

Equator Principles III Reporting – FY19

The CBA Group became a signatory to the Equator Principles III (EPIII) in May 2014. The EPIII are a set of standards to assess, mitigate, manage and monitor Environmental and Social risks in project-related financing.

Equator Principles III and CBA

Assessing potential transactions for Environmental, Social and Governance (ESG) risks is a key step in our due diligence process for all Institutional Bank loans, as well as large loans in other business units. By adopting EPIII, CBA further builds on our commitment to responsible lending and formalises the reporting of our ESG risk practices for project-related finance. EPIII practices are embedded within CBA's loan origination policies and procedures, as well as the ongoing management of transactions through their lifecycles.

The Equator Principles have evolved over time. Continuing to update the Equator Principles with new iterations ensures that they reflect the latest global developments in environmental and social risk management practices and associated governance around compliance.

Our client relationship, risk and product teams complete EPIII training annually. In addition, for broader corporate lending, the relevant teams complete refresher training on ESG risks each year. We update this training annually to capture new developments in, and awareness of, ESG risks.

CBA's EPIII Reporting

Figure 1 shows that 10 EPIII qualifying deals reached financial close over the financial year ending June 2019. 9 deals were project finance transactions (refer to Figure 2), and 1 deal was project-related corporate lending (refer to Figure 3).

Project financing included infrastructure projects, oil & gas, and renewable energy projects generating large-scale wind and solar energy (refer to Figures 2 and 4).

Figure 1. Number of qualifying deals by category

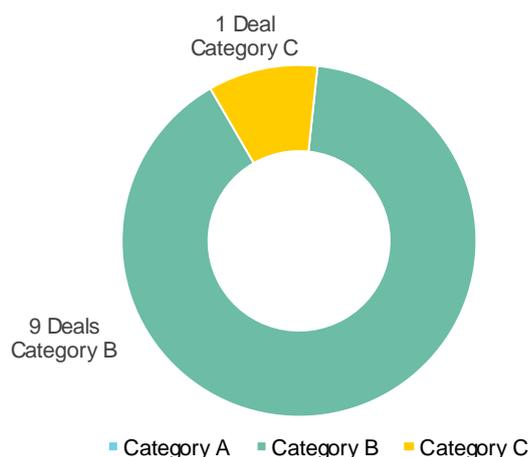


Figure 2. Project finance

EPIII Category	A	B	C
Totals		8	1
Sector			
Mining			
Infrastructure		2	
Oil & Gas		1	
Energy & Utilities		5	
Others			1
Region			
Americas		2	
Europe, Middle East & Africa		2	
Asia Pacific		4	1
Country Designation			
Designated		8	1
Non-Designated			
Independent Review			
Yes		8	1
No			

Figure 3. Project-related Corporate Loans

EPIII Category	A	B	C
Totals		1	
Sector			
Mining			
Infrastructure			
Oil & Gas		1	
Energy & Utilities			
Others			
Region			
Americas		1	
Europe, Middle East & Africa			
Asia Pacific			
Country Designation			
Designated		1	
Non-Designated			
Independent Review			
Yes		1	
No			

Figure 4. Names of project finance transactions

Project Name	Sector	Project Location	Year of Financial Close
Warradarge Wind Farm	Energy & Utilities	Australia	2018
Darlington Point Solar Farm	Energy & Utilities	Australia	2018
Clean Energy Future – Lordstown, LLC	Energy & Utilities	United States	2019
Wind Farm I	Energy & Utilities	United Kingdom	2019
Solar Farm II	Energy & Utilities	United Kingdom	2019
WestConnex M4-M5 Link	Infrastructure	Australia	2018
Macarthur Water Filtration Plant	Infrastructure	Australia	2018
Natural Gas Project I	Oil & Gas	United States	2019
Karratha Workers Accommodation Village	Others	Australia	2019