & Africa</i>	2	1
	<i>Asia</i>	0	0
Sector			
	<i>Power</i>	1	0
	<i>Others</i>	1	1
EP Country Designation			
	<i>Designated Country</i>	2	1
	<i>Non-Designated Country</i>	0	0
Independent Review			
	Yes	1	1
	No	1	0

Project detail (Project-Related Corporate Loans)

Project name	Sector	Project location	Classification (OECD/EP)	Reporting period (years, months)	Independent review
EnBw	Power	Germany	B/B	15,6	Yes
Danish Crown	Others	United Kingdom	C/C	9	Yes
Cadeler	Others	Netherlands	B/B	8,5	No

This fulfills EIFO's requirement under the Equator Principles to report annually on transactions that were issued during 2023. Please contact EIFO's ESG department for further details on any of the above transactions.