

Equator Principles

Annual Report 2022



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.
- La Banque Postale has signed the **Equator Principles IV** (July 2019) to strengthen its already existing commitments in favor of responsible banking. 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 :



1. The underlying project was financed in accordance with the Equator Principles framework
2. There has been no significant change in the scale or scope of the project
3. 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 :



1. The majority of the loan is related to a project over which the client has effective operational control (direct or indirect)
2. The total amount of the loan and the EPFI's individual commitment (before synd or sale) are each at least US\$50M
3. 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 projectrelated business loan



When the following two criteria are met :

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

Roles and responsibilities

Implementation

- **La Banque Postale** 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 2022

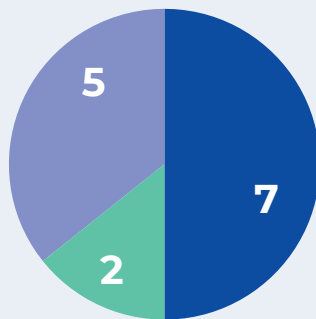
M\$ 532

Total amount of PE transactions

14

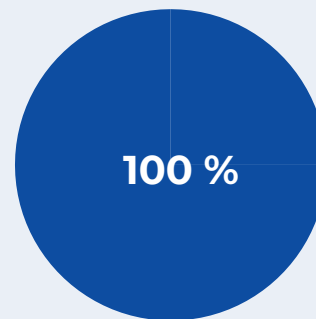
Number of PE transactions

Nb of transactions by sector



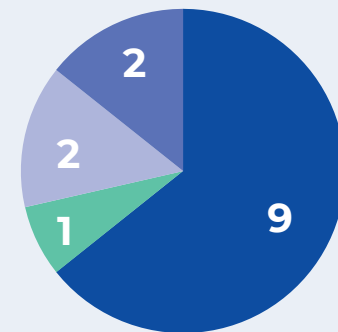
■ Energy ■ Infrastructure ■ Others

Nb of transactions by region



■ Europe

Distribution of transactions by designated countries



■ France ■ Norway ■ Portugal ■ Germany

PE transaction by category

from 1st of January to the 31st of December 2022

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

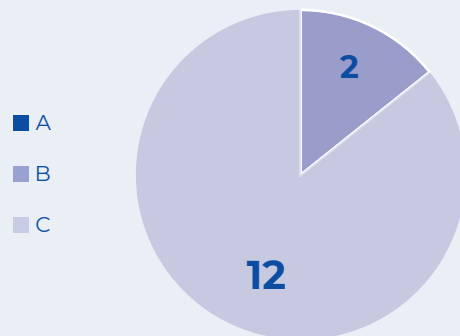
Category B

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

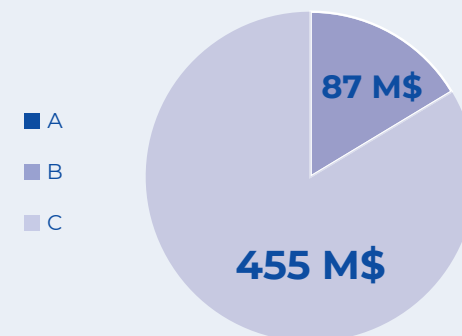
Category C

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

Nb 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 2022

	Category A	Category B	Category C	Total
Region				
Americas	0	0	0	0
EMEA	0	2	12	14
Asia Pacific	0	0	0	0
Sector				
Metals & Mining	0	0	0	0
Infrastructure	0	1	1	2
Oli & Gas, Petrochemicals	0	0	0	0
Power				
Thermal	0	0	0	0
Renewablews	0	1	6	7
Others		0	5	5
Country Designation				
Designated country	0	2	12	14
Non-designated country	0	0	0	0

Number of PE project finance transactions in detail

from 1st of January to the 31st of December 2022

	Category A	Category B	Category C	Total
Region				
Americas	-	-	-	-
EMEA	-	87 M\$	445 M\$	532 M\$
Asia Pacific	-	-	-	-
Sector				
Metals & Mining	-	-	-	-
Infrastructure	-	150 M\$	83 M\$	134 M\$
Oli & Gas, Petrochemicals	-	-	-	-
Power	-	-	-	-
Thermal	-	-	-	-
Renewables	-	37 M\$	147 M\$	184 M\$
Others	-	-	214 M\$	214 M\$
Country Designation				
Designated country	-	87 M\$	445 M\$	532 M\$
Non-designated country	-	-	-	-

PE projects reporting

Name of the project	Host country	Sector	Sub-sector	Signing date
SPEEDBREAK	Germany	Others	Telecoms	03-22
ATOSCA A69	France	Infrastructure	Roads	04-22
GLASFASER PLUS	Germany	Others	Telecoms	04-22
EOLMED	France	Power	Offshore Wind	04-22
LE GOL	France	Power	Biomass	05-22
CERS SAS	France	Power	Onshore Wind	05-22
TDF FIBRE	France	Others	Telecoms	06-22
UNIVERSITE TOULOUSE	France	Infrastructure	Buildings	06-22
NAVIGIUM	Norway	Others	Transports	08-22
FALA POWER	France	Power	Solar	10-22
PHOENIX	France	Others	Telecoms	11-22
CVE EII9	France	Power	Solar	11-12
SIMPLEWATT	Portugal	Power	Solar	12-22
ESCALABIS SOLAR	Portugal	Power	Mix Wind / Solar	12-22



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