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# Press Release

## **Equator Principles – Environmental and Social Standards Extended**

*WestLB one of two German banks committed to tighter rules*

33 financial institutions from around the world today signed up to the new Equator Principles. The banks involved have committed themselves to an extended code of principles for environmental and social standards in project financing. At the same time the combined event underscores how far the financial sector has progressed in embedding in the project finance arena a common set of best practices to manage social and environmental risks related to project financing. In Germany, WestLB AG is one of two banks committed to the new rules.

The revision of the Equator Principles reflects the experience of the financial institutions around the world that apply the current Principles and the recent revisions to the International Finance Corporation's (IFC) Performance Standards, upon which the Equator Principles are in part based. Civil society groups and official development agencies as well as clients were actively involved in developing the new rules.

The changes are as follows:

- The Principles apply to all project financings with capital costs above USD 10 million. This threshold was lowered from USD 50 million.
- The Principles now also apply to project finance advisory activities.
- The revised Principles now specifically cover upgrades or expansions of existing projects where the additional environmental or social impacts are significant.
- The approach in applying the Principles to countries with existing high standards for environmental and social issues has been streamlined.
- Each EPFI is now required to report on the progress and performance of Equator Principles' implementation on an annual basis.
- Stronger and better social and environmental standards, including more robust public consultation standards.

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The new Equator Principles set the standard for environmental and social aspects of project financing. The institutions involved now have the opportunity to better assess, control and mitigate negative environmental and social consequences of financial projects. The signatories also commit only to finance those projects which meet the requisite conditions. Recognition of the Equator Principles commits a financial institution to integrate the Principles into business and risk management processes.

"Within a short time the Equator Principles have evolved into an important success story. We support the recent revision of the Equator Principles, which demonstrates that WestLB and other financial institutions are living up to its responsibility by addressing environmental and social risks in global finance," said Robert M. Stein, member of the Managing Board of WestLB AG.

Further information, together with the full text of the statement, is available at: [www.equator-principles.com](http://www.equator-principles.com)