



May 22, 2017

The Equator Principles Association
Railview Lofts, 19c Commercial Road,
Eastbourne, East Sussex, BN21 3XE
United Kingdom
secretariat@equator-principles.com

Dear Chair,

As some of us experienced with a recent project located in a Designated Country, banks were publicly and harshly criticised for supporting a project where consultation with an indigenous community did not involve their free, prior and informed consent (FPIC). They were also criticised for not being able to intervene with the Sponsors in order to help identify a solution that was agreeable to all parties in this context.

In the present case, this was largely based on the fact that (i) local laws in relation to engagement with indigenous communities are lacking compared to best practice for FPIC such as the one developed by the World Bank & IFC and reflected in the IFC Performance Standards (IFC PS) and (ii) banks had no leverage as there was no breach with the applicable environmental & social standards being used.

In addition to the reputation damage that this has caused to the banks involved, we believe that this is likely to damage the reputation of the Equator Principles (EPs) as a “golden standard” and a common playing field for determining, assessing and managing environmental and social risks in projects.

The EPs have imposed themselves as a market standard, attracting more and more Financial Institutions and enabling them to collectively learn about this important matter. Overall, we are deeply convinced that the EPs have significantly improved the quality of the projects that we finance and we remain fully committed to the EPs and to their continuous improvements.

Whilst the EP Financial Institutions (EPFIs) and the EP Association have been quite active since the launch of the EPs in 2003 and more recently with the last version in 2013, we believe that the world has changed even more rapidly and that the initial intention of setting a golden standard and common playing field needs to be re-affirmed. It is therefore critical that we maintain the level of our initial ambition and that the EP Association demonstrates continuous progress.

As a lesson learned from the above captioned project, we believe that a significant improvement to the EPs is now needed to avoid similar situations in the future and we would like to put forward two important changes:

- o Requiring that projects in Designated Countries (as defined in the EPs) are developed to comply with the same environmental and social standards as in non-Designated Countries, i.e. the IFC PS, in addition to applicable local standards.

This is crucial with respect to critical issues such as FPIC and biodiversity conservation. Moreover, this would address concerns that local laws in Designated Countries are not necessarily as stringent as the IFC PS in all respects. We request that this proposal be discussed in the coming months in order to reach a decision in a timely manner.

- o Propose amendments to the EP framework to facilitate the resolution of issues resulting from a potential breach of the applicable E&S standards that may lead to a significant damage to the environment and / or communities. We request that a working group be put in place as soon as possible to review this request and make proposals to the EP Association on how to implement them.

The undersigned would like to call on all EPFIs to support this ambition and work collectively to achieve significant progress on these two important aspects. In this spirit, the undersigned EPFIs would be happy to participate in a working group(s) to work towards achieving these goals.

We will be grateful to the Steering Committee to bring the subject forward to the EPFIs community and assist us in fostering discussions..

Best Regards

For and on behalf of,

ABN AMRO

Claire Gillig-Brouwer
EP Primary Contact

BNP PARIBAS

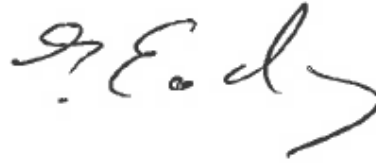
Patrick Bader
EP Primary Contact

BBVA

Juan A. Casals Ovalle
EP Primary Contact

Credit Agricole
CIB

Eric Cochard
EP Primary Contact



FMO

Emilie Goodall
Manager, Development Impact
and Sustainability



Intesa San
Paolo

Antonella Bernasconi
EP Primary Contact



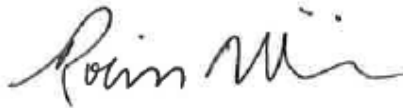
Natixis

Pierre Dufaud
EP Primary Contact



NIBC

Robin Willing
EP Primary Contact



Rabobank

Bas Rüter
Director of Sustainability



Société
Générale

Sylvie Préa
Director of Corporate Social
Responsibility

