

## Equator Principles Reporting 2014

At Crédit Agricole CIB, the implementation of the Equator Principles was developed through an initiative of the Project Finance business line. Environmental and social risks are first assessed and managed by the account manager based on the rating, with very close attention paid to projects rated “A”. The account managers are backed by a network of local correspondents, who provide the necessary support in each regional Project Finance structuring centre and remain in constant communication with a coordinating unit.

The Industry and Sector Research unit, an integral part of Crédit Agricole S.A, provides additional support and clarification by contributing its environmental and technical expertise, thereby making it possible to refine the risk analysis and identification for each business sector. The Co-ordination unit, which comprises operating staff from the Project Finance business line, co-ordinates the practical aspects of the implementation of the Equator Principles. It manages the network of local correspondents and implements specialised training for participants.

The Equator Principles represent a due diligence process for the Bank and an obligation for borrowers to develop their projects in compliance with International Finance Corporation (IFC) standards.

The first step consists in assessing each project on the basis of its environmental and social impacts, based on the IFC classification system.

### Projects’ assessment

The IFC classification has three levels:

- Category A: Projects expected to have significant adverse social and/or environmental impacts that are diverse, irreversible, or unprecedented.
- Category B: Projects expected to have limited adverse social and/or environmental impacts that can be readily addressed through mitigation measures.
- Category C: Projects expected to have minimal or no adverse impacts.

Crédit Agricole CIB classifies projects based on a social and environmental impact assessment tool developed by the Bank in 2008. The relevance of this tool is constantly verified to reflect actual results, with the most recent major update performed in 2010.

Environmental and social obligations are then introduced into the loan agreements in order to ensure that the projects are properly developed and operated in accordance with IFC environmental and social standards. That includes in particular the obligation to consult the affected populations and, in some cases, to obtain their consent. These principles, which initially applied only to project financing,

have been extended as from 1 January 2014 to four types of banking activities defined in the Equator Principles framework:

- Advisory services
- Project finance
- Project-related Corporate Loans (PRCL)
- Bridge loans

As a member of the group of ten banks that launched the Equator Principles in June 2003, Crédit Agricole CIB played a major role in expanding the scope of these principles in its capacity as a co-leader of the ad-hoc working group. Having already become the established market standard in project finance in a few short years, the Equator Principles now make it possible to assess and manage risks related to environmental and social impacts for a broader range of financing transactions.

## Statistics

- Project finance

At 31 December 2014, the number of portfolio projects stood at 352. The projects break down by rating as follows:

- 26 rated A, including five in 2014,
- 265 rated B, including 23 in 2014,
- 61 rated C, including two in 2014.

A total of 30 projects were signed in 2014 and classified into categories A, B and C.

Sector-specific and geographic distributions are as follows:

	Category A	Category B	Category C	Total
	5	23	2	30
<b>Sector</b>				
Mining		1		1
Oil & gas	2	3		5
Power	2	10	2	14
Infrastructure	1	9		10
Others				
<b>Region</b>				
Americas	1	15	1	17
Asia Pacific		2		2
EMEA	4	6	1	11
<b>Country designation</b>				
Designated Country	1	17	2	20
Non Designated Country	4	6		10
<b>Independent review</b>				
No		10	1	11
Yes	5	13	1	19

- Project Related Corporate Loans

2 PRCL have been signed in 2014 and have been ranked according to A, B and C categories. The breakdown of the projects is as follows:

- 1 A-project,
- 1 B-project

One of these PRCL concerns electric power plants and the other concerns the Industry. Besides, one is located in Latin and Central America and the second in Asia and Pacific region.

	Category A	Category B	Category C	Total
	1	1		2
<b>Sector</b>				
Mining				
Oil & gas				
Power		1		1
Infrastructure				
Others	1			1
<b>Region</b>				
Americas		1		1
Asia Pacific	1			1
EMEA				
<b>Country designation</b>				
Designated Country				
Non Designated Country	1	1		2
<b>Independent review</b>				
No				
Yes	1	1		2

This document corresponds to the reporting format recommended by the Equator Principles Association. For additional information regarding implementation of the Equator Principles and environmental and social assessment and management system at Crédit Agricole CIB, please refer to the [2014 shelf-registration document](#).