



EPA RESPONSE TO FEEDBACK DURING REVIEW OF THE EPs

The Equator Principles Association (EPA) is proud to launch the fourth version of the Principles on 18 November 2019. As part of the development of the updated Principles, advice and feedback was obtained from a wide variety of stakeholders and experts. We greatly appreciate the time and effort undertaken by all of these individuals and institutions, which have strengthened the final product.

Three reports were published by external parties during the review of the EPs:

- [EPA Strategic Review 2018](#), conducted by ERM based on a stakeholder consultation
- [Enhancing the Alignment of the Equator Principles with the UN Guiding Principles on Business and Human Rights: A Public Summary of Shift's Advice to the EPA](#)
- [Stakeholder Consultation – Summary and Recommendations](#), conducted by BSR based on the draft text of EP4

Working Groups, as well as the EPA Steering Committee and the wider membership generally, reviewed all of the reports in detail and considered the feedback given and recommendations made.

This document contains itemised responses to the recommendations received across the three reports noted above, on the basis of the final EP4 text.

Key aspects of the advice addressed in the final EP4 text, include:

- Revision on the approach to Free, Prior and Informed Consent (FPIC) in Designated Countries.
- Strengthened commitments on human rights.
- Recognition of the Paris Agreement and introduction of the Climate Change Risk Assessment for physical and transition risks, aligned with the risk categories of the TCFD.
- Broadened scope including reduced threshold for Project-Related Corporate Loans and named reporting of these transactions. Identification of a lead EPFI to promote consistency in name reporting. Removal of exemption for sovereign borrowers for all Category A Projects.
- Commitment to develop guidance and undertake training amongst members to successfully implement these new commitments.

The draft of EP4, released in June 2019, had suggested two possible avenues for FPIC-related revisions to Principle 5. Drawing on the feedback received from a diverse range of stakeholder groups, as well as legal advice, and extensive internal debate amongst EPFIs, EP4 will now require transactions in Designated Countries to benchmark against the requirement of PS7. This marks a substantial move forward from EPIII and is the first example of EP utilising the IFC PS more broadly in Designated Countries.

During 2020, guidance will help clarify how the requirements are to be implemented in Designated Countries. As this is the first instance of utilising the Performance Standards in Designated Countries, the Association will be closely monitoring and learning from this experience, to strengthen and refine our guidance to members over time.

Some elements were not considered appropriate, such as removing the Designated Country distinction entirely, which was, after much debate, not considered appropriate at this stage.



Some suggestions were considered to be more appropriate for guidance, and thus will be acted upon but in supporting guidance documentation rather than in the EPs themselves.

The reports also identified some key themes that, whilst not within the targeted remit of the EP4 update, will be considered by the Association as priority areas beyond the delivery of EP4:

- Strengthened accountability of EPA members.
- Improved transparency and reporting.
- Expanding the scope of the EPs to non-Project financial products - to be examined/considered for feasibility.
- Grievance handling may be addressed through Governance Rules updates, and access to remedy to be further considered by a working group.

Furthermore, the EP Association will endeavour to develop a formal strategy which clarifies its direction within the evolving sustainable finance landscape, and intends to spell out the key partnerships that the Association will pursue to deliver its mandate.



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EPA response to ERM recommendations 2018

Reference document: EPA Strategic Review 2018, conducted by ERM based on a stakeholder consultation

ERM recommendation (Dec 2018)	EPA response (Nov 2019)	Additional comment, if required
<p><i>Strategy</i> - Develop, consult on and agree a documented strategy for EPA, with a three to five year horizon. It is recommended that EPA considers issuing a public version of this strategy at the same time as EP4, to provide context to the changes and, more importantly, information on how EPA (and EP) plans to evolve and contribute to the enhanced management of E&S issues / impacts.</p>	<p>Recommendation considered, Association will work on the development of a strategy in 2020.</p>	
<p><i>Mandate</i> - A clear mandate for EPA is a cornerstone for establishing a clear and coherent strategy and, it is suggested, will assist EPA in articulating its purpose and position within the sustainable finance market to external stakeholders. It is recommended that as part of this mandate, EPA in the first instance seeks to provide support to EPFIs on E&S risk management, and beyond this seeks opportunities to develop new principles / commitments either within EP or under the umbrella of EPA.</p>	<p>Recommendation considered, Association will work on the development of a strategy in 2020.</p>	
<p><i>Outreach programme</i> – A formalised outreach programme, as part of the wider strategy, will provide a more structured and frequent basis for EPA to monitor and manage stakeholder expectations and to evolve its mandate. It could also contribute to EPA being seen in a more positive and ‘collaborative’ context by some stakeholders.</p>	<p>Recommendation considered, Association will work on the development of a strategy in 2020.</p>	<p>Regional representatives on the Steering Committee already undertake outreach in their respective regions. Will consider within strategy development if more needs to be done and with whom.</p>



ERM recommendation (Dec 2018)	EPA response (Nov 2019)	Additional comment, if required
<p><i>EPA internal capacity building</i> – Development of a knowledge sharing and training platform for EPFIs will contribute to enhancing implementation of EP. This platform could encompass additional guidance documents, tools, training modules / resource and databases.</p>	<p>Recommendation considered, and will be actioned after EP4 is launched.</p>	<p>Capacity Building & Training Working Group has developed training materials and is looking at how best to support EP4 implementation.</p>
<p><i>EP Implementation</i> – Amend EP10 to require EPFIs to report on planned / executed internal (or external) audit of their implementation of EP, including closing-out any material audit findings, on a suggested five year frequency for existing EPFIs and within two years of joining for a new EPFI. Develop guidance associated with this to assist audit functions with planning and undertaking audits. An additional/alternate option for new joiners is review of a submitted ‘EP implementation plan’ and implementation of a subsequent ‘adoption plan’ identifying corrective actions, during a probationary period. Associated EPFI adopter guidance and guidance to support the due diligence / probationary review process would be required.</p> <p>Amend EPFI’s ‘Implementation Reporting’, under Annex B ‘Minimum Reporting, to require more detailed and structured reporting by EPFIs of their EP implementation.</p>	<p>Recommendation considered but not included at this time.</p>	<p>Further consideration of the reporting process will be undertaken from 2020.</p>



ERM recommendation (Dec 2018)	EPA response (Nov 2019)	Additional comment, if required
<p><i>Application of Standards</i> – A number of options are available, with the suggested preferred option being to retain the current basis for the application of standards (based on Designated / Non-Designated Countries), but to establish in EP4 the concept of a formal screening exercise to determine if additional standards above Designated Country standards should be applied. This with the exception of the recommendation related to the application of FPIC below. Other options include completely removing the current basis for application of standards or removing this just for Category A projects. The preferred option would require preparation of additional guidance on undertaking an ‘additional standards assessment’ and process guidance on the application of additional standards in Designated Countries, together with building a database of gaps between Designated Country legislation and IFC PS.</p>	<p>Recommendation considered and partially included in EP4 text.</p>	<p>EP4 has introduced benchmarking to PS7 in Designated Countries and reference to other frameworks such as TCFD and UNGPs. Additional standards can be applied by EPFIs as relevant.</p>
<p><i>EP Scope</i> – Remove the current exemption for government agencies under Project Related Corporate Loans by amending the text in ‘Exhibit 1: Glossary of Terms’. Amend the definition for ‘Project-Related Corporate Loans’ by changing the final paragraph to remove the exclusion for “... loans to national, regional or local governments, governmental ministries and agencies.”</p> <p>Adjust the EP ‘Scope’ section lowering the PRCL thresholds to US\$50 million total aggregate and US\$25 million per EPFI commitment; track/assess the impact of this change to assess any future amendments.</p>	<p>Recommendation considered and partially included in EP4 text.</p>	<p>PRCL threshold reduced to US\$50 million, and other Scope changes introduced.</p> <p>Further non-Project Scope questions to be considered from 2020.</p>



ERM recommendation (Dec 2018)	EPA response (Nov 2019)	Additional comment, if required
<p><i>Climate Change</i> – Amend the EP ‘Preamble’ to reference EPFIs commitment to recognising the importance of contributing to the aims of the Paris Agreement. Include i) preferred option - a specific update to EP2 with a requirement to apply the relevant parts of the TCFD recommendations, in particular as they relate to scenario analysis, potentially with a new Annex or amended Annex A with some further definition; or ii) a more generic reference in EP2 to climate-related transition and physical risk assessment with reference to relevant guidance including TCFD.</p>	<p>Recommendation considered and partially included in EP4 text.</p>	<p>Preamble in EP4 references the Paris Agreement.</p> <p>Climate Change Risk Assessment including TCFD categories of physical and transition risks also introduced in EP4.</p>



ERM recommendation (Dec 2018)	EPA response (Nov 2019)	Additional comment, if required
<p><i>Human Rights</i> – Update the EP ‘Preamble’ to recognise EPFIs commitment to respect human rights within the construct of the UN Guiding Principles on Business and Human Rights.</p> <p>Amend EP2 to include requirements to i) undertake human rights screening on all projects to inform the need to ii) undertake human rights due diligence. Consistent with this, remove the current limitation for human rights due diligence in “limited high risk circumstances”. Develop guidance / tools to assist with human rights screening and due diligence.</p> <p>Enhance the understanding / definition of human rights through amending EP and adding an Exhibit to list potential human rights issues for consideration within the context of development of projects (this consistent with approach to defining ‘Assessment’ in EP2 and Exhibit II). Aligned with this, develop guidance on the definition of human rights relevant to project development; the linkage between human rights topics and where they are, or are not, covered by the IFC PS; and linkage to UN GPs and OECD Guidelines.</p>	<p>Recommendation considered and partially included in EP4 text.</p>	<p>EP4 Preamble now recognises EPFI commitment to the UNGPs.</p> <p>Human Rights risk assessment integrated into EP4.</p> <p>Glossary definition now includes Human Rights.</p> <p>Awareness raising of OECD guidelines undertaken amongst members.</p>
<p><i>Indigenous Peoples</i> – Amend EP5 to remove the distinction between applying FPIC in Designated versus Non-Designated Countries and develop guidance for conducting indigenous peoples due diligence and setting out a protocol for FPIC implementation.</p>	<p>Recommendation considered and partially included in EP4 text.</p>	<p>EP4 now benchmarks to IFC PS7 in Designated Countries.</p> <p>Detailed guidance on this will be completed in 2020.</p>



ERM recommendation (Dec 2018)	EPA response (Nov 2019)	Additional comment, if required
<p><i>Transparency / Engagement / Remedy</i> – Amend project name reporting to include PRCLs (amend Annex B), EP8 to require clients to approve project name reporting as part of financing agreement covenants, and EP10 to encourage EPFI reporting of project names ahead of the annual EPA reporting cycle. Revise EP6 ‘Grievance Mechanism’ to include emphasis on the review of the design of grievance mechanisms, as part of the Independent Review (EP7), and ongoing implementation, as part of Independent Monitoring and Reporting (EP9).</p>	<p>Recommendation considered and partially included in EP4 text.</p>	<p>Project name reporting for PRCLs introduced in EP4.</p> <p>A new Operations Working Group is considering how this could be integrated into EP Association governance.</p>
<p><i>Climate change</i> – Assist EPFIs with guidance and training, through the knowledge sharing / training platform, on corporate / portfolio-level response to the TCFD recommendations, and identifying references for understanding the implementation of the Paris Agreement within the context of assessing project resilience to climate-related transition and physical risks (per TCFD).</p>	<p>Recommendation considered and will be actioned after EP4 is launched.</p>	<p>Climate Change Working Group and Capacity Building & Training Working Group will undertake guidance development and training of members. Specific details to be developed once EP4 is launched.</p>
<p><i>Human rights</i> – Provide enhanced human rights related guidance / training, through the knowledge sharing / training platform, including a gap analysis between UN Guiding Principles (GP) Principles and EP / IFC Performance Standards. Consider working with the Dutch Banking Agreement on Human Rights to assist in the development of human rights screening and due diligence methodology / tools. Formally contribute, potentially aligned to the Thun Group, to further defining EPFI’s, and sponsors’, respective roles with respect to the UN GP pursuant to EP being fully and transparently aligned to UN GPs and the UN “Protect, Respect and Remedy” Framework in the future.</p>	<p>Recommendation considered and will be actioned after EP4 is launched.</p>	<p>Social Risk Working Group and Capacity Building & Training Working Group will undertake guidance development and training of members. Specific details to be developed once EP4 is launched.</p>



ERM recommendation (Dec 2018)	EPA response (Nov 2019)	Additional comment, if required
<p><i>Transparency</i> – Related to the outcome of the last point immediately above, assess the establishment of an EPA platform through which the relevant group of EPFIs can receive and respond to grievances and / or requiring EPFIs to have their own accountability mechanism.</p>	<p>Recommendation considered but not included at this time.</p>	<p>A new Operations Working Group is considering how this could be integrated into EP Association governance.</p>
<p><i>EP Implementation</i> – In addition to the knowledge sharing / training platform discussed above, consider introducing a formal EPFI report validation process, for example similar to UNPRI, with defined sanctions for material non-compliance with enhanced reporting requirements.</p> <p>Consider creating different EPFI categories which determine the role(s) that an EPFI can take on a transaction, for example lead arranger/advisor, ‘environment bank’.</p>	<p>Recommendation considered but not included at this time.</p> <p>Recommendation considered and partially included in EP4 text.</p>	<p>External report validation not under consideration at this time.</p> <p>Lead role on project name reporting introduced in EP4.</p>



EPA response to Shift recommendations 2018

Reference document: [Enhancing the Alignment of the Equator Principles with the UN Guiding Principles on Business and Human Rights: A Public Summary of Shift’s Advice to the EPA](#)

Shift recommendation (Sept 2018)	EPA response (Nov 2019)	Additional comment, if required
<p>The EPs should explicitly acknowledge the breadth of a typical EPFI’s transactions (and other activities) that are not covered by the EPs and recognize the expectation in the UNGPs that EPFIs should conduct appropriate HRDD across the entirety of their operations (and specifically their client portfolio).</p>	<p>Recommendation considered and partially included in EP4 text.</p>	<p>Reference to EPFI’s wider obligations made in EP4 Preamble.</p>
<p>The EPs should eliminate the existing financial thresholds so that the expectations of the EPs would apply to all project finance-related services and transactions currently covered by the standards, regardless of capital costs involved. In its place, the EPs could direct members to apply a more appropriate set of screening criteria in order to prioritize certain transactions for enhanced due diligence, where such prioritization is necessary, which would more accurately assess the risk of severe human rights impacts. This approach would bring the EPs into much greater alignment with the UNGPs.</p>	<p>Recommendation considered and partially included in EP4 text.</p>	<p>Thresholds at some level will be maintained, for practicality of application. The level of thresholds is under constant monitoring and was reduced in EP4 for PRCLs.</p> <p>New obligations relating to Human Rights will be the subject of guidance to implement EP4. Beyond this, the EPA understands the IFC is preparing a Guidance Note on how human rights are addressed through use of the Performance Standards. As such EPA would wish to review that advice before considering the need for preparing separate screening criteria.</p>



Shift recommendation (Sept 2018)	EPA response (Nov 2019)	Additional comment, if required
<p>The EPs should eliminate the designated/non-designated country distinction and require application of the IFC PS in all cases. Of course, analysis of relevant national laws and regulations, enforcement and practice should be part of the due diligence process in assessing the likelihood of certain impacts occurring and should clearly factor into the development of an appropriate mitigation plan.</p> <p>To the extent that the EPs will continue to rely upon the designated/non-designated country distinction, EPFIs should, at a minimum, be required to conduct an analysis of host country laws/regulations, enforcement and practice relevant to the protection of the most salient human rights risks connected to a project, compared with international standards. Where laws/regulations, enforcement or practice do not meet or surpass international standards, EPFIs should seek to ensure that relevant international standards are met in relation to those rights.</p>	<p>Recommendation considered and partially included in EP4 text.</p>	<p>The EPA has not eliminated the Designated / non-Designated Country distinction. Principle 3 refers to the IFC PS as additional guidance, and for Principle 5, the final approach in EP4 requires benchmarking against IFC PS7.</p> <p>It is considering several additional responses including preparation of a guidance note for the due diligence expected of EPFIs in Designated Countries.</p>
<p>The EPs should clearly reflect the expectation that EPFIs should consider all the human rights risks and impacts connected to the aspects of a client's operations being financed by the EPFI, including impacts arising from the clients' business relationships throughout the value chain for the specific project the EPFI is supporting, to align with the scope of responsibility in the UNGPs.</p>	<p>Recommendation considered and partially included in EP4 text.</p>	<p>As above, further commitments relating to the UNGPs introduced in EP4 and will be the subject of guidance.</p>



Shift recommendation (Sept 2018)	EPA response (Nov 2019)	Additional comment, if required
<p>At the same time, the EPs should provide clear guidance to EPFIs on an approach to prioritizing the most severe risks to people, where prioritization is necessary, across this expanded scope of responsibility, in alignment with the UNGPs.</p>	<p>Recommendation considered and partially included in EP4 text.</p>	<p>As above, further commitments relating to the UNGPs introduced in EP4 and will be the subject of guidance.</p>
<p>Likewise, the EPs should articulate a clear expectation that EPFIs should use their leverage (and take steps to increase that leverage as necessary) to seek to address the most severe risks to and impacts on people, particularly for impacts caused by third parties and those occurring in extended value chains.</p>	<p>Recommendation considered but not included at this time.</p>	<p>Please see for EPA website for view on EP as risk management framework vs policy setting https://equator-principles.com/ep-association-news/oped-the-value-of-maintaining-equator-principles-as-a-risk-management-framework/</p>
<p>The EPs should also place greater emphasis on the expectation that EPFIs assess the quality and effectiveness of client’s stakeholder engagement and grievance mechanism processes in practice at the project level, including from the perspective of affected stakeholders. This may require additional support to members in the form of appropriate diagnostic and engagement tools in order to shift the focus away from the existence of these management systems to their effectiveness in practice.</p>	<p>Recommendation considered but not included at this time.</p>	<p>A new Operations Working Group is considering how this could be integrated into EP Association governance.</p>
<p>The EPs should clarify the definitions connected to different stakeholder groups to ensure that they cover the full scope of “affected stakeholders” as meant in the UNGPs; for example, “affected stakeholders including local communities, workers involved in the project itself and in its supply chain and potential end-users of the project’s goods or services”.</p>	<p>Recommendation considered and partially included in EP4 text.</p>	<p>EP4 integrates workers involved in the project itself but not the entire supply chain.</p>



Shift recommendation (Sept 2018)	EPA response (Nov 2019)	Additional comment, if required
<p>The EPs should clarify in Principle 7, which provides for independent review of assessment processes and broader compliance with the EPs in higher-risk projects, when appropriate human rights expertise will be needed as part of that review.</p>	<p>Recommendation considered and included in EP4 text.</p>	<p>EP4 indicates that the required skillset should be applied in independent reviews.</p>
<p>The EPs should, in addition to the existing information that is required, encourage EPFIs to focus their own and their clients' formal public reporting on finding ways to discuss the areas of the most severe risks to people connected to their financing or operations (as appropriate) and provide insight into how they are seeking to address these issues over time. The EPs should adopt a position of encouraging EPFIs towards greater transparency, as this is clearly an area where the financial sector is well behind others on its alignment with the expectations of HRDD.</p>	<p>Recommendation considered but not included at this time.</p>	<p>Further consideration of the reporting process will be undertaken from 2020.</p>



EPA response to BSR recommendations 2019

Reference document: [Stakeholder Consultation – Summary and Recommendations](#), conducted by BSR based on the draft text of EP4

BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
<p>SCOPE</p> <p>BSR supports the intent of keeping the EPs applicable to project-related financing and recommends including a long-term goal of reviewing how project-specific bonds could be within the Scope as they are a common source of project financing. BSR understands that Project bond financing is quite different in structure as there are no loan agreement clauses or due diligence processes and they are financed on capital markets, so it would require different mechanisms to manage environmental and social risk. In addition, as stakeholders were concerned that EPFIs have been using technical bank classification systems to avoid applying the EPs in circumstance where they should be applied in principle, BSR recommends adding in language in Scope section (p. 6) such as “the intent of the EPs is to capture all forms of significant EPFI lending which support project-related investments.”</p>	<p>Recommendation considered but not included at this time</p>	<p>Following the conclusion of EP4, EPA will establish a working group to consider what additional Project-related products may be relevant and feasible for the Association to consider.</p>



BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
<p>BSR does not recommend eliminating the thresholds given the likely transaction costs, lesser impacts of smaller projects, and that some stakeholders were not in favor of reducing the thresholds from EPIII. However, BSR recommends adding in additional language at the end of Scope (p. 7) such as “EPFIs, at their own initiative, may also apply the EPs to projects which come under the financial thresholds established under the Scope.” In addition, BSR recommends elaborating on the rationale for the reduced threshold of US\$50 million for PRCLs and the need for thresholds overall in a guidance document or a clarifying note (e.g. Feasibility Q&A about EP4). Furthermore, on human rights issues the UN Guiding Principles on Business and Human Rights (UNGPs) (as discussed below) do not have a financial threshold and BSR therefore recommends that EP4 encourages that EPFIs conduct an efficient human rights risk-based review of Projects below the thresholds to determine if significant human rights risks are present.</p>	<p>Recommendation considered and included in EP4 text.</p>	<p>Recommendations have been considered accepted by the Scope Working Group and Social Risk Working Group (as appropriate, in relation to Human Rights) and incorporated in EP4 and/or in further guidance.</p>
<p>Based on stakeholder feedback BSR recognizes that good practice is for EPFIs to have environmental and social due diligence during customer acceptance, but that it is not within the project-related scope of EP4.</p>	<p>Recommendation considered, no action required.</p>	<p>EPA agree that this is not within the project-related scope of EP4. Have shared with EPFIs as a recommendation for their own processes.</p>



BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
<p>BSR recognizes that many stakeholders believe the OECD Guidelines for Multinational Enterprises (OECD Guidelines) and the OECD Due Diligence Guidance for Responsible Business Conduct provide good practice guidance for companies. However, as the OECD Guidelines cover a wide range of business topics, which are beyond the Scope of the EPs, – e.g. bribery, corporate disclosures, science and technology, taxation – BSR does not recommend adding language related to the OECD Guidelines in the EPs.</p>	<p>Recommendation considered, no action required.</p>	<p>EPA agree that this is beyond scope of EPs.</p>
<p>BSR recommends adding in language at the beginning of Principle 2 (p. 10) such as “For all Categories of Projects...” BSR also recommends adding (p. 11) what is required for Category C Projects such as “For other Category B Projects and Category C Projects, a limited or focused environmental and social assessment...”</p>	<p>Recommendation considered and partially included in EP4 text.</p>	<p>Recommendations have been considered by the Scope Working Group and partly addressed in EP4 text - while avoiding being overly prescriptive to maintain the ability for EPFIs to take risk-based decisions on a project-by-project basis.</p>
<p>BSR recognizes that “as appropriate” is unclear on which standards to apply to Category B projects and recommends that a paragraph be inserted into Principle 1 (p. 10) to clarify the discretion of the EPFIs to determine the level of due diligence for Category B projects and any criteria or guidance used.</p>	<p>Recommendation considered and included in EP4 text.</p>	
<p>BSR recommends modifying the ‘Project’ definition (p. 30) to capture “brownfield” investments.</p>	<p>Recommendation considered and partially included in EP4 text.</p>	



BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
<p>BSR recommends changing the language (p 5.) to “... social risks and impacts and respecting human rights even for EPFI financial products which are outside of the Scope of the Equator Principles.”</p>	<p>Recommendation considered and included in EP4 text.</p>	
<p>BSR recommends clarifying the scope and definition of Project-Related Corporate Loans in Exhibit 1: Glossary of Terms rather than in three different sections as is currently the case (Scope, footnote 1, and Exhibit 1). BSR recommends clarifying criteria 3.ii, for example “The total aggregate loan amount and the EPFI’s individual commitment are each at least US\$50 million.”</p>	<p>Recommendation considered and included in EP4 text.</p>	
<p>BSR recommends changing the language (p. 6) to “Project-Related Refinancing and Project-Related Acquisition Financing where the underlying Project was financed in accordance with the Equator Principles framework.” Other criteria (5.ii and 5.iii) can be eliminated as they are not relevant.</p>	<p>Recommendation considered and partially included in EP4 text.</p>	<p>Recommendations have been considered by Scope Working Group who note that Criteria 5.ii and 5.iii are necessary as the application of EPs to Project-Related Refinance and Project-Related Acquisition Finance (as defined in EP4) would not be feasible without these conditions. Further guidance will be developed to clarify the definition of these financial products and to provide practical examples of the implementation of EPs to these products.</p>



BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
<p>As human rights abuses cannot be offset, BSR recommends a review and update of the language (Preamble, p. 4; Principle 2, p. 10; Exhibit I, Environmental and Social Management System) to be the same as within the IFC Performance Standards which is “avoid, minimize, and where residual impacts remain, to compensate/offset for risks and impacts to workers, affected communities, and the environment”. BSR would even support eliminating the word “offset” to reduce further confusion in the human rights context, although as a general principle BSR prefers to use the exact IFC Performance Standard language when possible.</p>	<p>Recommendation considered and included in EP4 text.</p>	
<p>Designated Countries</p>		



BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
<p>For clarity, the EPs already apply globally for both Designated (i.e. higher income) and Non-Designated Countries (i.e. lower income). This distinction is in place only for and specifically to Principle 3: “Applicable Environmental and Social Standards” for the Assessment. BSR recommends renaming Principle 3 “Applicable Environmental and Social <u>Assessment</u> Standards” for further clarity.</p> <p>However, based on stakeholder feedback, BSR does not recommend eliminating the Designated and Non-Designated Countries distinction in full. The IFC Performance Standards, which are the minimum expectations for Principle 3, are specifically developed for Non-Designated Countries and some stakeholders recognized that the IFC Performance Standards are often exceeded in Designated Countries. BSR recommends there be an exception for Performance Standard 7 (PS-7), however. A key rationale is that almost all stakeholder feedback for eliminating the distinction focused exclusively on ensuring human rights standards globally and more specifically on Indigenous Peoples issues (PS-7) as opposed to other IFC Performance Standards. Therefore, BSR recommends clarifying the application of the UNGPs globally and eliminating the distinction only and more clearly for Indigenous Peoples (PS-7) under Principle 5: Stakeholder Engagement. BSR recommends elaborating on this rationale in a guidance document or a clarifying note (e.g. Feasibility Q&A about EP4). Please see Human Rights and Social Risks recommendations below for more detail.</p>	<p>Recommendation considered and partially included in EP4 text.</p>	<p>EP4 text updated to address concerns about the relevance of IFC PS 7 to Designated Countries and also incorporating the UNGPs further in specific areas.</p>



BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
BSR recommends defining a country list based on a credible, third-party source, such as OECD membership, and cite that clearly in the Glossary for “Designated Countries” and on the EPA website.	Recommendation considered and included in EP4 text.	Information on EP4 website will also be updated.



<p>BSR recommends maintaining the current language (p. 12) “in addition, for Projects located in Designated Countries, the EPFI will evaluate the specific risks of the Project to determine whether one or more of the IFC Performance Standards could be used as guidance to address those risks, in addition to host country laws.”</p> <p>BSR also recommends qualifying that this voluntary application will only be used for Projects in which significant environmental and social risks are present. A qualifier, such as “for Category A Projects and as appropriate Category B Projects” may be helpful to segment significant impacts (Principle 3, p. 12).</p> <p>The rationale is the application of the IFC Performance Standards to Designated Countries would be a new undertaking with no precedent to our knowledge and presents several legal, feasibility, and financial challenges. For example, some stakeholders, both industry and non-industry, acknowledged that in many cases, but not all, the IFC Performance Standards would be below the legally required level of environmental and social due diligence standards in certain countries. The exception for this is PS-7, as detailed elsewhere in this document. BSR therefore recommends that the best approach is for EP4 to allow a flexible and discretionary mechanism for case-by-case application of the other Performance Standards (i.e. not PS-7) to Designated Countries with a more extensive review on mandatory full</p>	<p>Recommendation considered and partially included in EP4 text.</p>	<p>Will be taken into consideration when developing further guidance.</p>
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BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
<p>application to be done in the future, possibly in conjunction with an EP5 update.</p> <p>BSR recognizes that this is an imperfect approach that may create some confusion at the Project level, but based on stakeholder feedback we believe a trial period is needed before deciding to fully eliminate the Designated / Non-Designated Distinction.</p> <p>BSR further recommends additional language (p. 12) such as "the intent of the EPFI is to use the IFC Performance Standards for guidance only when they exceed national laws and regulations for project due diligence" to clarify the intent of this option. Furthermore, BSR recommends that a guidance note be developed by the EPA to assist the EPFIs in determining when to use the IFC Performance Standards as additional guidance in Designated Countries and also recommends that the EPA develops training and lessons-learned sharing opportunities for its membership, with the participation of and input from diverse stakeholders.</p>		
<p>BSR recommends that the EPFIs, through guidance and training specified above, develop processes for communicating to clients under a feasible timeline the voluntary application of IFC Performance Standards in Designated Countries similarly to the manner it is already conducted in Non-Designated Countries.</p>	<p>Recommendation considered and will be addressed in guidance</p>	<p>Will be taken into consideration when developing further guidance.</p>



BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
<p>BSR recommends removing the statement under Principle 3 (p. 12) "The EPFI may, at their sole discretion, undertake additional due diligence against additional standards relevant to specific risks of the Project and apply additional requirements." The rationale is that the EPs already cite the key standards used for due diligence, with BSR recommending further application for assessments of the UNGPs for human rights and the TCFD for climate change, and the option of using additional, possibly competing, standards may lead to client confusion about how Projects are assessed. As always, EPFIs are free to go above and beyond the EPs, a minimum requirement, at their own discretion, and this could be stated as a general principle in the Preamble.</p>	<p>Recommendation considered but not included at this time.</p>	<p>EPIII already includes the possibility for EPFIs to apply additional requirements at their sole discretion. Examples of possible additional standards to be included in guidance note.</p>
<p>BSR recommends, under Principle 7 (p. 16) adding language such as "The Consultant must be able to demonstrate expertise for assessments in evaluating the types of environmental and social risks and impacts, <u>including human rights and climate expertise</u>, relevant to the Project."</p>	<p>Recommendation considered but not included at this time.</p>	<p>Will be taken into consideration when developing further guidance.</p>
<p>Social Risk</p>		



<p>For clarification there is no specific IFC Performance Standard on Human Rights., rather IFC Performance Standard 1 (Assessment and Management of Environmental and Social Risks and Impacts) states “Each of the IFC Performance Standards has elements related to human rights dimensions that a project may face in the course of its operations.” There is, however, a specific IFC Performance Standard, PS7, for Indigenous Peoples issues.</p> <p>BSR therefore recommends that the EPs clearly define the UNGPs as its overarching standard for human rights broadly in the documents as recommended by stakeholders. BSR recommends that the Preamble (p. 4) modifies language such as “In this regard, when financing Projects the EPFI <u>commits</u> to respect internationally recognized Human Rights in line with the UNGPs, and associated....”. In addition, a footnote could be provided referencing the guidance provided in UNGP Principle 12 about other internationally recognized human rights instruments. Furthermore, at the end of Principle 3: Applicable Environmental and Social Standards, BSR recommends adding language such as “In respect to human rights due diligence and oversight, the EPFI should use the UNGPs as the minimum required standard when evaluating all Projects in all locations.” In addition, BSR recommends that the EPA considers developing a guidance note on the application of human rights and FPIC for EPFIs, and also recommends that the EPA develops training and lessons-</p>	<p>Recommendation considered and included in EP4 text.</p>	<p>EP4 now further integrates UNGPs in specific areas, including with respect to the Environmental and Social Assessment Documentation.</p>
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BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
<p>learned sharing opportunities for its membership, with the participation of and input from diverse stakeholders.</p> <p>In line with the above, in Exhibit I, “Environmental and Social Assessment (Assessment)”, delete “if applicable” to ensure that human rights are considered in all Environmental and Social Assessments. In Exhibit I “Environmental and Social Assessment Documentation (Assessment Documentation)”, replace “should” by “shall”.</p>		



<p>BSR recommends adopting Option 2 in principle, as it is consistent with PS7. However, BSR recommends simplifying the language and that instead of the language proposed currently as Option 2, much of which has been copied from PS-7, the EPs could simply state “For all Category A and Category B Projects that affect Indigenous Peoples, the EPFI will require the application of IFC Performance Standard 7: Indigenous Peoples globally in both Designated and Non-Designated Countries.” The rationale, in addition to simplification and clarity, is that the intent of Option 2 is consistent with adopting PS-7 globally.</p> <p>BSR recognizes that some stakeholders believe the PS-7 does not fully capture emerging best practice on FPIC. However, stakeholders did not offer or have consensus on a universally accepted and preferable alternative and BSR suggests that the EPA should avoid develop its own standard and approach when a well-recognized Performance Standard already exists. Additional rationale is that many industry stakeholder concerns about the application of Option 2 are already addressed in PS7 (e.g. where there is not unanimity between indigenous groups, where government is responsible for managing related issues, etc.) and that EPFIs and clients already have experience applying PS7 and relevant situations in Non-Designated Countries.</p> <p>BSR also understands, based on legal advice provided to the EPA, that EPA may want to further explore “The</p>	<p>Recommendation considered and partially included in EP4 text.</p>	<p>The final approach in EP4 requires benchmarking against IFC PS7.</p>
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BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
<p>Circumstances Requiring Free, Prior, and Informed Consent” under PS-7 for Designated Countries specifically as EPFIs and clients will require clarity on application for which indigenous groups and indigenous lands with corresponding legal structures commonly in place in Designated Countries.</p>		



<p>Given the importance to stakeholders of the EPFIs recognizing human rights more clearly, including indigenous rights, BSR recommends that current language under the Human Rights definition (p. 29) be replicated in the Preamble in a manner clearly stating the EPFIs intent to respect human rights. such as “We, the EPFIs, will respect Human Rights in accordance with the international human rights standards aimed at securing dignity and equality for all. Every human being is entitled to enjoy them without discrimination. As a minimum, relevant human rights are those expressed in the International Bill of Human Rights – meaning the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights and the principles concerning fundamental rights set out in the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work.”</p> <p>BSR does not recommend adding a specific reference to UNDRIP. The rationale is that the majority of UNDRIP focuses on the role of the state with UNDRIP Article #28 being the most relevant for Project Finance by EPFIs, however with the same intent already being covered in the UNGPs and in IFC PS7. Furthermore, PS-7 already refers to UNDRIP in its Guidance Note and cites that “private sector companies are increasingly expected to conduct their projects in a way that respect the Human Rights and livelihoods of Indigenous Peoples.” In addition, UNDRIP, unlike the UNGPs, it does not reference the role of or guidance for business, companies, or</p>	<p>Recommendation considered and partially included in EP4 text.</p>	<p>Text updated to express relevance of UNDRIP to Indigenous Peoples’ rights.</p>
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BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
<p>the private sector. BSR recommends that in principle the external standards and conventions referenced in the EPs be specifically developed for and focused on business.</p>		
<p>Specifically, under Principle 2 (p. 11), BSR recommends changing language such as “As a component of the ESIA or other Assessment, the client will include a Human Rights Impact Assessment (HRIA) aligned with the UNGPs and a Climate Change Risk Assessment aligned with the risk categories of the TCFD.” For additional guidance on the Human Rights Impact Assessment, BSR recommends aligning the requirements with those of ESIA’s for Category A, B, and C (Principle 2, p. 11). In addition, BSR recommends that the EPFI also consider the client’s human rights policy and its alignment with the UNGPs. Furthermore, BSR recommends expanding the language in Exhibit II, #15 to provide more detail on what should be included in the HRIA based on UNGP guidance.</p>	<p>Recommendation considered and partially included in EP4 text.</p>	<p>Text updated to address some of these concerns regarding the content of human rights-related due diligence done during categorization and to be included in the Assessment Documentation.</p>
<p>BSR recommends that the EPs follow PS7 globally, which addresses this point, as already stated in Footnote 2 in Option 2 (p. 15).</p>	<p>Recommendation considered and partially included in EP4 text.</p>	<p>The final approach in EP4 requires benchmarking against IFC PS7.</p>



BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
<p>BSR recommends simplifying the language in Principle 5 (p. 13) such as “To facilitate Stakeholder Engagement, the client will, commensurate to the Project’s risks and impacts, make the appropriate Assessment Documentation readily available to the Affected Communities, and where relevant Other Stakeholders, in the local language and in a culturally appropriate manner.” In addition, in the following paragraph BSR recommends adding language such as “The client will take account of, and document, and <u>share with Stakeholders</u> the results of the Stakeholder Engagement process, including any actions agreed upon resulting from such process.” In the last sentence of paragraph 4 (p. 13), BSR recommends amending the language such as “Disclosure of environmental or social risks and adverse impacts should <u>shall</u> occur early in the Assessment process (...).</p>	<p>Recommendation considered but not included at this time</p>	<p>EPA considers that information sharing is already addressed in existing language.</p>
<p>BSR recommends for the EPA to build on the legal review conducted on FPIC and use PS-7 as guidance for what constitutes “consent.” In addition, BSR recommends that the EPA provides more detail on “consent” in a guidance note on the application of human rights and FPIC for EPFIs.</p>	<p>Recommendation considered and partially included in EP4 text.</p>	<p>Will also be addressed in further guidance – to be developed.</p>
<p>BSR recommends using the more common term/standard “Environmental and Social Action Plan (ESAP)” in place of Equator Principles Action Plan, as this might lead to confusion.</p>	<p>Recommendation considered and included in EP4 text.</p>	



BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
<p>BSR understands this is a complex issue and depends greatly on federal and local government policies and approaches. BSR recommends maintaining the proposed definition in the glossary which is consistent with PS-7 in the absence of a global, credible, and universally accepted definition of recognized indigenous groups.</p>	<p>Recommendation considered and included in EP4 text.</p>	<p>Will also be addressed in further guidance – to be developed.</p>
<p>BSR recommends relying on the definitions of the IFC PS for both terms. The EP definition of workers excludes supply chain workers. However, IFC PS-2 covers supply chain workers. BSR recommends using the IFC PS-2 definition of workers. The definition of Affected Communities aligns with the IFC PSs, so BSR recommends keeping it unchanged.</p>	<p>Recommendation considered and included in EP4 text.</p>	
<p>BSR recommends that any additional referenced tools be included in guidance notes. The EPA should consider reviewing its overall approach to providing access to a tool/resource library. This tool library would not need to be prescriptive and would still allow individual EPFIs the ability to determine which tools are most appropriate on a Project by Project basis, however it would provide consistent guidance to all EPFIs. External stakeholders with relevant expertise in this area should also be consulted.</p>	<p>Recommendation considered and will be addressed in guidance.</p>	



BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
<p>As the UNGPs expects all businesses to establish grievance mechanisms, BSR recommends adding language at the end of Principle 6 (p. 15) such as “Grievance mechanisms should be aligned with the UNGPs and comply with the UNGPs Effectiveness Criteria.” In addition, a footnote could be provided referencing the guidance provided in UNGP Principle 28 - 31.</p>	<p>Recommendation considered but not included at this time.</p>	<p>A new Operations Working Group is considering how this could be integrated into EP Association governance.</p>
<p>BSR recommends that the EPA EPFI list include links to EPFI’s grievance mechanisms on their own website. In addition, BSR recommends that the EPA encourages all current EPFIs which do not have a corporate grievance mechanism to establish one and require all incoming EPFIs to establish one that complies with the UNGPs Effectiveness Criteria.</p>	<p>Recommendations considered but not included at this time.</p>	<p>A new Operations Working Group is considering how this could be integrated into EP Association governance.</p>
<p>BSR recommends that HRIAs be part of the disclosure requirements for Projects in Principle 10 (p. 18), ideally in full and at minimum in summaries for confidentiality or conciseness reasons.</p>	<p>Recommendation considered and included in EP4 text.</p>	
Climate Change		
<p>BSR recommends selectively expanding the climate ambition as detailed below.</p>		<p>See below.</p>



BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
<p>BSR recommends clearly aligning the Climate Change Assessment with TCFD for risk assessments. Specifically, under Principle 2 (p. 11), BSR recommends changing language such as “As a component of the ESIA or other Assessment, the client will include a Human Rights Impact Assessment (HRIA) aligned with the UNGPs and a Climate Change Risk Assessment aligned with risk categories of the TCFD.”</p> <p>Regarding climate change scenario analysis, as per the TCFD recommendations, BSR does not recommend requiring them at the Project level. The rationale is that scenarios are commonly applied at the corporate level and more advancement in scenario models, approaches, and disclosures is needed.</p>	<p>Recommendation considered and included in EP4 text</p>	



<p>BSR supports maintaining the recognition of the Paris Agreement in the Preamble as drafted. BSR does not recommend requiring EPFIs or clients to ensure that individual Projects are aligned with the Paris Agreement directly, however.</p> <p>The rationale is, recognizing that many companies have voluntarily committed to science-based targets and other initiatives aligned with the Paris Agreement at the corporate level, requiring alignment at the Project level could be creating parallel and inconsistent requirements to NDCs and corporate commitments. Of the 196 parties to the Paris Agreement, 185 have submitted NDCs.</p> <p>Furthermore, the EPs are a risk management framework whereas Paris Agreement alignment was viewed by some stakeholders to be a corporate policy and strategy decision which is outside the EPs and more appropriate for other banking initiatives. The Principles for Responsible Banking is an example of a corporate policy and strategy industry framework which requires alignment of business strategy with the Paris Agreement.</p> <p>BSR does recommend that the Paris Agreement considerations and associated GHG emission reduction goals for the country under its NDC should be considered as part of the Climate Change Assessment, and how the individual Project is compatible with those commitments. Furthermore,</p>	<p>Recommendation considered and partially included in EP4 text</p>	<p>EP4 requires that the climate change risk assessment should consider the project’s compatibility with the host country’s national climate commitments, as appropriate.</p>
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BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
<p>Paris Agreement Article 2.1.(c) states “Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development” and could be referenced as a footnote.</p>		
<p>As the EPs are not a policy document, rather a risk management guide, BSR does not recommend that all EPFIs should commit to Project portfolio emission reduction targets or science-based targets, although BSR and many stakeholders recognized it as good corporate environmental practice.</p> <p>BSR would support language in Principle 2 (p. 11) such as “In line with the Paris agreement, EPFIs are encouraged to set their own corporate GHG emission reduction goals” and/or have links to the sector policy websites of EPFIs.</p>	<p>Recommendation considered and no action required.</p> <p>Recommendation considered but not included at this time</p>	<p>See https://equator-principles.com/ep-association-news/oped-the-value-of-maintaining-equator-principles-as-a-risk-management-framework/</p>
<p>There does not appear to be a reference to publish the alternative climate analysis, only language that states “In some circumstances, public disclosure of the full alternatives analysis or Project-level emissions may not be appropriate.” BSR therefore recommends, as part of Principle 10 (p. 18), adding the requirement and language such as “Alternative analysis are expected to be published and, at minimum, a summary of the alternative analysis is required to be published as part of the ESIA. In rare circumstances...” and eliminating the subjective ability to not publish the alternative analysis.</p>	<p>Recommendation considered and included in EP4 text.</p>	



BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
BSR recommends adding agriculture to the example Project list in the Project definition (p. 30).	Recommendation considered and included in EP4 text.	List of high carbon sectors updated to note agriculture.
BSR does not recommend including Scope 3 at the Project level. The rationale is that Scope 3 emissions reporting is still fairly new and evolving. It would be challenging to implement at the Project level given the 15 categories of potential Scope 3 emissions. BSR would support the EPA further researching and/or constructing a working group to determine the long-term adoption of Scope 3 emission reporting and believes this should be a long-term goal. In general, if HRIAs and Climate Change Assessments, including alternative analysis, are parts of ESIA's, they should be published.	Recommendations considered and partially included in EP4 text.	<p>Recommendations on publication of alternatives analysis will be addressed in EP4 text.</p> <p>With respect to Scope 3 emissions, recommendations are acknowledged and the Climate Change Working Group will consider undertaking further research on this topic.</p>
Biodiversity		
BSR recommends aligning Footnote 9 with the IFC PS Guidance Note 6 to "Projects in some areas may <u>will</u> not be acceptable for financing."	Recommendation considered but not included at this time	Feedback acknowledged, items noted for consideration as part of future updates of the Equator Principles.
BSR recommends providing additional information in an updated Guidance Note on Biodiversity, including a specific mention of animal welfare and agriculture projects.	Recommendation considered but not included at this time	Feedback acknowledged, will be considered as part of guidance to be developed.
Covenants		

BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
<p>BSR recommends to clarify language related to Principle 8 (p. 17), as Covenants are legally binding such as "If the client fails to re-establish compliance within an agreed grace <u>or remedy</u> period, the EPFI reserves the right to exercise remedies, including calling an event of default, as appropriate <u>as agreed</u> in the finance documentation."</p> <p>Other recommended language includes under Project Finance and Project Related Corporate Loans:</p> <p>"a) to comply with <u>ESIA</u>, ESMPs and ESAPs (where applicable) document compliance with the ESMPs and the ESAP"</p> <p>b) b) "prepared by in-house staff <u>the Client/EPFI</u> or third-party experts, and document compliance with the ESIA ESMPs and the ESAP."</p> <p>In addition, BSR invites the EPA to consider adding the following covenants:</p> <p>d) to allow site audits rights for E&S experts, as agreed by Financial documentation"</p> <p>e) requiring the client to establish an operational-level grievance mechanism as an explicit aspect of Project Finance.</p>	<p>Recommendations considered and partially included in EP4 text</p> <p>Other recommendations considered but not included at this time</p>	<p>Other items may be considered for further guidance.</p>
<p>Reporting and Transparency</p>		



BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
<p>BSR recommends removing “subject to obtaining client consent” in Annex B, p. 24. This would include adding the word “obtain” instead of “seek” as it would become irrelevant. BSR also recommends that the disclosure of the Project Name should also include the client’s name.</p> <p>Furthermore, BSR recommends adding under Principle 10 (p. 18) “EPFI Reporting Requirements” language such as “The EPFI will make the clients aware of all EPFI reporting requirements before financial closure.” The rationale is that few industry stakeholders cited circumstances where this is a challenge and the EP reporting requirements should be agreed to by clients before financial closure as opposed to negotiated after financial closure. As always, BSR understands that certain countries may have more stringent legal requirements or legal restrictions on disclosures, which should be adhered to.</p>	<p>Recommendations considered but not included at this time</p>	<p>May be considered for further guidance.</p>
<p>BSR recommends removing “cases where the client does not have internet access.”</p>	<p>Recommendation considered and partially included in EP4 text</p>	
<p>Evolving EPA</p>		



BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
<p>BSR recommends changing the Preamble (p. 4-5) to be an “EPFI Commitment” summarizing the responsibilities of the EPFIs to help ensure accountability. BSR recognizes that the EPA may view this as a long-term recommendation and not part of the EP4 targeted review. This would include language such as “We, as the EPFIs, commit to implementing the Equator Principles through our internal environmental and social policies, procedures and standards for financing Projects.” Furthermore, the section should contain language on the accountability of EPFIs to the EPA consistent with the governance rules. We encourage the EPA to consider implementing a full accountability mechanism for the Equator Principles.</p>	<p>Recommendations considered but not included at this time</p>	<p>Recommendation will be taken under consideration by a new Operations Working Group for action post-EP4.</p>
<p>BSR recognizes that it would be best practice for the EPA to allow for two rounds of open public consultations on the EP4 draft. We believe that the EP4 draft would ultimately benefit from another consultation round, recognizing that this may introduce some delay into the EPA’s own internal timeline. Regarding future drafts of EP4 for comment, BSR recommends that the EPA makes the final draft publicly available on the EPA website for comments to be received electronically before the EPFI vote on final text. BSR also recommends that there is an ongoing mechanism for the EPA to receive stakeholder comments on EP4 implementation and conduct regular stakeholder engagements on how to improve EP4 implementation and the guidance notes outside of the EP update cycles as well.</p>	<p>Recommendations considered but not included at this time</p>	



BSR recommendation (Sept 2019)	EPA Response	Additional comment, if required
<p>BSR recommends that the EPA consults relevant stakeholders on the development of the guidance notes and provides an open consultation mechanism for any interested stakeholders to comment on the drafts, which should be publicly released for comment before finalizing.</p>	<p>Recommendations considered – process for developing guidance still under discussion.</p>	