

**TO:** Johan Frijns, BankTrack  
and on behalf of the 65 organisations signing the 29 August  
letter and EP Act Campaign supporters

**RE:** Letter concerning “Strengthening commitments on climate change and indigenous people’s  
rights in a revised set of Equator Principles (EPs), for discussion at your Annual Meeting in São Paulo”

8 September 2017

Dear Johan and colleagues,

Thank you for your letter regarding the agenda of the upcoming EP Association meeting in São Paulo.

The Steering Committee of the Equator Principles Association, as always, welcome your views. We value the frank discussions we have had with BankTrack and affiliated civil society groups since our earliest years. As such, we are committed to continuing open dialogue and are confirming that we are aligned in our outlook on the priority themes that you highlight.

Broadly, the headline priorities for the upcoming meeting are those raised within your letter, and are already planned for discussion at the AGM in October as follows:

### **1. Strengthening the Climate Change Commitments of the Equator Principles**

The EP Association’s Climate Change Working Group recognises climate risks as a priority. During this year’s AGM in São Paulo, the Working Group will: provide updates on key developments in this domain (i.e. Paris Agreement / COP 21 and 22 and related implementation, stakeholder objectives for Bonn / COP 23); discuss the relevance of key recommendations of the Taskforce on Climate Related Financial Disclosures; offer a plenary session on climate divestment and related portfolio monitoring approaches; and present EPFI case experience and other initiatives, through parallel sessions in smaller groups.

We observe that many of these developments are ongoing and therefore the EPA will follow these with great interest including the UNEP FI TCFD Pilot Project and the conversion and finalization of INDCs into NDCs, which is expected to happen over the course of 2018.

### **2. Strengthening the Commitment of the Equator Principles to Indigenous People’s Rights**

The Designated Countries Working Group - with a membership of more than 30 EPFIs - is actively considering the distinction made in the EPs between Designated and non-Designated Countries and

the topic of Indigenous Peoples rights. It is working to prepare a number of options for the membership to consider and review during the AGM.

In the lead up to AGM discussions, the Association has also been actively increasing awareness within the membership of these issues e.g. through webinars. Together with the Social Risk Working Group, efforts have emphasised tools such as Project-Level Grievance Mechanisms, and drawn on expertise from an Indigenous Peoples group and a consultancy company with key experience.

Additional Workshop Day / practitioner sessions in São Paulo will focus on Human Rights Due Diligence and the application of Free and Prior Informed Consent (FPIC) in different jurisdictions.

### **3. Toward a Revision of the Equator Principles**

We note your feedback regarding the continued ambitions of the EP Association. Historically, EP updates have been in tandem with renewal of the IFC Performance Standards. However, as part of our ongoing efforts, the EP Steering Committee actively engages the EPA membership to assure that EP remains an effective risk management process to identify, assess and mitigate environmental and social risks and impacts.

We have established a ‘task team’ within the Steering Committee to provide recommendations on this topic including through discussions within a dedicated ‘special session on strategy’ at the AGM.

We look forward to our continued dialogue with BankTrack and the other letter signatories. We plan to share the results of the AGM (and Workshop Day), and invite further discussion on EPA’s strategy going forward, via a call with you later in the year.

Yours sincerely,



Nigel Beck, Chair of the EP Association Steering Committee  
On behalf of the EP Association Steering Committee