

# Equator principles

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

EKF's process assuring Equator Principles compliance lies with EKF's CSR department whose main responsibility it is to evaluate environmental and social risks. EKF CSR follows our [Environmental and Social Policy](#).

The transactions in scope typically include buyer credit transactions over USD 100 million, and project finance transactions over USD 10 million. Please see more details in the [Equator Principles](#).

In 2018, EKF approved 18 Equator Principles projects, of which 14 were project finance transactions and 4 was a corporate loan transaction. Of the 18 projects 5 was classified as A projects and 13 as B projects<sup>1</sup>.

The main sector for EKF'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 CO<sub>2</sub> emissions are required under the Equator Principles to report publically on the emissions. For large emitters, an alternative analysis is also required to evaluate less intensive alternatives.

## EKF Implementation

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

The CSR department consists of 5 full-time environmental and social sustainability consultants which form part of EKF's Policy and CSR division. All 5 environmental and social sustainability consultants holds mandates as Equator Principles Reviewers.

The CSR 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"<sup>3</sup>)
- › 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 CSR field

Environmental and social sustainability is an integral part of EKF's risk assessment of transactions. EKF's internal environmental and social sustainability consultants always take part in EKF deal teams. On the basis of the Environmental and social sustainability assessment, it is decided by the Board of Management whether the business transaction can be approved

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<sup>1</sup> 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, EKF considers it a "B as appropriate" under the Equator Principles and hence applies guidelines for an A project under the OECD Common Approaches.

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		0	14
Region			
	Americas	0	4
	Europe, Middle East & Africa	0	9
	Asia	0	1
Sector			
	Other	0	2
	Power	0	12
EP Country Designation			
	Designated Country	0	3
	Non-Designated Country	0	10
Independent Review			
	Yes	0	13
	No	0	1

Project detail (Project Finance):

Project name	Sector	Project location	Classification (OECD/EP)	Reporting period (years)	Independent review
Blakliden Fabodberget Wind AB	Power	Sweden	B/B	21,5	Yes
Formosa I Wind Power Co. Ltd.	Power	Taiwan	B/B	16,5	Yes
Genneia Vientos	Power	Argentina	B/B	14	Yes
GIP III Jupiter Limited	Power	UK (United Kingdom)	A/B	18,5	Yes
Kråktorpet Wind Farm AB	Power	Sweden	A/B	19,5	Yes
Moray Offshore Windpark (East)	Power	UK (United Kingdom)	A/B	19,5	Yes
Northwester2 NV	Power	Belgium	B/B	19,5	Yes
Parc Eolien Taiba Ndiaye S.A.U.	Power	Senegal	B/B	20	Yes
Parque Eolico del Bicentenario, S.A.	Power	Argentina	B/B	15	Yes
Piscicultura Tierra del Fuego S.A.	Infrastructure	Chile	B/B	9	Yes
SCA Snurran AB	Power	Sweden	B/B	20	Yes
Seamade NV	Power	Belgium	A/B	16,5	Yes
Trenton Biogas LLC	Power	USA (United States of America)	B/B	14	No Done by EKF
Tösen Vind/ Åmot-Lingbo Vindkraft	Power	Sweden	B/B	19	Yes

### Project-Related Corporate Loan

EKF financed 1 project-related corporate loan under the Equator Principles in 2018.

		Number of Projects	
		Category A	Category B
Number of Projects		0	1
Region			
	Americas	0	0
	Europe, Middle East & Africa	0	1
	Asia	0	0
Sector			
	Other	0	0
	Infrastructure	0	1
EP Country Designation			
	Designated Country	0	0
	Non-Designated Country	0	1
Independent Review			
	Yes	0	1
	No	0	0

Project name	Sector	Project location	Classification (OECD/EP)	Reporting period (years)	Independent review
Bermuda Electric Light Company Limited	Infrastructure	Bermuda	B/B	13,5	No Done by EKF
Dundonnell Wind Farm Pty Ltd	Power	Australia	B/B	20	Yes
ERG Otoyol Yatirim ve Isletme A.S.	Infrastructure	Turkey	A/B	14	Yes
Ministério da Energia e Águas	Infrastructure	Angola	A/B	10	Yes

This fulfills EKF's requirement under the Equator Principles to report annually on transactions that were issued during 2018. Please contact EKF's CSR department for further details on any of the above transactions.