



# ACTIVITY REPORT 2022



**EQUATOR**  
PRINCIPLES



# Foreword from the Chair



Welcome to the Equator Principles (EP) Association's first Annual Activity Report. This has been developed for EP Financial Institutions (EPFIs); it will be made public and shared widely as part of ongoing efforts to enhance our reporting and disclosure in line with our Strategy commitments. This report collates and comments upon reporting data submitted by EPFIs for the 2022 calendar year.

Our Strategy defines our ambition for the EP Association to grow and evolve. 2022 continued to see significant growth in the number of EPFIs, most especially in the Asia Oceania region. At the end of 2022 our membership had risen to 138 EPFIs head-quartered in 38 different countries, demonstrating the expanding reach of the Equator Principles across and within the markets that EPFIs serve. This growth is also reflected in the number of projects that are being financed under the Equator Principles. For example, the number of in-scope Project Finance and Project-Related Corporate Loans transactions in this latest reporting year (2022) was over 1,300 and up by 7% on the prior year. We have come a very long way since the EP Association was formed by ten founding members 20 years ago.

However, with growth come challenges, and a key focus in 2022 included efforts to evolve the structure and management of the EP Association to make it more professional, efficient and able to meet the demands of our increased size and reach. We continued work on changes to our Governance Rules and legal structure to help achieve this, and a key milestone in 2022 was the appointment of an Interim COO. This was our first professional leadership position within the Office of the Equator Principles, and a role that in 2023 transitioned into a long-term CEO role.

Throughout 2022 we also focused on maintaining and improving effective and consistent implementation of the Equator Principles. This has been supported through improvements to our annual EPFI reporting processes, the development of a number of detailed but practical guidance notes and tools for use by EPFIs and clients alike, and improved training materials for new EPFIs.

As the Association celebrates our 20-year anniversary, it is time to consider how we remain relevant as the gold standard for environmental and social (E&S) risk management for another 20 years. We remain vigilant to best position the EP Association to support our fast-growing membership against the backdrop of a rapidly evolving E&S risk landscape. I reflect on our many successes in 2022 and look forward to some exciting new changes for the Association in the coming years.

**Amit Puri**  
Equator Principles Association Chair  
and Global Head, Sustainable Finance,  
Standard Chartered plc



# About the Equator Principles

The Equator Principles (EP) apply globally, to all industry sectors and to five financial products:

- Project Finance Advisory Services
- Project Finance
- Project-Related Corporate Loans
- Bridge Loans
- Project-Related Refinance, and Project-Related Acquisition Finance

**Equator Principles Financial Institutions** (EPFIs) implement the Equator Principles through their internal environmental and social risk management policies, procedures and standards in order to align with the Equator Principles. EPFIs may (at their own discretion) choose to utilise the Equator Principles for additional financial products outside the scope of the Equator Principles.

The Equator Principles were initially launched in 2003, with the EP Association formally established in 2010. The Equator Principles have since become the financial industry gold standard for environmental and social risk management in projects. Financial institutions adopt the Equator Principles to ensure that the projects they choose to finance are developed in a socially responsible manner and reflect

sound environmental management practices. By doing so, negative impacts on project-affected ecosystems, workers and communities should be avoided where possible. If unavoidable, negative impacts should be reduced, mitigated and/or compensated for appropriately.

**The adoption of and adherence to the Equator Principles offers significant benefits to EPFIs, their borrowers and local stakeholders through their borrowers' committed engagement with locally affected communities.** Adopters should be able to better assess, mitigate, document and monitor the environmental and social risk associated with financing projects.

Additionally, the collaboration and learning on broader policy application, interpretation and methodologies between adopters, and with their stakeholders, helps knowledge transfer, capacity building, learning and best practice development. The EPFIs role as project-related advisers and financiers affords them opportunities to explain, promote and champion responsible environmental stewardship and socially responsible development. This positive influence is growing, which benefits EPFIs, people and the planet.

The Equator Principles are intended to serve as a common baseline and risk management framework for financial institutions to identify, assess and manage environmental and social risks when financing projects.



# Accountability

## Governance

## Strategy

## Management

## Reporting





# Governance

**Governance of the EP Association is set within the EP Association Governance Rules that are publicly available on the EP website.**

The Governance Rules define, *inter alia*:

- The process and requirements for adoption by prospective new members
- Ongoing requirements for EP Members (EPFIs)
- The overall management structure of the EP Association
- Decision-making processes.

All EPFIs commit to complying with the requirements under the Governance Rules. EPFIs are also required to pay an annual membership fee to cover costs incurred in the management, administration and development of the Equator Principles.

**The EPFIs have endorsed a high-level strategy statement that sets out the direction of travel for the EP Association over the next few years and demonstrates the collective willingness of the EP Association to continually improve.**

This Strategy guides the program of work and enables members and wider stakeholders to have a clear understanding of where the EP Association is headed and, as such, where it will focus its attention and resources. It is aspirational and ambitious and, most importantly, will be supported each year by tangible actions.

# Our Strategy

We, the Equator Principles Financial Institutions, believe that the financial sector has a critical role and responsibility in tackling the environmental and social challenges facing the world today. We have adopted the Equator Principles to have a positive impact on the projects we finance.

**Our ambition is for the Equator Principles Association to grow and evolve such that one day all projects globally are financed sustainably under this framework.**

As the world around us changes we recognise we must keep pace. We will actively strengthen our network through partnerships and collaborations, as well as expanding our membership and encouraging participation from all stakeholders that support the financial services ecosystem.

Our community is open and diverse.

We recognise that the principles can only be truly effective when they are consistently and robustly applied. Continuous training and development are key to maintaining standards and we will provide tools, materials and support to our members. We will enhance our reporting and disclosure requirements and strengthen our governance and accountability processes.

We must continue to work collaboratively and dynamically to manage impacts to climate, people and biodiversity.

Our vision is clear: The Equator Principles must be the authoritative environmental and social risk management framework across the financial services industry.



# Management of the EP Association

**The EP Association is the unincorporated association of member EPFIs whose object is the management, administration and development of the Equator Principles.**

Formed on 1st July 2010, the EP Association was instituted to ensure long-term viability and ease of management of the member EPFIs. It is governed by a Steering Committee, which comprises the Chair, Regional Representatives and Management Support, and a Trustee.

The Steering Committee is supported by a Secretariat. In addition, in July 2022, the Association appointed an Interim Chief Operations Officer (COO), and has transitioned this leadership to the appointment of a Chief Executive Officer (CEO) in 2023.

## EP Association Steering Committee

**The EP Association Steering Committee coordinates the administration, management and development of the Equator Principles on behalf of the member EPFIs.** The Steering Committee is elected by the members of the EP Association. Members of the EP Association Steering Committee (as at November 2022) are listed on the right.

### Chair

*Standard Chartered plc*

The role of the Chair of the EP Association Steering Committee is to provide co-ordination across the EP Association's Steering Committee, Working Groups and member institutions.

### Regional representatives

- Europe: *ING Bank N.V.*
- Latin America: *CIFI*
- Asia-Oceania: *Korea Development Bank*
- North America: *Citigroup Inc.*
- Middle East & Africa: *Mauritius Commercial Bank Ltd.*

### Management support

- *UK Export Finance*
- *Sumitomo Mitsui Banking Corporation*
- *Export Development Canada*
- *EIFO (formerly EKF)*

### Trustee

*Jo Santamaria, HSBC Holdings plc*

## EP Association Secretariat

**The EP Association Secretariat manages the running of the EP Association and provides a wide variety of services to EPFIs, the Steering Committee and Chair.**

These include:

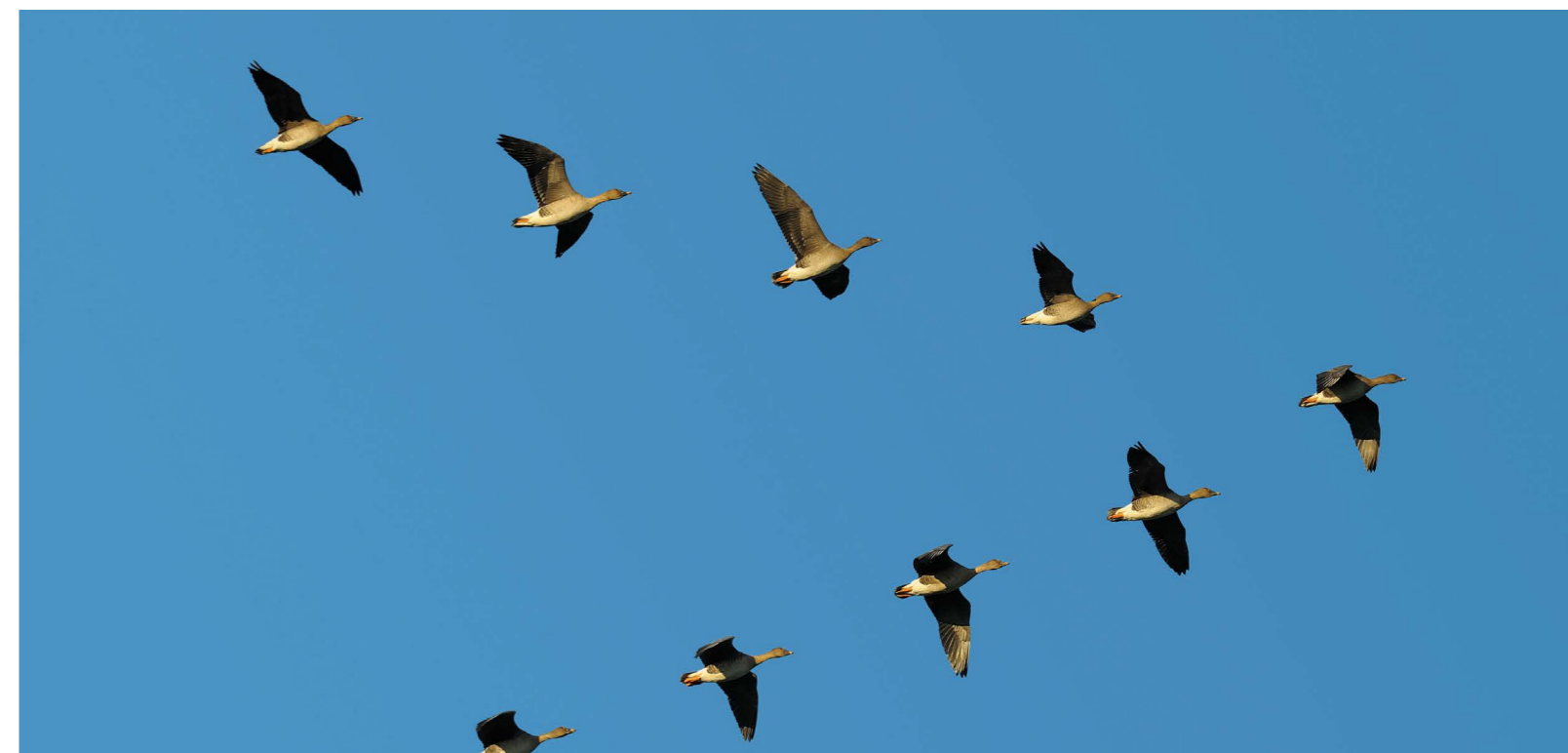
- responding to all internal and external enquiries;
- managing communications (including the EP website);
- providing advice and assistance with regards to adoption;
- reviewing and publishing all EPFI reporting;
- supporting workplans for the EP Working Groups and Steering Committee; and
- day-to-day management and administration of the EP Association.

The EP Association Secretariat is provided by re:Sure Ltd (UK) through a service agreement. In 2022 the Secretariat comprised 1.75 FTE across 4 part-time team members, located in South America, Europe and Asia.

## EP Association COO/CEO

**Jon Hancox was appointed to the role of Interim COO in July 2022 to lead the delivery of the Equator Principles workplan for the remainder of 2022.** The Interim COO role was to be superseded by a long-term CEO position from 2023, who will be charged with implementing the annual program of work set by the Steering Committee, supporting EPFIs and engaging with external stakeholders, whilst working closely with the Secretariat.

The appointment of a dedicated Equator Principles leadership resource marks an important step forward for the Association. The Steering Committee recognises that in order to remain the authoritative environmental and social risk management framework across the financial services industry, the Equator Principles must continue to keep pace with broader developments, be visible and represented at appropriate fora, as well as looking for opportunities to grow and develop in a fast-changing landscape. To do this, it is necessary to significantly evolve our management structure, and available resource, to better reflect both the external environment and the volunteer time available within our ever-changing membership.



# Reporting- EPFI Annual Data Reporting

Annual reporting requirements for EPFIs are set out under Principle 10 and Annex B of the Equator Principles and cover submission of:

- **An annual implementation report** that describes how Equator Principles implementation has been embedded within the EPFIs procedures, roles and responsibilities
- **Summary data** on the number and nature (including information on the categorisation, regional location and sector) of in-scope financial transactions undertaken in the reporting period including:
  - Mandates to provide Project Finance Advisory Services (PFAS)
  - Project Finance (PF), Project-Related Corporate Loans (PRCL) and PF or PRCL related Re-Financing/Acquisition (ReF/A) transactions that have reached financial close
- **Project name reporting** – this is required for all PF and PF related ReF/A transactions and encouraged for PRCL and PRCL related ReF/A transactions (in both cases subject to permission for naming sought by the EPFI and being provided by the client/borrower).

Analysis of Equator Principles data is based on EPFI self-reported data, any errors in original data submission are the EPFI's own responsibility. Whilst all reasonable care has been taken in reviewing and analysing consolidated data, please note this has been done manually and therefore may contain errors due to human error or other factors. All individual EPFI reports are available on the EP website.

### Total number of reported in-scope PF and PRCL transactions<sup>1</sup> reaching financial close in 2022

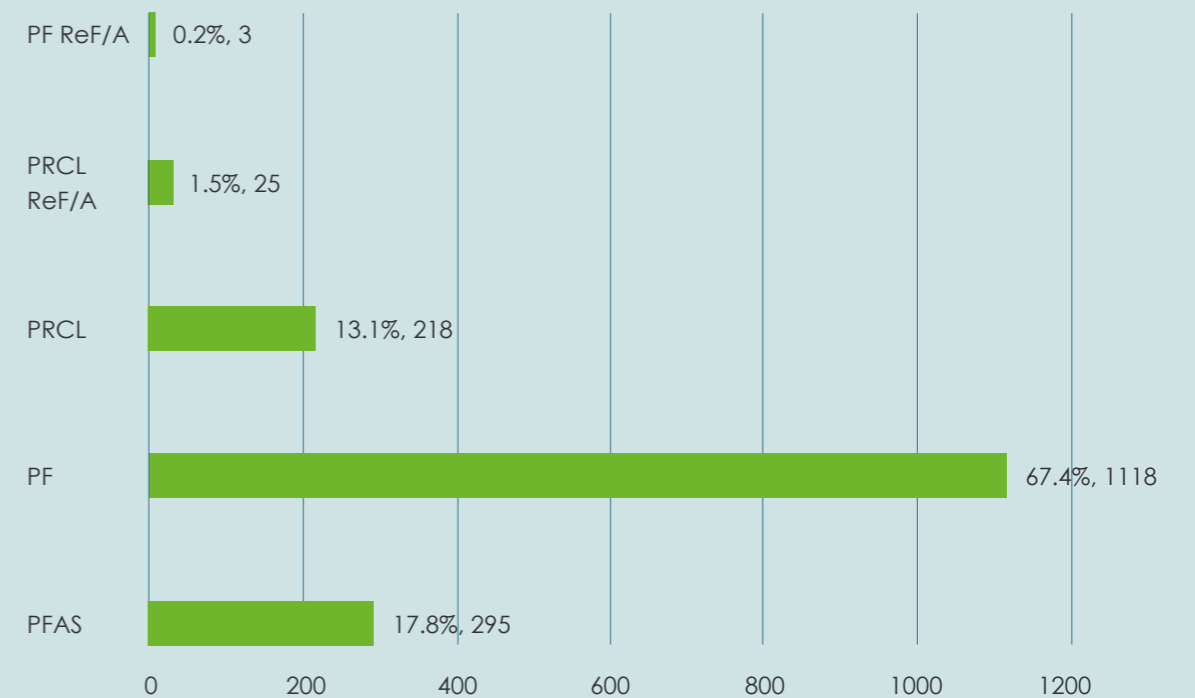
# 1,336

up by

# 86

compared to 2021

### 2022 Transactions Split by Financing Type



The most common type of in-scope transaction reported by EPFIs is Project Finance (PF), and the full breakdown for the 2022<sup>2</sup> reporting period is shown in the graph above. The total number of in-scope transactions reaching financial close in the 2022 reporting period increased by 7% from 2021, showing an increased reach of the Equator Principles across the global financial sector, and markets they serve, as the number and in-scope activity of EPFIs continues to grow.

<sup>1</sup>This is total number of individual PF/PRCL transactions (excluding ReF/A) and not the total number of individual projects supported by EPFIs, noting that some individual projects may be supported by multiple EPFI transactions.

<sup>2</sup>Note that while the majority of EPFIs report on a calendar year period basis, some EPFIs report on 12-monthly periods that span calendar periods. In this latter case, the annual reports that most fully align with the 2022 calendar have been used as the basis for 2022 data in this report. Relevant data was not available for 3 EPFIs.



# Reporting-Sector Analysis

2022 reporting requirements for PF and PRCL transactions include identification of the project sector in terms of Power (including transmission lines), Infrastructure, Oil & Gas, Mining and 'Others'. The sector split of transactions reaching financial close in 2022 is shown in the adjacent graph (top right), which also shows a comparison with 2021 data. The total number of transactions in the Infrastructure, Oil & Gas and 'Others' sectors in 2022 increased, whereas the number of transactions reported in the Power and Mining sectors fell, compared to 2021. Proportionally, transactions classified as Infrastructure (19% 2022, 17% 2021), Oil and Gas (7% 2022, 5% 2021) and Others (26% 2022, 17% 2021) increased from 2021, whereas transactions classified as Power sector reduced from 59% in 2021 to 46% in 2022.

The Power sector remained the dominant sector in terms of number of transactions reaching financial close in the 2022 reporting period. In order to provide a greater breakdown of Power sector projects, those projects for which the Project Name was provided by EPFIs were reviewed to further identify the percentage of Power projects falling under the following sub-sectors and is shown graphically (bottom right):

- **Renewables (comprising wind, solar, geothermal, green hydrogen and battery storage)**
- **Biomass and Energy from Waste (EfW)**
- **Transmission**

- **Gas (including LNG)**
- **Hydro**
- **Not reported/unknown**

The data demonstrate a very strong focus of in-scope Equator Principles transactions with the use of proceeds being utilised for renewable power.

## 2022 Power project transactions

632

Total Power transactions<sup>3</sup>

83%

Renewable power transactions<sup>4</sup>

7%

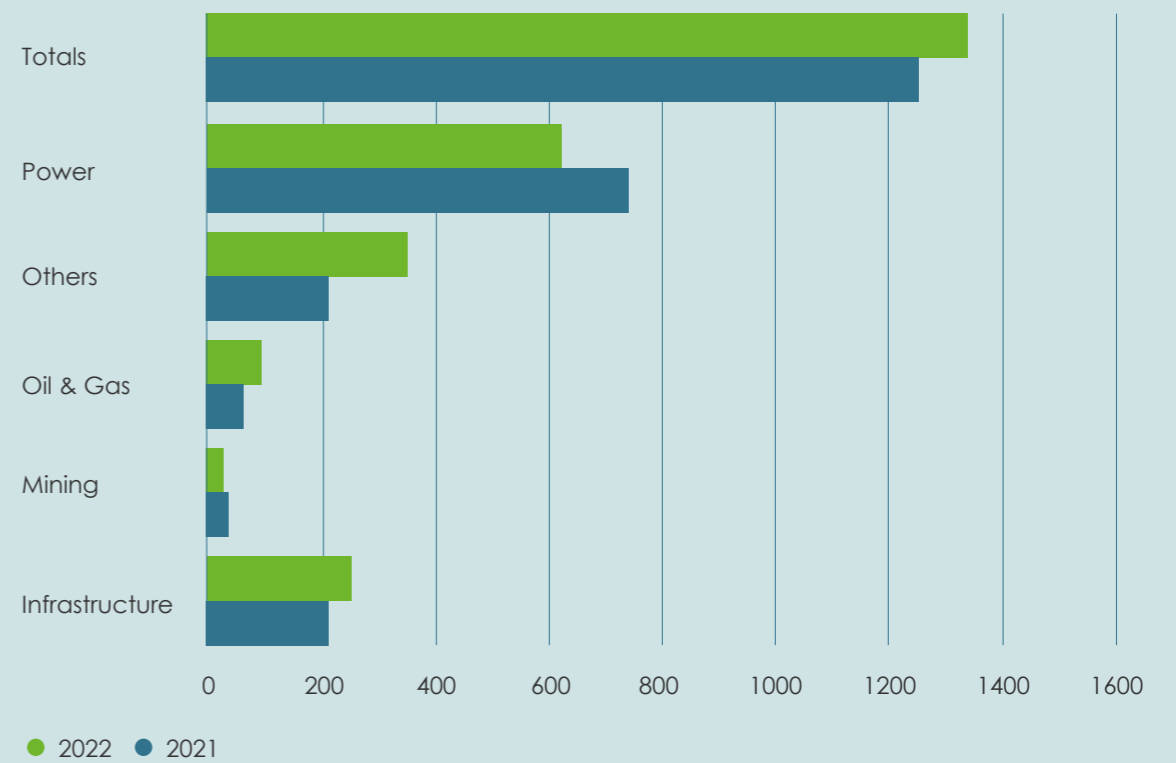
Oil & Gas power transactions<sup>4</sup>

<sup>3</sup>Based on total reported PF, PRCL and Ref/A transactions.

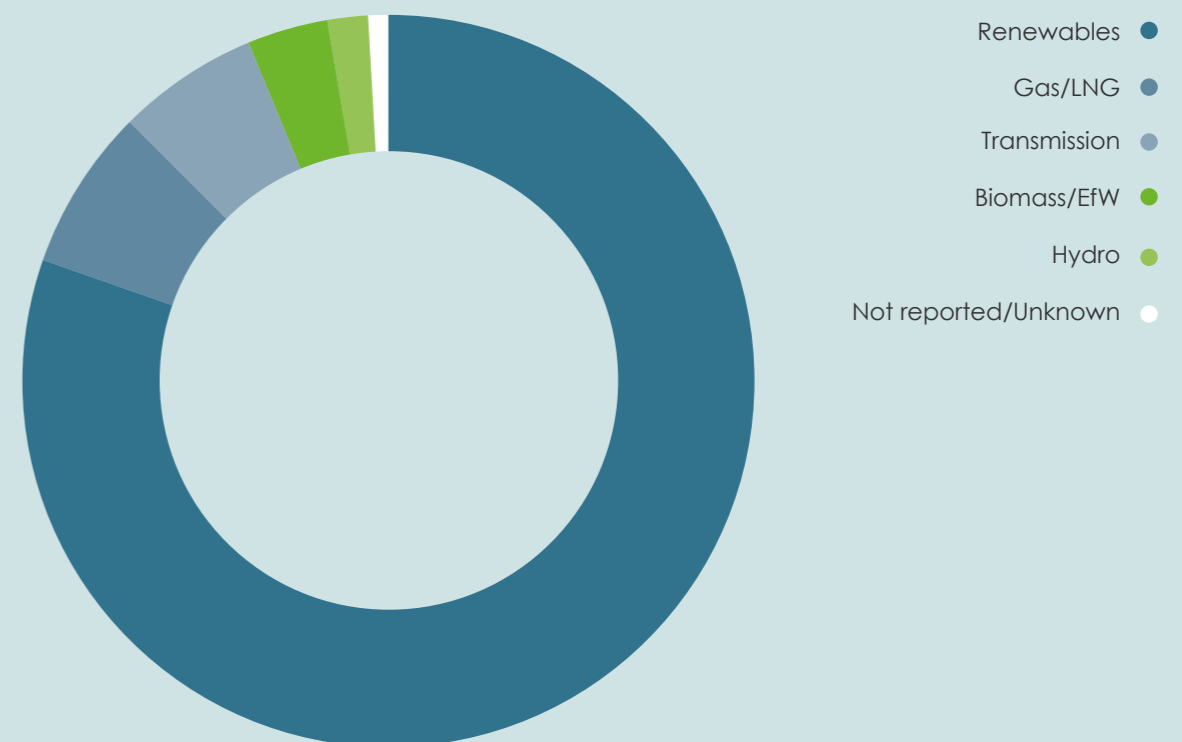
<sup>4</sup>Based on percentage of the 403 PF, PRCL and Ref/A transactions for which the sub-category is reported/known.

<sup>5</sup>Based on the 403 PF, PRCL and Ref/A transactions that reported project names.

## Total PF + PRCL Transactions for 2022 and 2021 by Sector



## Split of Named 2022 Power Projects by Type<sup>5</sup>





# Reporting- Regional Analysis

Data on PF and PRCL transactions include breakdown by the following three broad geographic project regions i.e. the location of the project/use of proceeds:

- Americas
- Asia Pacific
- Europe, Middle East and Africa (EMEA)

The proportion of transactions reported within each of these regions is shown in the graph (top right), and shows a generally even distribution between these regions. This demonstrates the wide global reach of the Equator Principles.

EPFIs located in different global regions support transactions for projects located not just in their own region but also globally, as shown by the graphic below right. This shows that, for instance, around one third of the Equator Principles transactions reported by EPFIs based in Asia-Oceania supported projects located outside their region.

The geographic distribution of the use of proceeds can be further broken down between projects located in Designated and Non-Designated Countries. Designated countries are defined under the Equator Principles as countries that are both a member of the **OECD** and appear on the **World Bank High Income Country list**. As such, consideration of the number of transactions supporting projects in Non-Designated countries provides a proxy for understanding the reach of the Equator Principles into projects located in emerging

and developing markets. Nearly 40% of transactions with relevant geographic identifiers and reported in 2022 supported projects located in Non-Designated Countries.

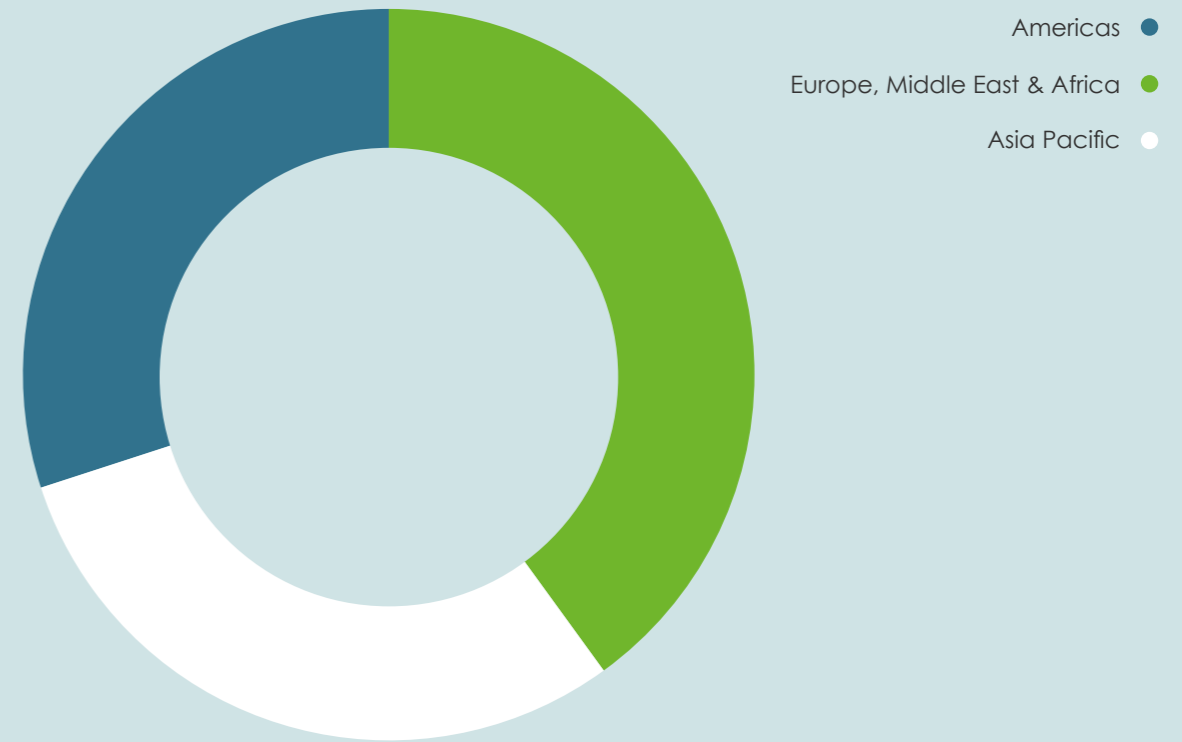
Project Name reporting requirements also include identification of the country(ies) where each project is located. In the 2022 reporting period, EPFIs reported information on projects located in 78 different countries. This represents 40% of all UN recognised countries worldwide. It also further demonstrates the extensive international reach of the Equator Principles in global finance, whereby EPFIs headquartered in 38 countries have reported their financial support to projects located in over double that number of countries.

## 2022 Transactions by Project Region

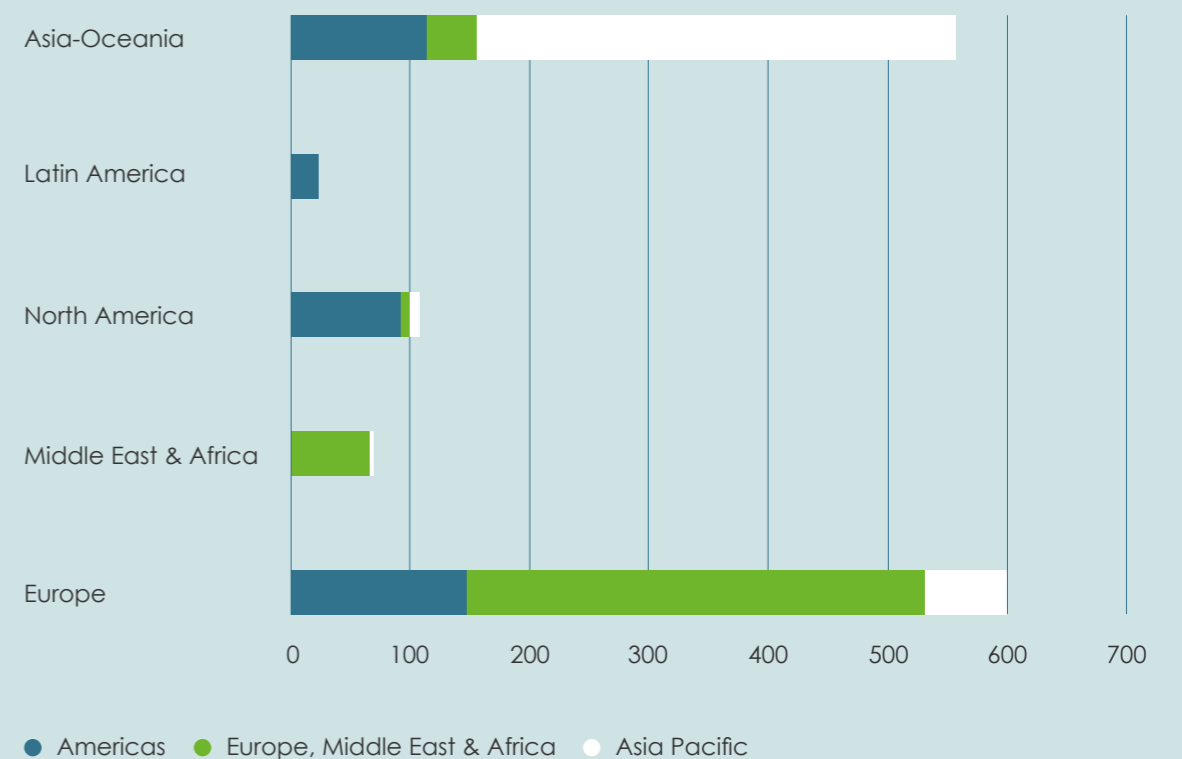
# 78

different project countries

2022 PF + PRCL Split by Project Region



2022 PF + PRCL Transactions by EPFI Region and Project Region



# Reporting- Projects by Category

## 2022 Transactions by Category<sup>6</sup>

208

Category A<sup>7</sup>

797

Category B

331

Category C

Under Principle 1 of the Equator Principles, all in-scope projects are categorised based on the definitions provided within the International Finance Corporation's (IFC) environmental and social 'A', 'B' or 'C' categorisation process. The categorisation takes into consideration the magnitude of inherent environmental and social risks and impacts, including those related to human rights, climate change, and biodiversity.

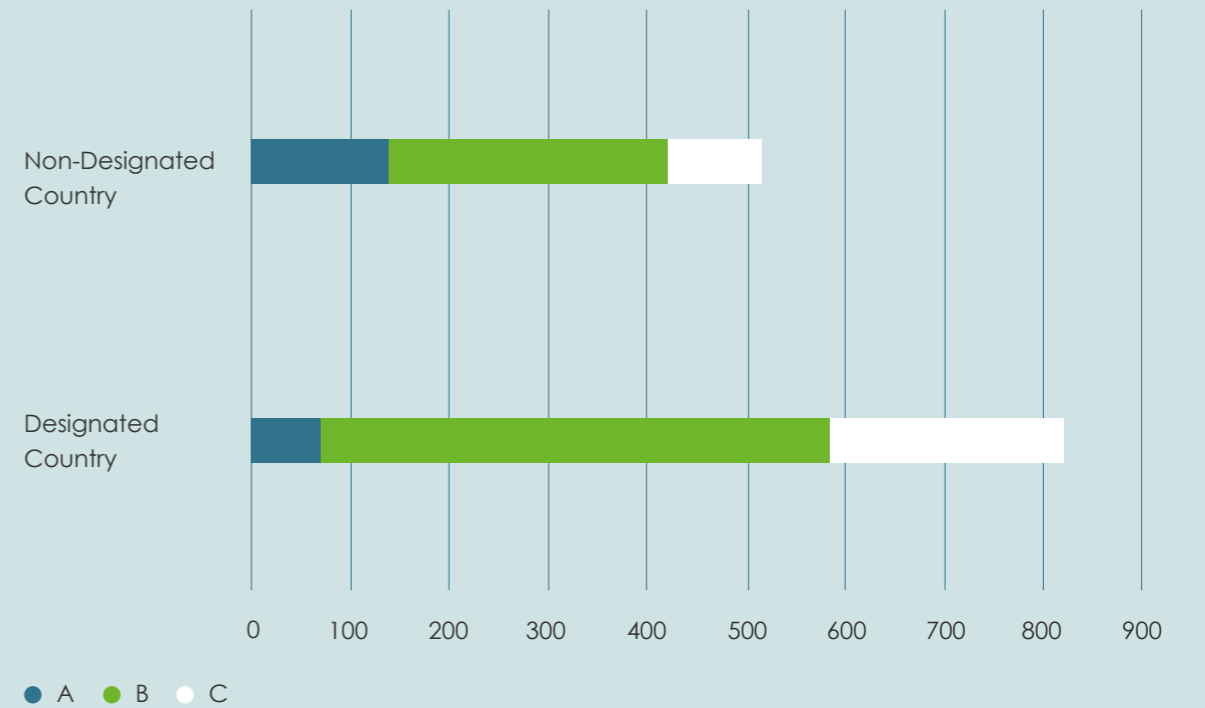
Project categorisation, which is reported for all PF and PRCL transactions, is shown in the adjacent graph (top right). Overall in 2022, approximately two-thirds of such transactions were classified as Category B. Category A project transactions were substantially more common in Non-Designated Countries, and conversely Category C projects were more common in Designated Countries. This emphasises the need for robust and consistent application of the Equator Principles in emerging and developing markets, and the significant value brought by the increased geographical reach of the Equator Principles resulting from the continued global growth in our membership.

The graph (below right) shows that Mining and Oil & Gas sectors had a relatively higher proportion of Category A project transactions, reflecting the large scale and nature of potential inherent impacts associated with many project developments in these sectors.

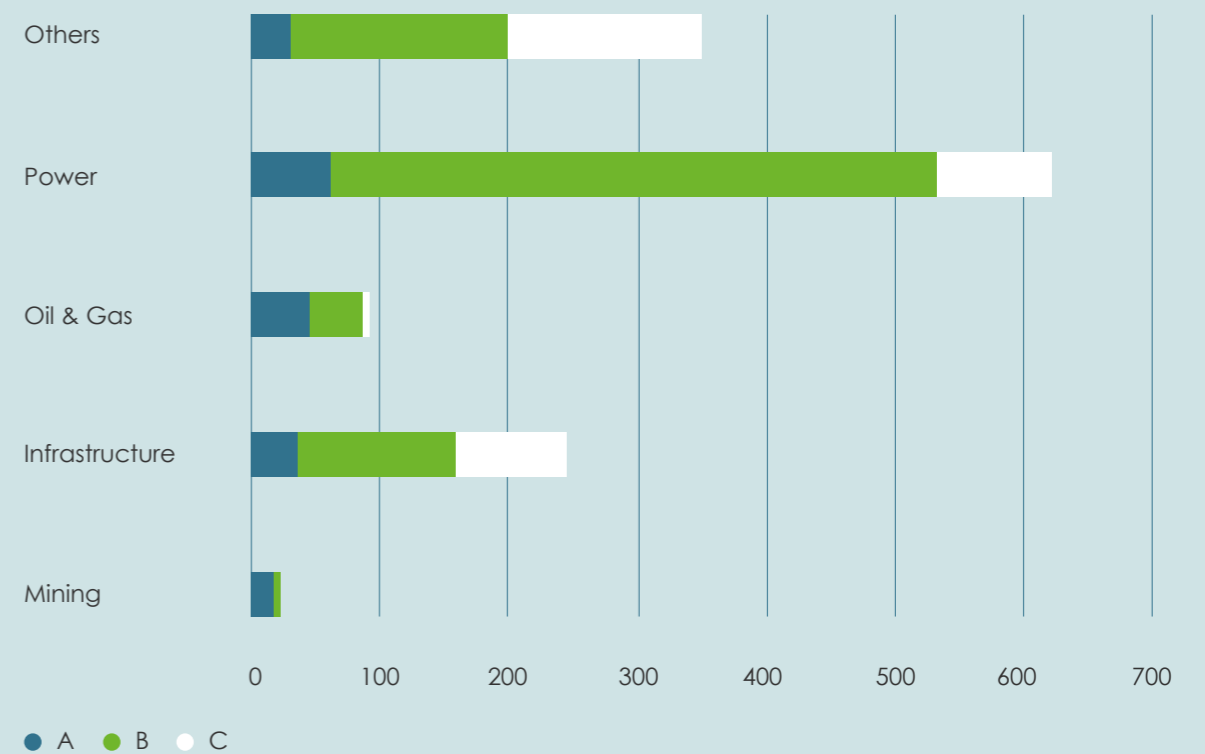
<sup>6</sup> Based on PRCL and PF transactions only

<sup>7</sup> Category definitions: A - Projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented. B - 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. C - Projects with minimal or no adverse environmental and social risks and/or impacts.

## 2022 PF + PRCL Split by Designation and Category



## 2022 PF + PRCL Split by Sector and Category





# People

Membership

Events

Engagement

Media



# Membership

The Equator Principles were initially launched with a group of 10 founding EPFIs in June 2003.

Subsequently, there were over forty further adoptions during the next three years, and the Association has continued to grow since then, both in terms of the number and geographic location of its membership.

Continued membership growth remains a core component of the Association's Strategy and, since 2017, membership growth has been particularly strong from financial institutions head-quartered in the Asia-Oceania region. This trend continued in 2022 with 14 EPFIs from Taiwan, South Korea, Japan and Thailand adopting the Equator Principles.

During 2022 two EPFIs also elected to delist from the EP Association, both on the basis that they no longer provided financial services that fall within the scope of the Equator Principles. At the end of 2022 the Equator Principles had a total membership of 138 EPFIs located globally across the regions of Europe, the Middle East & Africa, Asia-Oceania, North America and Latin America (see adjacent graph). A full list of members in 2022 is provided at the end of this report.

Total membership in 2022 increased by

# 12

Total members at end 2022:

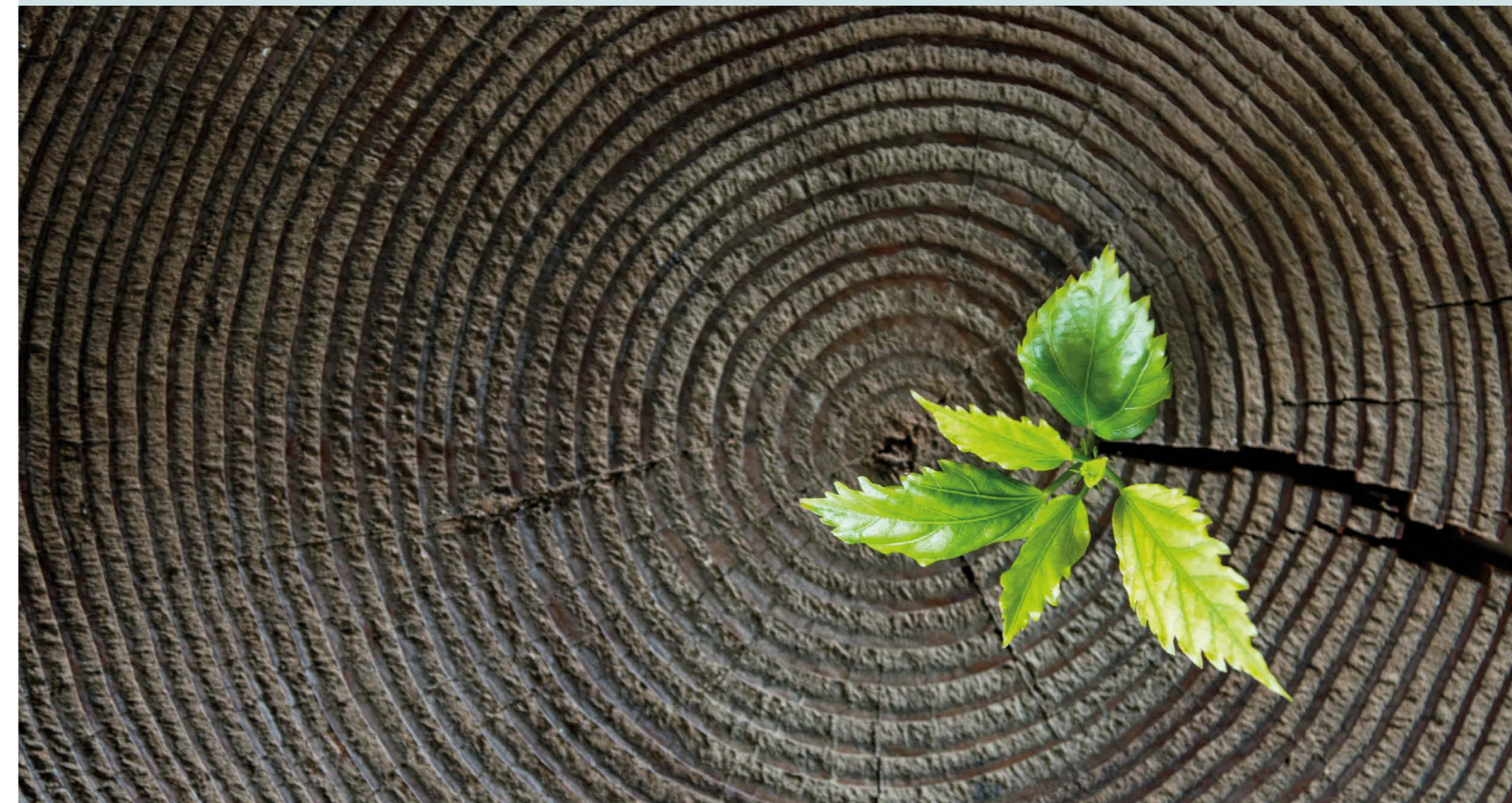
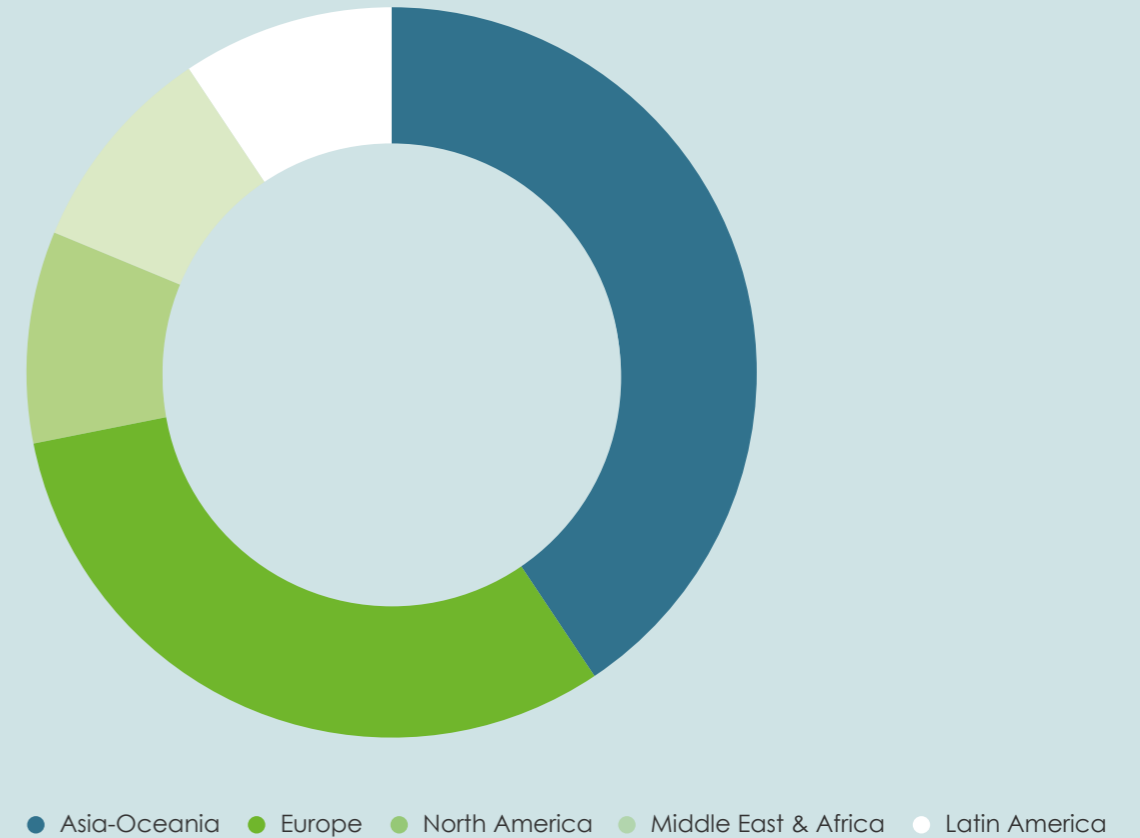
# 138

based in

# 38

countries

2022 Membership Split by EPFI Region





# Events and Meetings

The EP Association held two all-member events in 2022 (see Info Boxes for further details on each):

- **A Workshop Meeting in Copenhagen, Denmark (May 2022)**
- **The EP Association Annual General Meeting (AGM) in Seoul, South Korea (October 2022).**

Meetings of the EP Association Steering Committee were held on a minimum of a monthly basis and were attended by the Chair, the members of the Steering Committee, the Interim COO and the Secretariat. The meetings were used to review progress on work plans, raise any issues from the membership and Secretariat, discuss any items scheduled for voting, plan future/forthcoming activities, and to discuss/agree on general management matters.

Quarterly calls were held for members in each of the five EP Association regions (Europe, North America, Latin America, Asia-Oceania and Middle East/Africa). These calls were chaired by the elected Regional Representatives (supported by the Secretariat), who also pass on any issues or concerns raised to the Steering Committee.

In addition to formal EP Association meetings, the Association also facilitates knowledge sharing opportunities for the membership. In 2022, this included all-EPFI webinars on:

- Guidelines and checklists for labour rights assessments at shipyards.
- Good Practice Guidance for sharing biodiversity data.

## Workshop Meeting, Copenhagen, May 2022

For the first time, the EP Association held a mid-year event for the EPFI community to come together. This was the first in-person meeting held by the Association since the start of the COVID-19 pandemic and was attended by over 70 colleagues present in Copenhagen, as well as more than 100 participating over video conference during the 2-day event.

In addition to EPFIs, sessions were presented by a range of consultants (Ramboll and Millbank) and partner organisations (GBIF and IFC).

### Key topics covered during the Workshop Meeting included:

- Consistency in EP application and reporting
- Practical experiences on implementation of Climate Change Risk Assessments (CCRA) under EP4
- Introduction to new/forthcoming EP Association guidance
- Biodiversity data sharing
- Environmental and social loans
- Research initiatives between the EP Association and IFC.

## EP Association AGM, Seoul, October 2022

Over 150 people attended the AGM in-person or online, representing 110 EPFIs. The agenda covered a range of operational and governance matters as well as providing a forum for EPFIs to debate current and emerging issues and trends, and share learning on a range of external initiatives.

A key theme of this year's discussion was how to further develop the Association to continue to deliver our strategic aims, and to ensure that high standards of implementation amongst members are maintained.

### Growth in members and the E&S agenda

Since the last in-person AGM in 2019, the Association had grown by 35% and had more than doubled its membership in Asia. The Association discussed the challenges and opportunities from the continued rapid increase in the size and diversity of the membership over recent years, especially as this coincides with growing pressures on volunteer time from EPFIs to drive the Association's objectives.

Members spent time discussing the place of the Equator Principles in the wider E&S landscape, which is developing at a rapid pace, and considered the best approach to align our resource and leverage to maximise our positive impact.

### Operational and Governance proposals

The Association is considering a range of proposals to further strengthen our legal and governance structure and to further mature the operations of the Association itself. This year has seen the appointment of an Interim COO, marking the first time that the Association has had a dedicated leadership and executive resource to assist the delivery of our workplan.

In 2023, the Association will appoint its first CEO to ensure dedicated leadership is maintained and to focus on delivering the EP Association's objectives over several years. The recruitment process for this began in November 2022.

### Guidance and training

Members discussed the numerous guidance documents released by the Association during 2022. Since the launch of EP4, the Association has developed or updated more than 10 guidance documents to support the Equator Principles; recognising the vital role that these documents play in driving up consistency of implementation for EPFIs, as well as providing tools to assist our clients and consultants. The majority of EP Association guidance and training materials are freely available to download from the EP website; this gratis offer is an example of the Association's ambition to maximise the availability, reach and positive impact of the Equator Principles.

# Engagement

The EP Association has strategic partnerships with:

- **The International Finance Corporation (IFC)**
- **Global Biodiversity Information Facility (GBIF)**
- **Cross-Sector Biodiversity Initiative (CSBI)**
- **Organization for Economic Co-operation and Development (OECD)**

The work and outcomes from these partnerships are further described under the Ambition section of this report.

**The EP Association also actively engages with civil society organisations (CSOs).**

As part of this engagement in 2022 representatives of the EP Association, including the Chair, Secretariat and Steering Committee, met on an approximately quarterly basis with BankTrack (a CSO focused on private sector commercial banks and the activities they finance) and the

Women's Earth and Climate Action Network (WECAN). In addition, the EP Association has facilitated the invitation for EPFIs to attend, on an individual financial institution basis, presentations and webinars led by various CSOs. In 2022, CSO sessions focused on Due Diligence, Climate Solutions, and Meeting Biodiversity Challenges.

In October 2022 BankTrack and WECAN joined by 25 CSOs sent an open letter to the EP Association focused on risk management for EPFIs related to climate, nature, human and Indigenous rights, and pandemics. The EP Association provided its response to this letter on the EP [website](#) and welcomed the opportunity to discuss these issues further as part of our continued dialogue with BankTrack and other CSOs.



# Media

## Website

**The EP website provides a primary public resource for information on the Association for both EPFIs and other stakeholders** and is found at: <https://equator-principles.com>.

Website contents include:

- Background to and history of the Equator Principles
- Information on the Association, including its structure and governance
- The Equator Principles Strategy statement
- Overview of our Partnerships
- A database of annual EPFI data reporting
- Details of the adoption process
- Resources including freely downloadable versions of the Equator Principles and a range of associated guidance documents
- Latest news items about the Association.

A key milestone in 2022 saw the refresh of the interface for the EPFI membership reporting database on the EP website.

## Social Media

The EP Association is also active on LinkedIn (<https://www.linkedin.com/company/equator-principles-association/>). At the end of 2022 the EP Association had over 400 followers.

## EP in the News

News items announced on the EP website in 2022 included the release of new Equator Principles publications, new members, as well as the interim COO and proposed CEO roles. In addition, the Equator Principles featured in online articles about [new guidance](#) and from BankTrack.

A high level of utilization of the website has been registered in 2022 (see statistics below).

Over

# 250,000

visits to the EP website by visitors from over

# 195

different countries and over

# 27,500

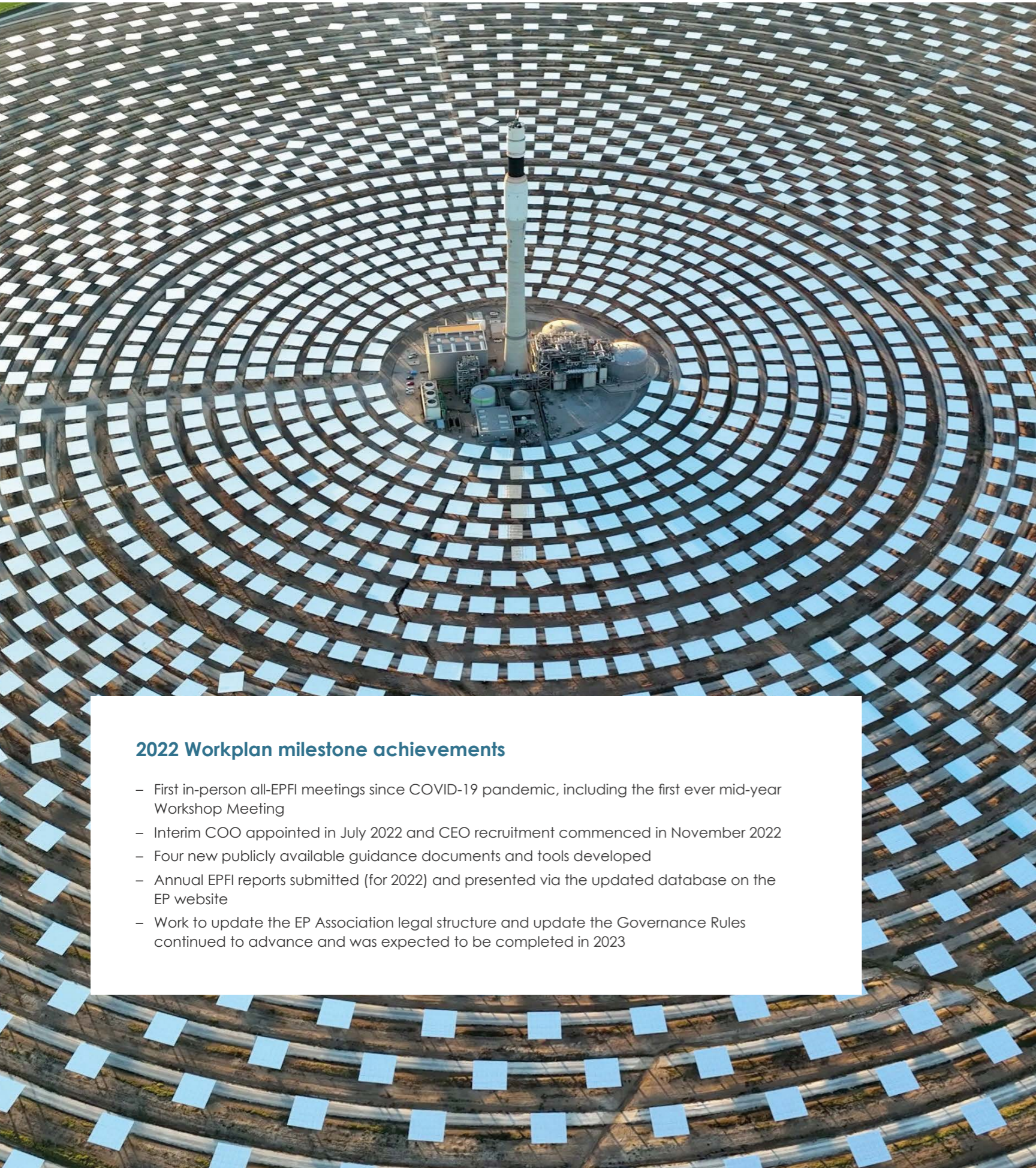
downloads of resource materials



**Ambition**  
**Workplan**  
**Working Groups**  
**Partnerships**







### 2022 Workplan milestone achievements

- First in-person all-EPFI meetings since COVID-19 pandemic, including the first ever mid-year Workshop Meeting
- Interim COO appointed in July 2022 and CEO recruitment commenced in November 2022
- Four new publicly available guidance documents and tools developed
- Annual EPFI reports submitted (for 2022) and presented via the updated database on the EP website
- Work to update the EP Association legal structure and update the Governance Rules continued to advance and was expected to be completed in 2023

# Annual Workplan

Each year the EP Association sets out its annual workplan. In 2022, key components of the workplan revolved around:

- All-EPFI meetings including mid-year workshop and the AGM
- Work towards updating and professionalising the EP Association structure and governance, including:
  - Strengthening of the management of the Association through the creation of an Interim COO role
  - Updating the legal status of the Association
  - Updating the Association's legal status and Governance Rules to better reflect the increased size of the membership, the Association's enhanced management structure and status, and the rapidly evolving environmental and social governance landscape

- Improvement of annual report systems and implementation
- Support enhanced consistency in implementation of the Equator Principles through training, knowledge sharing and the development of guidance and tools.

Throughout 2022 good progress was achieved against these ambitions, as described in other sections of this report and summarised in the adjacent Info Box.

**The workplan for 2023 will have a continued focus on improving consistency of implementation and also events and initiatives centred around celebrations for the 20th Anniversary of the Equator Principles.**



# Working Groups

**Initiatives under the EP Association are supported by a number of Working Groups (WG).** The WGs active in 2022 were as follows:

## Operations and Governance Working Group

**Sub-group lead:** Citigroup Inc.

**Strategic Theme:** Transparency and Reporting

**Activities in 2022:** Support in the finalisation and publication, in coordination with Shift, of new guidance *"Tools: To Enhance Access to Effective Grievance Mechanisms & Enable Effective Remedy"* (see "Publications and Guidance" under the Quality section of this report).

## Biodiversity Working Group

**Lead:** Export Development Canada

**Strategic Theme:** Thematic-specific WG

**Activities in 2022:** The Biodiversity WG was established to support the mainstreaming of

biodiversity, capacity building of EPFIs, and as a knowledge sharing and community of learning forum on biodiversity and ecosystem service-related topics, trends and emerging issues that impact EPFIs and the projects EPFIs support. Key activities during 2022 included:

- Development and publication of a new EP Association "Best Practice Note: On Biodiversity Baseline Surveys".
- Circulation of an Informational Notice to all EP members regarding COP15 and CBD Post-2020 Framework.
- Follow-up activities on biodiversity data sharing and collection, including supporting GBIF's presentation to EPFIs at the EP Association's mid-year Workshop.
- Knowledge sharing on metrics and disclosures in alignment with CBD targets and the TNFD.
- Coordination of EP member participation on in-person panels at COP15, alongside leadership from the Secretariat and CSBI.
- CSBI workplan collaboration (see "Partnerships" on the next page).

# Partnerships

**The EP Association supports a number of strategic partnerships.** Examples of partnerships in 2022 included:

## International Finance Corporation (IFC)

The IFC Performance Standards (PS) are a key underpinning standard/benchmark to the Equator Principles. In February 2020 the EP Association and the IFC (a member of the World Bank) signed a standing Memorandum of Understanding outlining the collaboration's key tenet – to expand existing training and capacity building on Performance Standards. Initiatives in 2022 included:

- IFC representatives attended and made presentations at the EP Association's mid-year workshop in Copenhagen and AGM in Seoul to discuss future collaboration opportunities (including evolution of the IFC PS/EPs), ongoing joint research (see below) and knowledge sharing.
- Joint research into the potential role of the IFC PS to support demonstration of 'Do No Significant Harm' and minimum safeguards under the EU Taxonomy.

The EP Association is working with the IFC to plan joint meetings in 2023, including events around the 20th Anniversary celebrations of the Equator Principles.

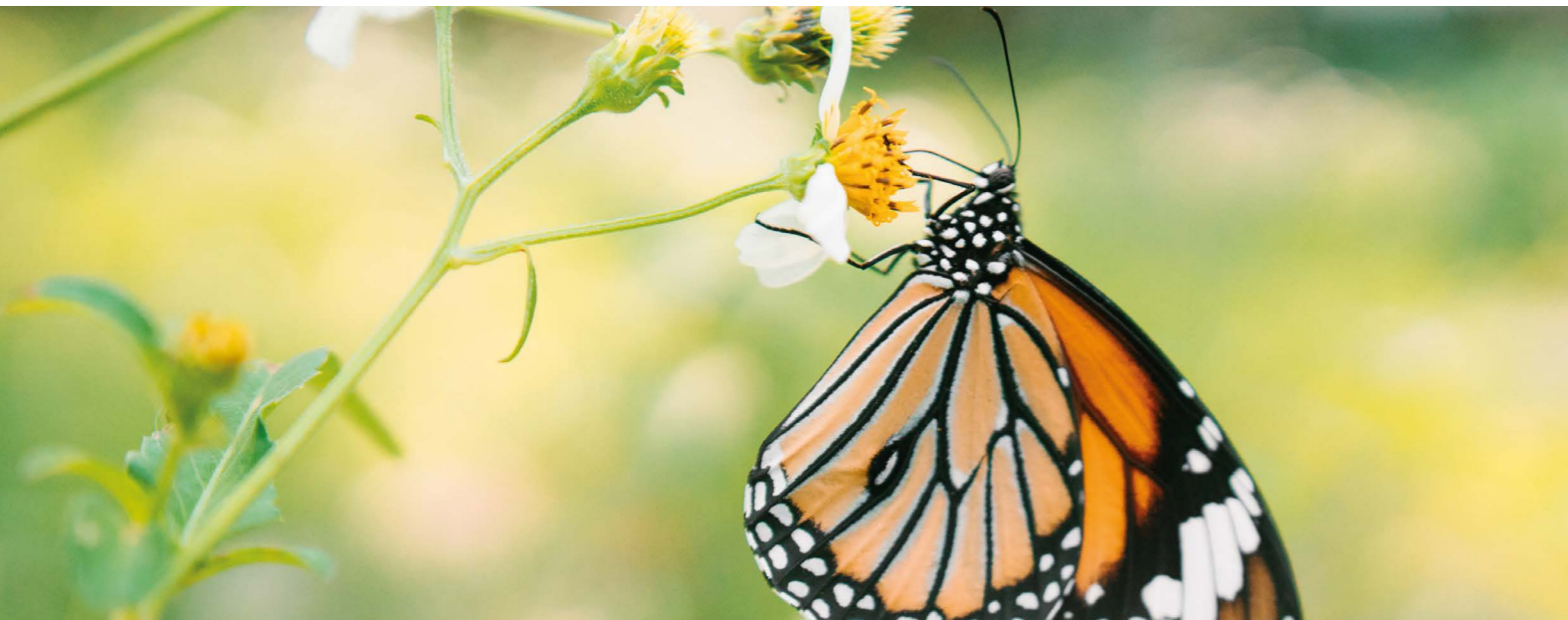
## Global Diversity Information Facility (GBIF)

GBIF have worked with the EP Biodiversity WG to produce simple guidance that enables EPFIs and their clients to comply with EP4 requirements on sharing of biodiversity data. This guidance was presented to EPFIs by GBIF at the EP Association's Workshop in Copenhagen in May 2022.

## Cross Sector Biodiversity Initiative (CSBI)

The CSBI is a partnership between IPIECA (the global oil and gas association for advancing E&S performance), the International Council on Mining and Metals (ICMM) and the EP Association, for developing and sharing good practice related to biodiversity in the extractive industries. The CSBI Chair rotates each year and is supported by the EP Biodiversity WG.

CSBI initiatives in 2022 included knowledge sharing webinars on the Taskforce on Nature-related Financial Disclosures (TNFD) and biodiversity data sharing that were open to all EPFIs, and an event at COP15 titled *"Nature Positive: The emerging business as usual"*. The future of the CSBI is currently under consideration.



# Quality

## Publications

## Guidance

## Training





# Publications and Guidance

The annual data reports submitted by each EPFI to the EP Association are made publicly available on the EP website and can be explored via a searchable database.

Published guidance is also available on the website to support the interpretation and implementation of the Equator Principles by EPFIs, clients and consultants. During 2022, a number of new guidance documents were published. In addition, an updated "Guidance Note on Climate Change Risk Assessment" was pending publication in 2023.

## NEW – Guidance Note to Support the Effective Consistent Application of the Equator Principles

This 2-part Guidance ([Part 1](#) & [Part 2](#)) responds to EPFIs requesting support with concise, practical tools and templates to make implementation of the Equator Principles more consistent, and to distil some of its detailed Guidance documents into clear step-by-step processes. The new guidance is aimed at EPFIs, their borrowers and consultants and covers the following two key areas:

- Selection and scope of work for the lenders' independent environmental and social consultant (IESC), covering both prior to financial close and during post financial close E&S monitoring
- Scope of work for project environmental and social impact assessments (ESIA).

The note provides wide-ranging guidance on these aspects, together with a suite of supporting tools and checklists to assist practical implementation.

## NEW – Tools to Enhance Access to Effective Grievance Mechanisms & Enable Effective Remedy

These **tools** have been developed by the EP Operations WG, in co-operation with Shift. The tools have been made available for use by EPFIs, their clients and consultants. These tools mark a significant development for the EP Association in supplementing existing standards and guidance under the Equator Principles specifically in relation to human rights impacts in projects and comprise five related due diligence tools covering grievance (GM1 & GM2) and access to remedy (R1, R2 and R3):

- **GM1:** grievance mechanism design: diagnostic questions
- **GM2:** monitoring effective grievance mechanism performance: sample reporting metrics
- **RM1:** assessing preparedness for remedy: diagnostic questions
- **RM2:** strengthening preparedness for remedy: sample leverage actions
- **RM3:** using leverage for remedy after impacts occur: sample leverage actions.

## NEW – Best Practice Note: On Biodiversity Baseline Surveys

This Best Practice **Note** aims to support project developers and financial institutions to better plan for and understand biodiversity baseline survey timelines and best practices for the purpose of minimizing risk of delay and added costs during finance opportunities that fall within the scope of the Equator Principles. The guidance note shows how these risks can be largely eliminated by:

- Identifying biodiversity risks and impacts at an early stage of project planning and financing
- Following international standards and best practices related to biodiversity baselines
- Allowing suitable time for data collection.

# Training

The EP Association provides a range of training opportunities for EPFIs, including an e-learning training course aimed at both new adopters and staff members at existing EPFIs that are new to the Equator Principles.

Training and community learning also form a core element of the EP Association meetings. During the 2022 all-EPFI meetings in Copenhagen and Seoul, topics for learning included:

- Introduction to newly produced guidance notes
- Practicalities of Equator Principles implementation in EPFI procedures and structures
- 'EP 101' introduction for new EPFIs
- Application of the Equator Principles to the supply chain
- Interpretation of Equator Principles scope criteria
- Application of EP4 in Designated Countries
- Responsible ship recycling standards
- Experiences in data collection/quality for GHG quantification.

In addition, the EP Association continues to provide a range of internal materials to support EPFIs with Equator Principles implementation.

The list of other guidance, including third-party guidance endorsed by the EP Association, available on the EP [website](#) is as follows:

- *Guidance Note: On Implementation of Human Rights Assessments under the Equator Principles*
- *Guidance Note: Evaluating Projects with Affected Indigenous Peoples*
- *Guidance Note: For Consultants on the Contents of a Report for an Independent ESDD Review*
- *Guidance Note: On Implementation of the Equator Principles during the Covid-19 Pandemic*
- *Implementation Note – The Equator Principles*
- *Guidance Note: On Biodiversity Data Sharing – For EPFIs*
- *Guidance Note: On Biodiversity Data Sharing – For EPFI Clients*
- *Guidance Note: For EPFIs on Incorporating Environmental & Social Considerations into Loan Documentation*
- *Guidance Note: On Climate Change Risk Assessment (updated version pending)*
- *Equator Principles Endorsed External Guidance: Good Practice Note for Environmental & Social Agents*

# Looking forward 2023 CEO's reflections





# 2023

As reported in the previous pages, much was achieved in 2022 and significant celebration was warranted as the Equator Principles entered their 20th Anniversary year in 2023.

In early 2023 a recruitment campaign was completed to select a CEO, utilising the skills of Acre Resources, an established executive recruitment agency. Following this selection process, Max Griffin started this new role for the EP Association in May 2023. A selection of Max's words on accepting this role and following his first three months in post are below:

**"I am delighted to accept the new role of CEO for the EPA. As the 20th anniversary of the EPs arrives it is a time to celebrate as well as to look ahead and plan for the future of the EPs. I am excited to take on the CEO role, serving the Chair, Steering Committee and all EPFIs, as together we expand and professionalise the Association."**

**I look forward to supporting and enhancing the huge amount of voluntary time and expertise that has established the EP brand and global reputation, as well as their ongoing usability and effectiveness in managing environmental and social risk.**

**Being an EPFI has a clear and compelling purpose: To be part of the best global E&S risk management framework - for the benefit of your financial institution, and for people and the planet."**

**20TH  
ANNIVERSARY**

# CEO's reflections



In June 2023, I joined EPFIs from all regions, who had gathered in London, UK to celebrate the anniversary of the first version of the Equator Principles and to reflect on their future. Discussions included the collective challenges faced by EPFIs as we strive to remain the 'gold standard' in E&S risk management as well as ways to ensure the most cost-effective use of our time and resources in the years ahead. Attendees were very cognisant of the need to keep pace with the rapidly changing global environment. Further evolution of the Equator Principles themselves will be a multi-year process requiring significant contribution from all EPFIs as well as our external stakeholders. We plan for the Equator Principles to remain strong for another 20 years!

As well as gathering for the celebrations, we were also very pleased to be able to release our **20th Anniversary Report**, providing a short overview of the Equator Principles since their creation in June 2003.

This, our first ever, Activity Report will be launched in November 2023 at the EP Annual Meeting. For the first time since 2018 we are hosting this meeting alongside the IFC's Community of Learning in Washington DC. This co-location demonstrates our continued and intentional partnership with the IFC who, through their Performance Standards, continue to set the benchmark for acceptable environmental and social risk management of projects globally, covering many of the risk and impact areas of relevance to EPFIs.

Looking ahead to 2024 the EP Association will continue firm and regular collaboration with IFC, delivering on our MoU, and in anticipation of the IFC's update process for the Performance Standards. We will also serve our own needs for guidance and clarity to provide project-related financing in an environmentally and socially responsible manner. People, nature and the planet deserve that.

**Max Griffin**  
CEO, Equator Principles Association



# Membership 2022

## New Adopters 2022

Aozora Bank  
Bank of Taiwan  
Chang Hwa Bank  
Export-Import Bank of the Republic of China (Eximbank)  
Far Eastern International Bank  
Hua Nan Commercial Bank  
Industrial Bank of Korea  
King's Town Bank  
Land Bank of Taiwan  
Samsung Life Insurance  
Siam Commercial Bank  
Taiwan Business Bank, Ltd.  
Taiwan Cooperative Financial Holding Co., Ltd  
The Shanghai Commercial & Savings Bank, Ltd

## Existing Members

ABN Amro  
Absa Group Limited  
Access Bank plc  
Ahli United Bank B.S.C.  
Allied Irish Banks, p.l.c  
Arab African International Bank  
Australia and New Zealand Banking Group Limited (ANZ)  
Banco Bilbao Vizcaya Argentaria, S.A. (BBVA)  
Banco Bradesco, S.A.  
Banco de Crédito  
Banco de Galicia y Buenos Aires S.A.  
Banco de la República Oriental del Uruguay  
Banco do Brasil

Banco Mercantil del Norte S.A.  
Banco Sabadell  
Banco Santander S.A.  
Banco Votorantim SA  
Bancolombia S.A.  
Bank of Africa  
Bank of America Corporation  
Bank of Chongqing  
Bank of Guizhou  
Bank of Huzhou  
Bank of Jiangsu  
Bank of Montreal  
Bank of Nova Scotia  
Bank SinoPac  
Bankinter  
Barclays plc  
BNP Paribas  
BTG Pactual  
CAIXA Econômica Federal  
CaixaBank  
Canadian Imperial Bank of Commerce (CIBC)  
Cathay United Bank Co., Ltd  
Chongqing Rural Commercial Bank  
CIBanco S.A.  
CIFI (Corporacion Interamericana Para El Financiamiento de Infraestructura S.A.)  
Citigroup Inc.  
Commercial International Bank (CIB)  
Commonwealth Bank of Australia  
Coöperatieve Rabobank U.A.  
Credit Suisse Group  
Crédit Agricole Corporate and Investment Bank  
CTBC Bank Co., Ltd  
DBS Group Holdings Ltd

De Volksbank  
DekaBank Deutsche Girozentrale  
Deutsche Bank AG  
Development Bank of Japan  
DNB  
DZ Bank AG  
E.SUN Commercial Bank, LTD  
Ecobank Transnational Incorporated  
EIFO (formerly EKF)  
Ex-Im Bank  
Export Credit Norway  
Export Development Canada  
Export Finance Australia  
Fidelity Bank plc  
First Abu Dhabi Bank (FAB)  
First Commercial Bank  
FirstRand Limited  
FMO (Netherlands Development Finance Company)  
Fujian Haixia Bank  
Hana Bank  
HSBC Holdings plc  
IDFC FIRST Bank  
Industrial Bank Co., Ltd  
ING Bank N.V.  
Instituto de Crédito Oficial (ICO)  
Intesa Sanpaolo SpA  
Itaú Unibanco S.A.  
JPMorgan Chase & Co.  
KB Kookmin Bank  
KBC Group N.V.  
KfW IPEX-Bank GmbH  
Korea Development Bank  
La Banque Postale  
LBO France  
Lloyds Banking Group plc  
Mauritius Commercial Bank Ltd.  
Mega Bank  
Mian Yang City Commercial Bank  
Mizuho Bank, Ltd. / AMOAI  
MUFG Bank, Ltd  
National Australia Bank Limited  
Natixis  
NatWest Group plc  
Nedbank Limited  
NIBC Bank N.V.

Nippon Life Insurance Company  
NN Investment Partners  
NongHyup Bank  
Nordea Bank AB (publ)  
NWB Bank  
O-Bank  
OCBC Bank  
OP Financial Group  
Royal Bank of Canada  
Shin Kong Commercial Bank (SKB)  
Shinhan Bank  
Shinkin Central Bank (SCB)  
Shinsei Bank, Limited  
Skandinaviska Enskilda Banken AB  
Société Générale  
Standard Bank Group  
Standard Chartered plc  
Sumitomo Mitsui Banking Corporation  
Sumitomo Mitsui Trust Bank, Limited  
Svenska Handelsbanken AB (publ)  
Swedish Export Credit Corporation (SEK)  
Taipei Fubon Commercial Bank  
Taishin International Bank  
TD Bank Financial Group  
The Norinchukin Bank  
UK Export Finance  
UniCredit SpA  
United Overseas Bank Limited (UOB)  
Weihai City Commercial Bank  
Wells Fargo Bank, N.A.  
Westpac Banking Corporation  
Woori Bank  
Yuanta Commercial Bank

## De-Listing 2022

**Voluntary De-listing  
(No Longer Providing In-Scope products)**  
Manulife  
Swedbank AB

**Merger/Acquisition De-listing**  
None

**Involuntary De-listing**  
None



**The Equator Principles are intended to serve as a common baseline and risk management framework for financial institutions to identify, assess and manage environmental and social risks when financing Projects.**

November 2023

For more information about the Equator Principles contact  
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[www.equator-principles.com](http://www.equator-principles.com)



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