



# Equator Principles Reporting 2016

## **Sustainable Businesses**

Caixa Econômica Federal (CAIXA), as a 100% public company and one of the main financial institutions in Latin America, is aware of its role in promoting sustainable development in Brazil.

CAIXA elaborates its Policies in line with the guidelines of the Brazilian Federal Government and in accordance with relevant regulatory framework, including environmental and human rights legislation. Therefore, beyond its Social-Environmental Responsibility Policy, the company has the Credit, Funding, Asset & Liability Management and Price Policy, in addition to internal Rules that regulate social-environmental risk management. These Policies and Rules are observed by the business areas and guide CAIXA's performance as a socially responsible company which respects the environment.

The application of social-environmental guidelines in risk management is made effective by verifying the social-environmental compliance of clients and projects, monitoring occurrences related to environmental degradation and violation of human and labor rights, as well as granting credit for clients and project regularization and adaptation to the requirements of environmental agencies.

CAIXA, as a signatory of the Equator Principles since 2009, evaluates and monitors large projects in order to assure that they are in social-environmental conformity and comply with the International Finance Corporation (IFC) Standards and the Environmental, Health and Safety (EHS) Guidelines, ensuring the adoption of the best practices in social-environmental management.

Projects are ranked high, medium and low social-environmental risk/impact. This categorization is based on the analysis of social-environmental studies and reports, basic environmental plans and action plans. Aspects on human rights, labor legislation, ethics and legal compliance and the impacts related to climate changes are also taken into account. Depending on the nature of the project, it may require manifestation from public



agencies such as the Brazilian Institute of National Historic and Artistic Heritage Institute (Instituto do Patrimônio Histórico e Artístico Nacional), the National Indigenous Foundation (Fundação Nacional do Índio) and the Palmares Cultural Foundation (Fundação Cultural Palmares), which assists the *quilombolas*, traditional communities founded by people of African origin.

After the financing is contracted, the projects are accompanied by the technical areas which verify the documentation and, when necessary, visit the enterprise and report to the commercial areas. For projects within the scope of the Equator Principles, the social-environmental monitoring is carried by the Sustainability and Social-Environmental Responsibility Nacional Management, which informs the contract's manager about the compliance with the social-environmental aspects of the project.

For projects categorized as high social-environmental risk, and some as medium risk, such as hydroelectric power plants, ports, roads and airports, an independent consultant is required. In such cases, CAIXA validates the action plan and, when necessary, accompanies the technical visits. At the end of each visit, a report is issued, pointing the aspects of noncompliance and improvement opportunities so that the entrepreneur makes necessary adjustments to meet the social-environmental requirements.

## **Sustainability Report**

Since 2003, Caixa has disclosed its economic, social and environmental performance. This is done by means of its Sustainability Report, based on the Global Reporting Initiative (GRI), international institution that defines standardized guidelines for the document preparation. The purpose is to provide relevant information to the public involved with the company, with the quality and clarity required, up to the market's standards.

In May 2017, CAIXA published the 2016 Sustainability Report. One chapter is dedicated to Sustainability in CAIXA's Businesses, providing a series of the company's actions to promote the sustainability of products and services, and the disclosure of the amount of operations hired under the Equator Principles. CAIXA's 2016 Sustainability Report can be accessed [here](#).

## **Equator Principles – 2016 Report**



In 2016, CAIXA hired seven projects structured as Project Finance, within the scope of the Equator Principles. These investments totaled around USD 2.1 billion.

Five of these projects were investments in sustainable activities, wind power and environmental sanitation, that contribute directly for the preservation of the environment and the improvement of the population's quality of life.

The distribution by category is as follows:

<b>BREAKDOWN BY CATEGORY</b>			
	Category A	Category B	Category C
	-	6	1
<b>Details of the division by category</b>			
By sector	Category A	Category B	Category C
Mining	-	-	-
Infrastructure	-	3	1
Oil and Gas	-	-	-
Energy	-	3	-
Others	-	-	-
By region	Category A	Category B	Category C
America	-	6	1
Europe, Middle East and Africa	-	-	-
Asia and Oceania	-	-	-
By designated country	Category A	Category B	Category C
Designated	-	-	-
Non designated	-	6	1
Independent Consulting	Category A	Category B	Category C
Yes	-	5	-
No	-	1	1

### **Corporate Loans Directed to Projects**

In 2016, CAIXA has not signed any contract of such a type.

### **Advisory Services to Project Finance**

In 2016, CAIXA has not signed any contract of such a type.