

# Equator Principles Reporting – FY21

The Commonwealth Bank of Australia became a signatory to the Equator Principles in May 2014. The Equator Principles (EP) are a set of standards to assess, mitigate, manage and monitor Environmental and Social risks in applicable project-related financing.

## Environmental and Social Risks

Environmental and social risk, including climate change, is a strategic risk managed under the CBA Group's Risk Management Framework. 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.

Training for ESG due diligence and specifically applying the Equator Principles (EP) is undertaken by the relevant client and risk teams to ensure they implement EP effectively. CBA's EP process is embedded in CBA systems and procedures.

8 EP qualifying deals reached financial close over the financial year ending June 2021.

- 6 deals were project finance transactions (refer to Figure 2).
- 2 deals were project-related refinance transactions (refer to Figure 3).
- No project-related corporate loans reached financial close.

Figure 1 – Project Finance

EPIV Category	A	B	C
Totals		6	
<b>Sector</b>			
Mining		1	
Infrastructure			
Oil & Gas			
Power		5	
Others			
<b>Region</b>			
Americas		3	
Europe, Middle East & Africa			
Asia Pacific		3	
<b>Country Designation</b>			
Designated		6	
Non Designated			
<b>Independent Review</b>			
Yes		6	
No			

Figure 2 – List of Project Finance transactions

Project Name	Sector	Project Location	Country Designation	Year of Financial Close
New England Solar Farm	Power	Australia	Designated	2021
Mining Project I	Mining	Australia	Designated	2021
Western Downs Solar Farm	Power	Australia	Designated	2020
Terra-Gen Cal Wind	Power	United States	Designated	2020
California Flats Solar	Power	United States	Designated	2020
Eagle Shadow Mountain Solar Project	Power	United States	Designated	2020

Figure 3 – List of Project-Related Refinance transactions

Project Name*	Sector	Project Location	Country Designation	Year of Financial Close
Wind Project I	Power	Australia	Designated	2021
Wind Project II	Power	Australia	Designated	2021

\* CBA acquired the debt to these projects in the secondary market and applied Equator Principles in the transaction ESG assessment. However, since these are not refinances from the borrowers' perspective, it is not appropriate to disclose project names.

