

Unibanco adopts social and environmental criteria for approving credits

Unibanco is the first Brazilian – and the first emerging market – bank to start complying with the Equator Principles

Unibanco is reinforcing the social and environmental dimensions of its activities. In June, the bank starts adopting the so-called Equator Principles, a set of social and environmental criteria used to evaluate and approve credits for infrastructure projects.

So far, 24 banks worldwide have adopted these policies, which were championed in 2002 by the International Finance Corporation, a World Bank subsidiary that finances private sector projects. Unibanco is the only Brazilian – and emerging market – bank in this group.

“Unibanco is concerned that only projects that effectively contribute to the country’s development and, at the same time, help preserve the communities and the environment, should meet with approval. Few institutions share this vision today, but we envisage social and environmental concerns becoming a primordial factor in the decision to approve any project in the future”, says Tomas Zinner, Chairman of the Board of Instituto Unibanco.

For financing to be approved, a project needs to be classified according to the degree of social and environmental risk it presents: A (high risk), B (medium risk) or C (low risk). Projects classified as “A” need to present an action plan for mitigating such risks.

“Unibanco has been complying with these criteria for approving disbursements under IFC credit line since 2002. The policies are now being extended to include all infrastructure projects involving more than US\$50 million, irrespective of the credit fund involved”, explains Adhemar Kajita, Unibanco’s project finance head. BS3 (oil production), ALL (railroad modernization) and Latasa (aluminium can production) are examples of projects already being implemented under the Equator Principles.

Further information:

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