

Equator Principles

Annual Report 2021



- **The Equator Principles** are principles for financing responsible projects that take into account environmental, social and societal criteria.
- The identification, assessment, and management of environmental/social/societal risks and impacts are based on **IFC standards** issued by the World Bank.
- As part of its CSR policy, La Banque Postale has signed the **Equator Principles IV** (July 2020) to strengthen its civic and socially responsible banking system. Version IV includes aspects related to human rights, climate risk and biodiversity.
- This annual report is part of the commitments linked to these principles and aims at sharing the initiatives undertaken in the implementation of these principles, as well as information with the stakeholders of La Banque Postale.

SCOPE



Project Finance & Project Finance Advisory Activities

When the total investment costs of the project amounts to USD 10 million or more



Project-related financing and project-related acquisition financing

When the following three criteria are met:

- i. The underlying project was financed in accordance with the Equator Principles framework
- ii. There has been no significant change in the scale or scope of the project
- iii. The project has not yet been completed at the time of the signing of the financing or loan agreement



Project-based business loans

When the following three criteria are met:

- i. The majority of the loan is related to a project over which the client has effective operational control (direct or indirect)
- ii. The total amount of the loan and the EPFI's individual commitment (before syndication or sale) are each at least US\$50 million
- iii. The term of the loan is at least two years



Bridge loans with a term of less than two years and intended to be refinanced by project financing or a project-related business loan

When the following two criteria are met:

- i. The total amount of the loan and the EPFI's individual commitment (before syndication or sale) are each at least US\$50 million
- ii. The term of the loan is at least two years

ROLES AND RESPONSIBILITIES

Implementation

- **The Civic Engagement Department** is a signatory to the Equator Principles.
- **The Project Finance Department** is responsible for implementing the Equator Principles throughout the value chain: identifying ESG criteria and assessing their risks and impacts, training relevant stakeholders and updating existing procedures

Credit granting process

- **The front office business line** is involved in identifying and assessing the environmental/social risks and impacts of projects according to categories (A, B+, B, C).
- Depending on the risks and impacts, the business managers will work with their clients to establish **appropriate assessment and management systems and action plans**. External due diligence and additional legal clauses may be used to reinforce this.
- **The risk department** is involved in the credit granting process, in order to counter-analyse, challenge and validate the categorisation, especially for high risks projects (cat. A, B+) and for non-designated countries.
- **The middle office** is involved in the project life cycle to ensure compliance with legal clauses and covenants.
- **The client** undertakes to implement impact assessment and management plans to compensate/mitigate the risks.

INTERNAL TRAINING

Training program

- **A specific training program** has been set up during the implementation of the Equator Principles.
- The teams were made aware of **the regulatory context and the basics of responsible finance**, as well as the challenges of environmental/social/societal aspects in financing.
- The training focused on **IFC standards and the Equator Principles**, as well as approaches and tools to categorise risks and impacts.
- On the operational side, the training program also traces the integration of these principles **into the credit process**, to facilitate understanding of the roles and responsibilities of stakeholders at the initiation and during the life cycle of the financing.

Trained ecosystem

- **The entire value chain** has been trained to understand and manage the full range of principles: front-office, middle-office, credit risk, operational risk...

PE TRANSACTIONS IN 2021

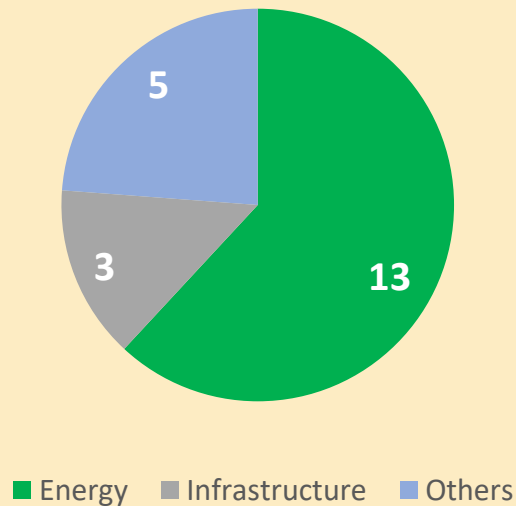
M\$1 162.17

Total amount of PE Transactions

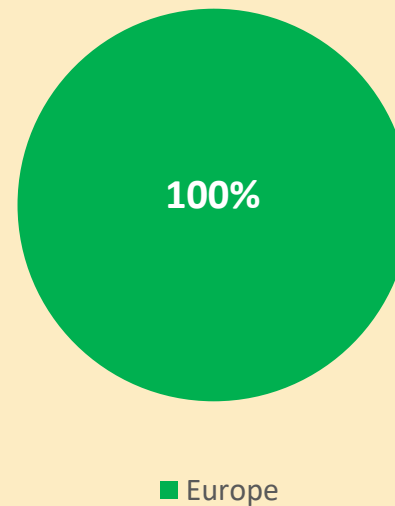
21

Number of PE Transactions

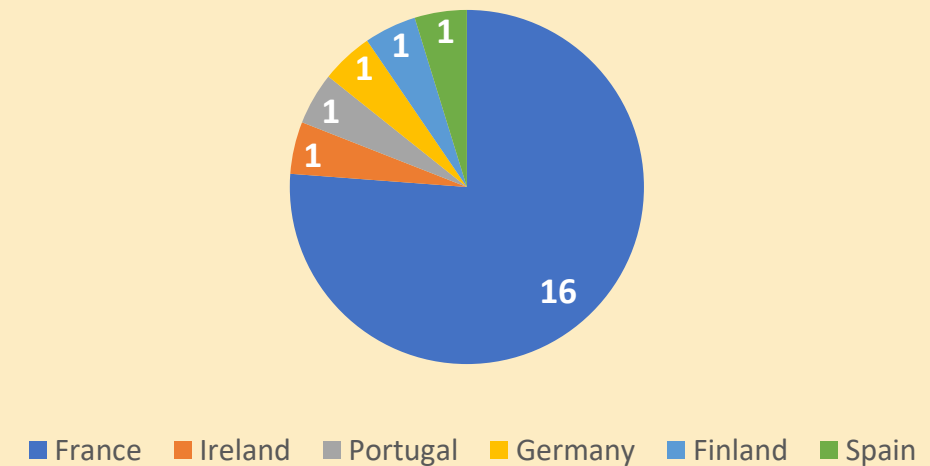
Number of transaction by sector



Number of transactions by region



Distribution of transactions by designated countries



PE Transaction by category

from 1st of January to the 31st of December 2021

Principle 1 is to assess the project category in terms of potential environmental and social/societal risks and impacts, based on the IFC standards.

👍 3 ESG risks and impacts categories

Category A

Projects with potentially serious adverse environmental and social risks and/or the potential to generate heterogeneous, irreversible and unprecedented impacts

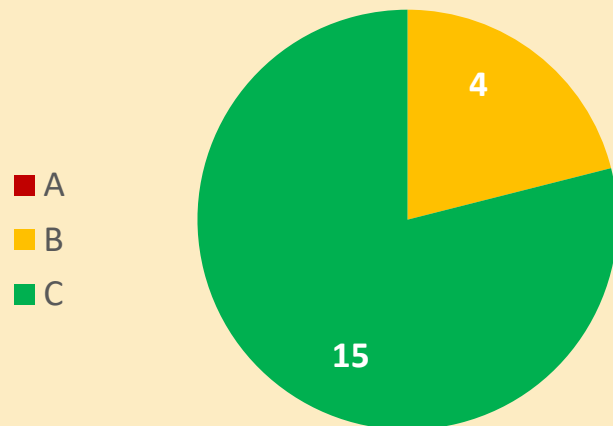
Category B

Projects with limited potential adverse environmental and social risks and/or likely to generate few, generally site-specific, largely reversible impacts that can be easily addressed through mitigation measures

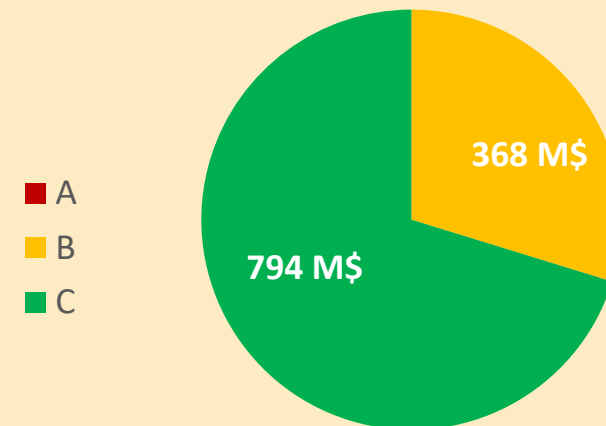
Category C

Projects with minimal or no environmental and social risks and/or impacts.

Number of transactions by category



Amount of transactions by category



Number of PE Project finance transactions in detail

from 1st of January to the 31st of December 2021

	Category A	Category B	Category C	Total
Region				
Americas	0	0	0	0
EMEA	0	6	15	21
Asia Pacific	0	0	0	0
Sector				
Metals & Mining	0	0	0	0
Infrastructure	0	0	3	3
Oil & Gas, Petrochemicals	0	0	0	0
Power				
Thermal	0	0	0	0
Renewables	0	6	7	13
Others	0	0	5	5
Country Designation				
Designated country	0	6	15	21
Non-designated country	0	0	0	0

Amount of PE Project Finance Transactions in detail

from 1st of January to the 31st of December 2021

	Category A	Category B	Category C	Total
Region				
Americas	0 M\$	0 M\$	0 M\$	0 M\$
EMEA	0 M\$	368 M\$	794 M\$	1 162 M\$
Asia Pacific	0 M\$	0 M\$	0 M\$	0 M\$
Sector				
Metals & Mining	0 M\$	0 M\$	0 M\$	0 M\$
Infrastructure	0 M\$	0 M\$	130 M\$	130 M\$
Oil & Gas, Petrochemicals	0 M\$	0 M\$	0 M\$	0 M\$
Power				
Thermal	0 M\$	0 M\$	0 M\$	0 M\$
Renewables	0 M\$	368 M\$	290 M\$	658 M\$
Others	0 M\$	0 M\$	374 M\$	374 M\$
Country Designation				
Designated country	0 M\$	368 M\$	794 M\$	1 162 M\$
Non-designated country	0 M\$	0 M\$	0 M\$	0 M\$

PE Projects reporting

Name of the project	Host country	Sector	Sub-sector	Signing date
ELYSIA	France	Energy	Solar	01-21
PHOENIX	France	Energy	Mix Wind / Solar	02-21
BOIS ROUGE	France	Energy	Biomass	04-21
THD LILLE	France	Others	Telecoms	04-21
GRANDE PLAINE	France	Energy	Onshore Wind	04-21
COURSEULLES	France	Energie	Offshore Wind	05-21
ALMERIA	France	Others	Telecoms	06-21
FIBRE 39	France	Others	Telecoms	06-21
FUNIFLAINE	France	Infrastructure	Transports	06-21
HYBRIDSOL	France	Energy	Solar	06-21
XpFIBRE	France	Others	Telecoms	07-21
HELIOS	Ireland	Energy	Solar	07-21
BEETHOVEN	Germany	Others	Telecoms	09-21
PORTUS	Portugal	Energy	Solar	09-21
PONTS DE NORMANDIE	France	Infrastructure	Transports	10-21
EV CARS	France	Energy	Charging stations	11-21
TRIVALLOIRE	France	Energy	Waste management	11-21
ATB	France	Infrastructure	Transports	11-21
PUSKASKORVEN	Finland	Energy	Onshore Wind	12-21
CRUSCADES	France	Energy	Onshore Wind	12-21
KRAKEN	Spain	Energy	Solar	12-21