

# CREDENDO

## Corporate Social Responsibility Report 2022





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# Preface

Just like our previous Corporate Social Responsibility (CSR) report, we are publishing this report in uncertain times. The world was still recovering from the pandemic that hit us in 2020, when the tensions between Russia and Ukraine escalated. After the unprecedented health crisis that led to global disruption, Russia's invasion of Ukraine caused new worldwide shocks, shortages and destruction. Commodity prices rose, supply chains were interrupted, and we experienced an energy crisis and record-high inflation. On top of all that, natural disasters such as drought, floods and earthquakes continue to remind us that our planet is suffering, as they are becoming more frequent and more intense.



In such uncertain times, our priority remains to ensure that we continue to fulfil our mission of supporting our clients in their international trade activities and protecting their businesses against commercial and political risks. To realise this, sound risk assessment and management are needed.

Risk management is part of our core activity, and it has been helping us to adapt to new circumstances and new types of challenges over the years. **We have been supporting the Belgian economy and international trade for more than a century** and we have always promoted sustainable and sound development in line with the needs of our times. We strongly believe it is our responsibility to address the expectations of future generations. Social and environmental awareness have increased a lot in recent years, whereby we all need to keep strengthening our actions, keep raising awareness, keep fighting for the future.

We aim to be a responsible corporate citizen. We acknowledge that our actions directly and indirectly impact the global environment, our society, the economy and its stakeholders. We strive to limit our negative impacts and to increase our positive impacts in all these areas.

We believe partnerships and knowledge sharing are essential in our industry. Therefore, we are always working on our relationships with other export credit agencies, experts, financial institutions and other stakeholders in Belgium and abroad.

We have obviously always complied with the rules and regulations applying to us as an official export credit agency, but **we often go beyond our legal or regulatory requirements**. At Credendo we have a set of internal policies supplemented by concrete measures to reduce our own carbon footprint and the potential impact of the projects we support. Our responsibility involves our own actions and activities, as well as the impact of our clients' projects. By assessing the environmental and social risks of the transaction clients submit to us, we aim to support companies that help make a positive impact on society and the environment, or those that have plans to alleviate the adverse impact of their operations.

In July 2022, we published our **policy regarding our support for the energy transition**, which came into effect on 1 January 2023. This policy supports the transition from fossil fuels to clean energy by limiting our support to

projects involving fossil fuels. Moreover, since the launch of our **Credendo Green Package** in May 2022, we are also offering more favourable conditions to support projects and companies that have a positive impact on the environment and the people.

Finally, we also support many projects that directly contribute to the achievement of the United Nations Sustainable Development Goals (SDGs). Later on in this report, we will introduce some of those projects in more detail.

Besides the procedures we have in place at Credendo – Export Credit Agency to assess environmental and social risks of projects we might support, we also strive to remedy any impacts caused by our own day-to-day activities. We started measuring our carbon footprint in 2010, increasing our efforts to achieve our environmental objectives year after year. In 2019, we achieved carbon neutrality thanks to a sharp decline in our greenhouse gas emissions and by offsetting our remaining emissions through financial support for projects combating climate change. We also continue to consider and measure our consumption of materials and resources in order to reduce it significantly. To support these environmental efforts, we raise awareness among our employees regarding environmental issues.

Additionally, we have decided to strengthen ESG scoring and criteria in our financial investment portfolio, whereby we exclude fossil fuels from the commodities we invest in. Furthermore, we will create a specific fund to invest in project regarding clean energy.

Our staff is our human capital and the key driver of our success. We have launched and will continue to launch various programmes to improve our employees' well-being and work-life balance.

In 2022 we launched our **new three-year strategic plan 'Rise'**. This plan focuses on three pillars: **growth, sustainability and improvement**. Sustainability was already one of the main topics in our previous strategic plan, and it has now become a key theme throughout the entire plan. We will continue to work on ourselves and our impact.

Dirk Terweduwe,  
Chief Executive Officer

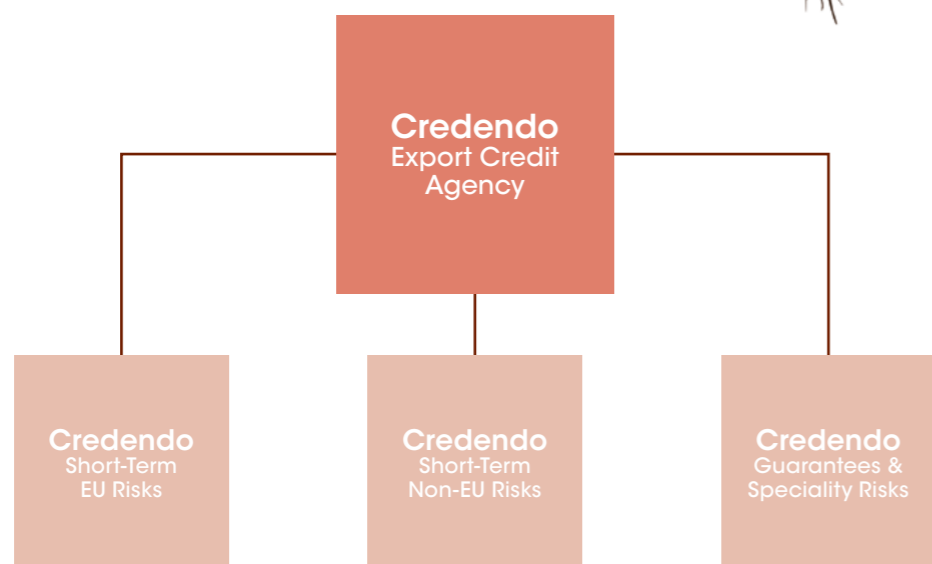
# Credendo, a responsible European Credit Insurer

## Who we are

Credendo was created in 1921 as the official Belgian export credit agency. Over the years, Credendo – Export Credit Agency evolved from a traditional export credit agency into an international player. Its solidity is underlined by its maintained AA rating from S&P Global and its cover capacity of EUR 30 billion. Besides Credendo – Export Credit Agency, also its affiliates Credendo – Short-Term EU Risks and Credendo – Short-Term Non-EU Risks both obtained A ratings from S&P Global, and Credendo – Guarantees & Speciality Risks saw its A- rating confirmed<sup>1</sup>.

Today, all entities together form Credendo, a European credit insurance group that is present across the continent and active in all segments of trade credit and political risk insurance, providing a range of products that cover risks worldwide.

In addition to export credit and foreign investment insurance, Credendo – Export Credit Agency's offer includes financial guarantees and direct financing. Its activities mainly focus on non-OECD countries as these markets involve the larger part of our clients' risks.



1. Following the invasion of Ukraine by Russia, it has been decided to exit the Russian market by selling our stake in Credendo – Ingosstrakh Credit Insurance. This process is ongoing.

## Vision

We are the first-choice business partner to protect against the risks of trade and investments in the real economy and to facilitate the financing of such transactions.

## Mission

Our mission is to support trade relations. We provide customised solutions for insurance, reinsurance, guarantees, bonding and financing related to domestic and international trade transactions or investments abroad. We protect companies, banks and insurance undertakings against credit and political risks or facilitate the financing of such transactions. We act in a responsible and forward-looking way.

**We turn uncertainties into opportunities.**



## Values

For any credit insurer, due diligence is part of the standard package. But at Credendo, we go further. We ensure that responsibility is an integral component, both for individuals and for the company as a whole.

We continuously strive to provide our services with due diligence and professionalism, with respect for integrity and business ethics, and in compliance with all applicable laws, rules, regulations and best practices pertaining to the sector.

All Credendo entities share the same values: Customer intimacy, Reliability and Respect.

### Customer intimacy

**You get bespoke solutions.**

Customer satisfaction is at the core of our values. We listen, we propose bespoke solutions, we are approachable, we explain our decisions, we deliver first-class service. Our people come up with smart solutions in response to specific business needs or complex risk environments.

### Respect

**You can trust us.**

We show respect for our customers, our staff, our shareholders and all other stakeholders as well as for society and the environment. We act forcefully against any discrimination of people. We treat everyone fairly and honestly. We always try to do the right thing and apply high standards of ethical behaviour.

### Reliability

**You can count on us.**

We aim for best-in-class expertise of our businesses and risks. We strive for operational efficiency that underpins customer intimacy. We have a long-term view on our activities, look through the cycle and aim for sustainable financial results.

# Our governance framework



## PRACTICING FAIR GOVERNANCE

Our governance structure at Credendo sets out management rules and directs the relationships between various stakeholders. It ensures that we maintain our integrity and comply with all regulations; and it guarantees the transparency of our decision-making process.

This structure is translated into various policies and charters that allow us to effectively monitor the decisions we make, assess and manage potential risks, and ensure that we comply with all reporting requirements.

We also apply the 'three lines of defence' model. This means that the independent control functions – risk management, the actuarial function, compliance and internal audit – ensure that the operational departments identify and manage all risks, and that they correctly follow all procedures.

We want to create and foster a corporate speak-up culture, where all staff members have the opportunity to report potential breaches or integrity violations without fear for any retaliation, where they are assured that they will receive fair treatment and their concerns will be investigated properly. We encourage our employees to report any behaviour, procedure or system that does not comply with the regulations in force or with our internal values and principles. This can be done anonymously.

Finally, we have internal procedures for handling any possible complaints from policyholders regarding their relationship with Credendo.



## Corporate Sustainability policy

Corporate sustainability is essential at Credendo. As a trade credit insurer, we have a long-term vision. We want to support our clients' aspirations to make a positive impact on the world, and we are building a future for next generations based on responsibility and sustainable commitment.

We **conduct our business in a socially responsible and forward-looking way**, taking into consideration our impact on the environment, society, the economy, our stakeholders and our people. We pay attention to both the impact of our own activity and the impact of the transactions we support. Our objective is to go beyond the required obligations to act sustainably as a corporate citizen.

In 2022, we updated our corporate sustainability policy to ensure that our global strategy is aligned with our sustainability goals. We raised our efforts to reduce our carbon footprint and assure environmental due diligence for our export credit agency transactions.

## Integrity policy and Code of Conduct

Corporate culture has a major impact on performance and business conduct. It reflects how we think and act, and what our clients can expect from us as an insurance partner. We ensure that integrity, ethics and fairness prevail at every level. To that end, all our entities adhere to a set of rules and policies set up to conduct responsible business. We regularly update these rules and policies in order to stay on top of market developments.

Integrity is key in our activity. Therefore, our values have been translated into an Integrity policy and a Code of Conduct. Our **Integrity policy** sets out the principles that govern how our management bodies, staff and representatives conduct their activities. The primary objective of the Integrity policy is to define and promote **statutory and regulatory requirements** as well as our **internal standards and values**. We have defined such standards and values in order to guarantee our integrity.

Our **Code of Conduct** turns these principles into practical guidelines. Our Compliance Officer proactively monitors that everyone within the company adheres to these principles.

## Anti-bribery and anti-corruption policy

We have adopted an anti-bribery and anti-corruption policy in line with international OECD standards. As stipulated in this policy, we apply customer due diligence and we have procedures in place to identify and mitigate the risk of our customers being involved in bribery or corruption.

We also motivate exporters and other relevant parties to implement internal management and control systems to prevent and detect bribery. Any party applying for cover from Credendo – Export Credit Agency is required to sign an **anti-corruption declaration**. By doing so they declare that they have taken note of the OECD Guidelines for Multinational Enterprises, the United Nations Global Compact Initiative and the United Nations Guiding Principles on Business and Human Rights. In the same declaration, they must acknowledge that they will do all they possibly can to apply appropriate management control systems and the related principles of responsible business conduct and good governance, in all the countries in which they operate.

At Credendo we also have a **responsible procurement policy** to combat bribery and corruption. According to the OECD, the public procurement sector – which represents 13% of GDP in OECD countries – is vulnerable to corruption.

Therefore, we thoroughly assess any suppliers before we work with them. They must abide by our principles and requirements of a responsible business and help us improve our level of social responsibility.

We are in favour of suppliers with a local edge to support the local economy, and/or suppliers that are certified by high-standard labels. We also take into account the life cycle sustainability of the products' and suppliers' global environmental impacts such as energy usage, plastic pollution, etc.

## DUE DILIGENCE TO SUPPORT RULES AND POLICIES

At Credendo we have developed due diligence procedures, policies and internal control systems to identify, prevent, mitigate and account for how we address actual and potential adverse impacts of our operations and business relationships or non-compliance with applicable regulations (such as international sanctions).

As a general principle, our underwriters examine each application file with the same level of prudence, regardless of the requesting party. This allows us to identify applications that require enhanced due diligence.

Furthermore, we use **online screening tools**. These tools enable us to assess the ESG performance of our business partners as well as business integrity checks to determine whether a certain company or individual is subject to any national or international restrictions.

During the underwriting process, if an underwriter or any other person has reason to believe that there is (an increased risk of) bribery or corruption in a certain transaction, they must notify the Compliance Officer immediately. The same goes for any transactions that could put our reputation at risk if we were to provide support.

If necessary, the Compliance Officer will decide to launch an **enhanced due diligence process**. He will also advise whether official support should be declined, or else under which conditions it can be provided. Such decisions are always taken together with our Executive Committee or Board of Directors.

We inform the competent authorities promptly if we become aware that bribery was (likely) involved in awarding or executing an export contract, whether before or after export credit support has been provided.

# A rise in sustainability

## Our 2022-2024 strategy: Rise

In 2022, we launched our new Credendo strategy 'Rise'. This new strategic plan is based on three pillars: growth, sustainability and improvement. However, the importance of sustainability has further increased in our new strategy. This topic has now become a key theme throughout the entire plan.

Therefore, we keep increasing our **focus on sustainability and Environmental, Social and Governance (ESG) topics**. We will continue to improve our solutions, our processes and our culture in order to meet the new needs of tomorrow and to actively contribute to a better future.

### Promoting sustainable business and transactions

We assessed our current customer portfolios from an ESG perspective. The results have shown that we have good ESG scores across all our business lines. In order to maintain this high level, we set up several dedicated actions. We are, for instance, finalising the development of an **ESG label**. We are planning to assign this label to certain transactions in order to track and further promote sustainable business within Credendo.



### ESG in financial asset management

At Credendo we go the extra mile: we do not only promote sustainability; we also actively invest in ESG activities. In 2022, we developed a **new financial investment policy** that focuses on sustainable and responsible investment principles. We aim to limit our possible adverse impacts but also to be proactive and increase our positive impact on the environment and society of the future.



### Optimising processes for a strong ESG performance

By putting **digitalisation** in the spotlight, we managed to optimise our internal routines and procedures. For instance, we have developed a specific underwriting process that will facilitate support for sustainable transactions (as part of our 'Credendo Green Package'). We are also very aware about our corporate social responsibility, which motivates us to further **reduce our carbon footprint** every year.



### Raising the sustainability mindset

In order to properly address the challenges of sustainability-related topics, we are consistently raising awareness in our people about our mindset, our values and our attitude. In 2022, we organised several internal events and training sessions for everyone working at Credendo. We are constantly learning about the **latest ESG practices** and exploring how every one of us can contribute to a better tomorrow.



## Clean energy transition

In November 2021, the **26th UN Climate Change Conference of the Parties (COP26)** took place in Glasgow. Financing was one of the main topics throughout the conference, as both public and private companies need financing to be able to reach the net-zero target. Together with 33 other countries, Belgium signed the Statement on International Public Support for the Clean Energy Transition. By signing this statement all parties commit to align their international public support towards the clean energy transition and away from unabated fossil fuels.

As part of the implementation of the COP26 statement, Belgium also joined the **Export Finance for Future (E3F)** coalition in November 2021. The countries participating in this coalition – Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Spain, Sweden and the United Kingdom – made a commitment to stimulate export finance for climate-friendly and sustainable projects, and to phase out export finance for fossil fuels.

To that end, E3F members have been exchanging information and comparing efforts towards aligning their national climate strategies and policies with a **1.5°C pathway** and the requirements of the Paris Agreement. A 1.5 °C pathway refers to the aim to keep the global temperature rise below 1.5°C above pre-industrial levels.

At the third ministerial summit of 3 November 2022, the ministers of the E3F coalition confirmed that E3F members will no longer provide official trade and export finance directed to **unabated coal power** (by the end of 2022). Furthermore, they will have ended official trade and export finance for other thermal coal-related infrastructure.

### Credendo's fossil fuel policy

At Credendo we are committed to providing international public support that will contribute to the clean energy transition and to phasing out unabated fossil fuels. We also set up guidelines to implement the COP26 statement in a more concrete way.

We are committed to implementing the climate policy and the climate goals set out at the Paris Climate Conference. This means that both our financial investment strategy and our financial and insurance products for export finance target **net-zero greenhouse gas emissions by 2050**.



**UN CLIMATE CHANGE CONFERENCE UK 2021**

IN PARTNERSHIP WITH ITALY

Source: ukcop26.org

In November 2021 we ended our support for new unabated coal-fired power plants and we also stopped providing support for the supply of equipment that is not related to abating negative impacts of this type of plants.

In July 2022, we formulated **Credendo's policy regarding public support for the energy transition from fossil fuel to clean energy** for export finance files, which fully entered into force on 1 January 2023. This policy determines the conditions for export support to the international fossil fuel energy sector. Based on this policy and in cooperation with our traditional client base, we will gradually reduce greenhouse gas emissions within the projects we support and facilitate investments in climate-friendly technologies and projects.

This means that we ended our support for new unabated coal fired power plants and we also stopped providing support for the supply of equipment that is not related to abating negative impacts of this type of plants. Furthermore, we ended new direct public support to the international unabated fossil fuel energy sector by the end of 2022. Projects relating to the exploration and operation of new oil or gas fields have been excluded from our cover, as well as applications for projects relating to the expansion of existing coal mines. Some exceptions still exist today, but these are only possible under very strict and clearly defined circumstances. Of course, these exceptions do not interfere with the limit of 1.5°C of global warming compared to pre-industrial levels, nor with the goals of the Paris Agreement.

As the shift to net zero is not instantaneous, we will review or adjust our policy over time, depending on the developments in climate policy at Belgian and EU level.

## Credendo Green Package

Credendo – Export Credit Agency is also working on increasing our support for the development of sustainable export projects. We want to promote and support sustainable, climate- and environment-friendly projects, and deliver on the climate goals of the Paris Agreement. To that end, we launched a new offer in May 2022: the **Credendo Green Package**.

In practical terms, the Credendo Green Package is a condensed version of Credendo’s most attractive and most advantageous conditions, revised upwards. This means strong **support for climate-focused and for environmentally friendly and sustainable projects**.

Besides these ‘hard incentives’, we will also work with ‘soft incentives’. This means we will put the companies involved in green projects in the spotlight by increasing their visibility and ensuring good communication to **raise awareness of**

**environmental issues** among our clients and the business community.

Credendo has prepared its own classification: a list of products, activities and transactions eligible for the Credendo Green Package and its benefits. This specific list is modelled on IFC standards, European accounting taxonomy and international best practices identified by Credendo as directly or indirectly contributing to climate change mitigation or climate change adaptation as well as to other activities linked to environmental sustainability (e.g. waste reduction). This **‘Credendo Green List’** will be updated regularly in order to reflect new technologies and developments.

### Projects need to fulfil the following conditions in order to qualify for the Credendo Green Package:

- it must be an export transaction or domestic activity with export potential or an investment abroad;
- it must make a positive contribution to an environmental objective, either through the individual transaction or through the project (of which it is part) as a whole;
- it may not generate any significant environmental or social harm; and
- it must respect the principles of good governance and responsible conduct (such as labour law and human rights) as defined by international institutions (UN, OECD, etc.).

### If a project meets all necessary criteria and is selected, it will benefit from the following advantages and more:

- a higher percentage of cover (up to 98% of the total amount);
- a lower requirement for Belgian content in a transaction (minimum of 20%);
- an extension to domestic transactions with export potential;
- an increased Credendo participation in financial guarantees (up to 80%).

In this context, we mobilised an **EUR 100 million** to fund green transactions, with also an increase in maximum amounts (up to **EUR 15 million**) and an extension of repayment terms (up to **10 years**), as well as the proactive, positive promotion of green projects.



## ESG in our investment portfolio

In line with the Rise strategy, we have implemented an **ESG strategy** in Credendo – Export Credit Agency’s investment portfolio.

The ESG implementation in our investment portfolio is based on four pillars, going from low ESG intensity to very high ESG intensity. ESG still needs to be combined with the principles of good investment (such as diversification) and asset managers need to take into account the economic and legal use of the investment portfolio: covering the risks we are underwriting.

These four pillars make for a far-reaching ESG strategy that does not conflict with sound investment principles such as diversification. Besides Credendo – Export Credit Agency, the ESG strategy also applies to Credendo – Short-Term Non-EU Risks and Credendo – Guarantees & Speciality Risks, as they also participate in the Zephyr fund. Typically, investors limit themselves to the first pillar only. We are proud to say that the capital we are investing with Credendo – Export Credit Agency will contribute to the overall goals targeted by the ESG principles.

Our investments at Credendo – Export Credit Agency are managed through Zephyr, a Belgian institutional SICAV or open-ended investment company. Five different asset managers are active within this SICAV. They all received an amount of cash to invest according to the strategic asset allocation defined by our Board of Directors. We have two types of mandates: benchmark mandates and target volatility mandates. A benchmark mandate follows a predefined benchmark in terms of asset allocation and tries to improve the return of that benchmark. A target volatility mandate, however, has free asset allocation but needs to respect a 5% volatility threshold. This means risky assets need to be sold under this mandate when financial markets are volatile.

FIRST PILLAR	SECOND PILLAR	THIRD PILLAR	FOURTH PILLAR
Under the first pillar of our ESG strategy, asset managers must exclude investments that are undesirable from an ESG perspective. The <b>exclusion criteria</b> are predetermined by the financial market. This means they also match the approach of other financial institutions. Examples of exclusions are investments related to military defence, controversial weapons, tobacco, gambling and climate risks. When it comes to commodities, asset managers are no longer allowed to invest in fossil fuels. To ensure consistency, all benchmark managers need to obtain Febelfin’s Towards Sustainability label for all their investment funds used in the mandate.	Under the second pillar all asset managers must obtain a <b>minimum predefined ESG score</b> for their mandate. This score is based on the ESG score of each individual asset, so the asset managers will need to replace investments with relatively low ESG scores by investments with relatively high ESG scores. Each year, we review and increase the minimum ESG score each asset manager needs to obtain.	Under the third pillar of our ESG strategy, we will oblige the Management Company of the Belgian institutional SICAV to <b>vote by proxy on ESG topics</b> in the shareholder’s meeting of the companies in which the asset managers have invested (direct equities). The Management Company has a predefined set of criteria to take into account when voting, such as the number of women vs men on the board of a company, disclosure of relevant tax information, disclosure of and goal setting related to CO <sub>2</sub> emissions. The Management Company will push the companies in which we have invested towards achieving these goals.	Under the fourth pillar of our ESG strategy, we will give a mandate to a new asset manager who needs to make investments that help realise the energy transition goal set by the United Nations: transitioning from polluting energy to clean and affordable energy. The capital put at the disposal of the new asset manager will amount to <b>EUR 75 million</b> . This amount will be <b>invested</b> in companies that contribute to achieving this goal.

# Our international commitments

## Country Risk Assessment Model

### Long-time expertise

Country risks are an important pillar in our risk management. We pay a lot of attention to adequate country risk assessment and regularly adapt our methodologies. We developed and still manage the **Country Risk Assessment Model (CRAM)** that is used by all the Export Credit Agencies (ECA) of the OECD member states as the basis for assessing financial and economic country risks.

We assess the financial situation (debts and liquidity), the economic situation (growth potential, policy performance and vulnerability) and the business environment and financial situation of a country to determine the country risk classifications and cover policies for short-term and medium- to long-term transactions. But that is not all. We also take into account political, social, institutional and environmental factors.

### Dominant theme with fragile foundations

At Credendo we classify countries, for political risks (including foreign exchange scarcity), on a scale from 1 to 7 (7 equals the highest risk). In general, a **sustainable and diversified economy and sociopolitical situation** result in a better classification. Sustainability has become an increasingly dominant concept. Unfortunately, we see that the attention paid to it is decreasing across regions. The reasons behind that are high wealth inequalities, rising autocracies, social and political instability fuelled by corruption, bad governance and/or the rising cost of living.

Especially in Africa, rising debt levels are again one of the biggest risks to sustainability. In other regions, increased geopolitical tensions (such as the war in Ukraine or the US-China rivalry) are the main issue. In general, our world order is getting more fragmented. Natural disasters continue to intensify due to climate change. We include all those risks in our country risk assessments by analysing debt dynamics, growth potential, economic dependence on certain export products or commodities, political stability, public governance, vulnerability to climate change, etc.

### Climate risks affect country risks

The impact of climate risks on country risks has been on the rise, particularly in Asia, Africa, the Middle East and Central America. However, the size of a country's economy, the level of development, institutional capacity and economic diversification can mitigate those risks. Still, climate shocks lead to **increased instability and sociopolitical tensions**, especially when water scarcity, land losses and large-scale human migrations (both internal and external) are involved.

### Credendo applies sustainable rules

We always comply with Belgian or international obligations, including UN or EU embargos and sanctions. Moreover, we comply with all requirements the IMF and World Bank impose in terms of concessionality and sustainable loans. To limit risks and promote a sustainable approach, we apply even **more strict internal rules** to countries classified in one of the highest risk categories and we aim to avoid 'white elephants' that could worsen country risks.

#### CLIMATE CHANGE: PAKISTAN'S 2022 FLOODS - A TEXTBOOK CASE FOR FUTURE COUNTRY RISKS?

2022 was another record-breaking year regarding climate change. Extreme natural disasters have no borders and hit all regions. In the summer of 2022, Pakistan fell victim to the worst floods the country ever experienced, which devastated one third of the country.

Besides the heavy human cost, economic and financial consequences were huge. Infrastructure and agriculture crops were heavily affected and contributed to more than USD 30 billion in total damages. The country was already in a tight financial spot, but flood-related costs made everything worse, bringing Pakistan closer to a sovereign default.

The devastating monsoon also further deteriorated the social and political situation: inflation soared and the fragile government experienced even more popular pressure. All this shows how intensifying climate change is a multidimensional threat for country risks. Countries with weak macroeconomic fundamentals could end up in unsustainable debt positions.

## The Paris Club

As an export credit agency under the umbrella of the Belgian government, we are a member of the Paris Club, which was formed in 1956. It is an informal group of creditor governments aiming to coordinate **multilateral solutions to sovereign (public sector) debt problems** around the world. Its role is to find coordinated, orderly and sustainable solutions to debt sustainability challenges in developing or emerging countries. Belgium is one of the 22 permanent members of the Paris Club and transactions covered by Credendo - Export Credit Agency on sovereign debtors are dealt with and rescheduled in the Paris Club.

The most important Paris Club principles are **comparability of treatment and conditionality**. The former implies that debtor countries commit to not providing a more favourable treatment to non-Paris Club creditors, while the latter underlines that a Paris Club treatment comes in support of an IMF programme.

In 2021, the Club's considerable efforts were reflected in the temporary measure adopted by the G20 and the Paris Club in April 2020 under the **Debt Service Suspension**

**Initiative (DSSI)**. The DSSI was extended until the end of 2021 to provide support to 73 low-income countries during the Covid-19 crisis. Also in 2021, the Paris Club reached an agreement with the Republic of Sudan to restructure its external debt in the framework of the Enhanced Initiative for Heavily Indebted Poor Countries.

In 2022, the Paris Club greatly contributed to the implementation of the G20 and Paris Club Common Framework for Debt Treatments beyond the DSSI. The active Common Framework cases are Chad, Zambia and Ethiopia. Also in 2022, the Paris Club reached an agreement with Suriname in support of an IMF programme. Furthermore, it was agreed to clear Argentina's remaining debt that is due to Paris Club creditors over a six-year period, and restructuring discussions with Sri Lanka and Ghana have been started.

Finally, the Paris Club actively engages with the private sector and other official bilateral creditors (such as Türkiye, Saudi Arabia, Kuwait and UAE), and it promotes **greater debt transparency**.



## Highly Indebted Poor Countries initiative

We make sure that we do not contribute to build up unsustainable external debts by poor countries under the Highly Indebted Poor Countries initiative (HIPC). To this end we only accept projects for such countries if they constitute a priority for the countries' economic development.

This specific commitment is in line with the **OECD Recommendation on Sustainable Lending Practices**, which defines clear rules to limit commercial lending to

low- and lower-income countries. The recommendation also establishes procedures for notifying lenders and international institutions on officially supported lending in order to provide a clearer and transparent view of the total debt burden of these countries. The aim of these rules is to ensure that the most vulnerable countries receive the financial support they need for their development while maintaining a sustainable debt level.



## Export credit agencies for a more sustainable world

ECA activities are governed by a set of international rules and regulations. Those often include an important ESG component and stem from various international organisations in which Belgium and Credendo – Export Credit Agency take part.

### The EU Council Working Group

At EU level, matters on official export credit support are discussed within the framework of the Council Working Group on Export Credits. This Council Working Group (CWG) prepares **EU positions and strategy** on topics that are debated within other international fora. Moreover, it discusses subjects like EU financial regulation, trade sanctions and reporting to Parliament. Such reporting includes an extensive part about how ECAs live up to their ESG commitments.

In March 2022, the ECOFIN Council of Ministers agreed on Council conclusions for export credits as proposed by the CWG. These Council conclusions include a climate pact for export finance, stating that the member states intend to determine their own science-based deadlines for ending officially supported export credits to fossil fuel energy sector projects. They will include such deadlines in their national policies by the end of 2023. Credendo – Export Credit Agency was one of the first ECAs to act on this promise by publishing in July 2022 its policy for the energy transition from fossil fuel to clean energy.

### Participants to the OECD Arrangement on Export Credits

At OECD level, the Arrangement on **Officially Supported Export Credits** ('the Arrangement') governs the orderly use of officially supported export credits. The participants to this arrangement ('the Participants') discuss and decide on all of its elements. In 2009, they decided on more flexible terms and conditions for renewable energy and water projects by agreeing on a **Climate Change Sector Understanding**. This understanding has been elaborated and strengthened over the years, most importantly by adding climate change mitigation and adaptation to the scope. It is currently under review to make it relevant for the future.

### The OECD Export Credit Group

Another OECD forum in which Credendo – Export Credit Agency takes part is the Working Party on Export Credits and Credit Guarantees (ECG). The ECG is, also, responsible for work on **good governance** issues, such as anti-bribery measures, environmental and social due diligence, and sustainable lending.

They organise yearly consultations with relevant stakeholders such as non-governmental organisations.

### The OECD Practitioners Group

Credendo – Export Credit Agency follows the Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence ('the Common Approaches'). This recommendation contains common approaches for **environmental and social due diligence** to identify, consider and address the potential environmental and social impacts and risks related to applications for officially supported export credits as an integral part of members' decision-making and risks management systems.

Besides following the Common Approaches, we also take an active role in the negotiations to update the methodology to current standards and expectations. The most recent update from 2016 focused on including human rights standards in the due diligence process to fight against human trafficking, child labour and forced labour.

OECD practitioners from various ECAs continue to regularly exchange information to promote a **global level playing field**. Twice a year, they meet to discuss improvements and specific concerns regarding environmental and social risks. Topics such as biodiversity, human rights, climate issues or the responsibility of transparency on the side of ECAs are discussed.

### The OECD Working Group on Bribery

The OECD Working Group on Bribery is short for the OECD Working Group on Bribery in International Business Transactions. This group is responsible for monitoring the implementation and enforcement of the **OECD Anti-Bribery Convention**, the 2011 Recommendation on further combating bribery in international business transactions, and related instruments. Their quarterly meetings gather the representatives of the parties to the convention. The 44 member countries are implementing the necessary measures and reforms to stop bribery in cross-border business transactions.

We also participate in these periodical meetings to share best practices, discuss emerging trends and challenges, and exchange views on **stronger collective action against bribery** in trade transactions. We foster this holistic approach by introducing new measures to increase awareness and enhanced training to help prevent, detect, investigate, and report bribery in international business transactions.



# Officially supported export credits

## Belgian export credit agency

As official Belgian export credit agency, Credendo is subject to some very specific rules and regulations, such as the **OECD Arrangement on Officially Supported Export Credits** ('the Arrangement').

The main purpose of the Arrangement is to provide a framework for the orderly use of officially supported export credits. It aims to stimulate a level playing field to encourage competition among exporters. Such competition should be based on quality and prices of goods and services rather than on the most favourable officially supported export credits.

To this end, the Arrangement sets some of the **financing terms and conditions**: specific repayment terms, a minimum premium rate, and minimum interest rates. These terms are mandatory and need to be applied for officially supported export credits. Furthermore, the Arrangement

contains various **transparency provisions** to ensure that everything is applied as it should be.

It applies to all officially supported export credits with a repayment term of two years or more – with some exceptions. In addition to export credit and foreign investment insurance, Credendo – Export Credit Agency's offer includes financial guarantees and direct financing.

Our mission, with all these products, is to promote international trade relations, mainly by accepting risks in the field of exports, imports and foreign investments. Our activities mainly focus on non-OECD countries as the larger part of our clients' risks is located on these markets.



## Environmental and social due diligence

As part of our underwriting process at Credendo – Export Credit Agency, we identify, consider and address the **potential environmental and social impacts and risks** relating to applications for officially supported export credits as prescribed in the 2016 OECD Common Approaches.

### > Step 01

#### Screening of applications for cover

All requests for cover are submitted to screening in order to classify the transactions according to their potential impact in environmental and social terms (see step 2).

The screening is based on the information available at the time of the request and provided in the application form.

### > Step 02

#### Classification of projects

The OECD Common Approaches sets up criteria for the classification – **into categories A, B or C** – of all transactions whose value for cover is at least SDR 10 million.

Credendo also classifies and assesses certain transactions whose value for cover is below SDR 10 million.

##### Category A

- Potential high impact on social and environmental aspects.
- Projects in sensitive sectors and areas included automatically.
- Impact may be irreversible and may extend beyond the project site.
- Environmental and Social Impact Assessment (ESIA) compulsory.

##### Category B

- Potential impact on social and environmental aspects less significant than category A and limited to the project site.
- Reversibility of the potential damages with risk mitigation.
- ESIA linked to the scale of the project according to OECD.

##### Category C

- Minimal or no adverse impact on social and environmental aspects.
- No ESIA required according to OECD Common Approaches but Credendo regularly performs the E&S analysis.

The distinction between categories A and B is generally linked to the potential environmental and social impacts and/or risks of the project or the fact that the project involves a new infrastructure, a new production unit or the extension of any existing infrastructure.

If a project would displace a population or significantly damage biodiversity, it is classified in category A. According to the OECD Common Approaches – which apply to category A projects – the **Environmental and Social Impact Assessment (ESIA)** or a summary of the ESIA, must be made available and the fact that the application is under review should be disclosed to the public at least 30 calendar days before a decision is made.



### > Step 03

#### Assessment of the impact

In the next step of the process we assess a project's impact. This assessment serves two purposes:

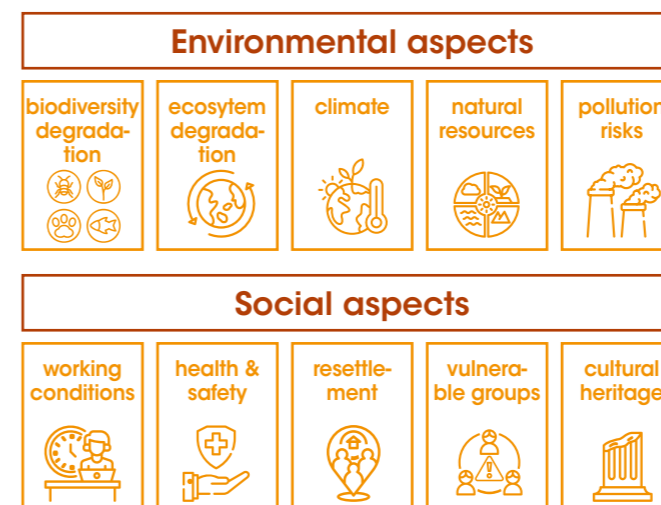
1. identifying possible prevention and mitigation measures; and
2. analysing opportunities for improving environmental efficiency.

In our environmental and social due diligence process, we refer to **national and international norms and standards** – such as the Performance Standards (PS) of the International Financial Corporation (IFC) – to assess and address the risks and impacts on the environment and the local population.

When it comes to **environmental aspects**, the focus is on the potential degradation of biodiversity and ecosystems, natural resources management, pollution risks and the impact on climate change. Concerning **social aspects**, the focus is on human rights, working conditions, impact on health and safety, the resettlement process, indigenous peoples, vulnerable groups and cultural heritage.

The scope of this environmental and social impact assessment is adapted to the assigned classification, the size of the transaction and the types of risks that have been identified. It also takes into account the industry, sector, location and other information available.

Credendo not only reviews the potential impacts of the projects, but also, when required, the measures that can be taken to prevent, minimise, mitigate or remedy adverse impacts and/or to improve the environmental and social performance of the projects through an ESIA and management and action plans.



### > Step 04

#### Decision and monitoring

The project is deemed acceptable from an environmental and social standpoint if impact assessments proved to be limited or appropriately controlled by means of measures designed to mitigate or offset them.

Where applicable, Credendo can make its cover subject to specific environmental and social conditions aimed at ensuring compliance with the applicable standards.

Credendo's final approval will only be given if the project is compliant with national and international standards. Furthermore, Credendo will evaluate how the project contributes positively to the economy, society and the environment.

Credendo will assure the **follow-up of the environmental and social conditions**.



## Beyond the Common Approaches

The OECD Common Approaches were designed for very specific cases: projects, goods and services that are directly linked to export projects with a credit period of two years or more and a contract amount above SDR<sup>1</sup> 10 million; or a contract amount lower than SDR 10 million in case the project involves sensitive areas or severe human rights impacts. However, at Credendo – Export Credit Agency we

have decided to **extend the area of application for these rules**. We apply them to project-related cash transactions and investments as well, also in cases where the contract amount is below SDR 10 million. For transactions outside the OECD scope and below SDR 10 million, we apply a risk-based approach.

## Full transparency

### Disclosure and ex ante transparency

If a transaction under the scope of the OECD is placed under category A, the ESIA and project details will be made available to the public (upon request) at least 30 days prior to the final commitment.

Information that cannot be disclosed without infringing commercial or industrial confidentiality may be removed from the document beforehand at the request of the buyer or exporter.

### Ex post transparency

After a decision is made to provide cover for projects classified in categories A and B that are subject to the application of the OECD Common Approaches, the relevant information is made available on our website (nature of the project, country, name of the exporter, amount, project category, etc.).

### Reporting to the OECD

The Common Approaches require that we provide a report to the OECD in relation to projects classified in categories A and B. Furthermore, we are required to inform the OECD about projects for which the CO<sub>2</sub> (or CO<sub>2</sub> equivalent) or carbon intensity values (CO<sub>2</sub>/kWh) are over 25,000 tonnes annually. The OECD, in turn, makes these data public for the sake of transparency.

Credendo will **only consider an insurance application if:**

- the application is compliant with the applicable national and international sanction regulations;
- the applicant conforms to the environmental and social national legislation;
- the project and transactions are compliant with local laws and regulations;
- Credendo receives all information requested to assess the environmental and social risks and impacts;
- Credendo considers that the environmental and social impacts are acceptable.

### Overview by category of insured projects<sup>2</sup>

	Category A	Category B	Category C
<b>NUMBER OF PROJECTS CLASSIFIED<sup>3</sup></b>			
2018	18	32	14
2019	11	53	9
2020	16	56	6
2021	22	51	10
2022	27	39	29
<b>INSURED AMOUNTS (IN EUR MILLION)<sup>3</sup></b>			
2018	1,176	699	149
2019	558	926	48
2020	922	382	283
2021	2,900	1,677	389
2022	1,482	917	259

1. Special Drawing Rights: the basket of international currencies used by the International Monetary Fund (IMF). As of January 2023, EUR 1 = SDR 0.80.

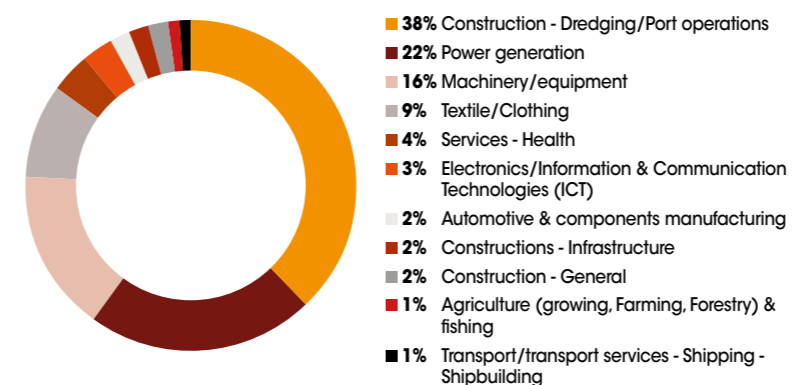
2. Policies issued for which an environmental and social analysis has been conducted by Credendo (transactions within and outside the scope of the OECD).

3. Market transactions and transactions related to the supply of goods (ambulances, devices, medical equipment, etc.) are not included.

### Some examples of projects covered in 2021-2022

Project	Project country	OECD category	Value of Credendo involvement (in EUR Million)
Construction of a drinking water infrastructure for the city of Wenchi	Ghana	B	30,000,000.00
Delivery of equipment to the Wahgnion gold project	Burkina Faso	B	5,995,000.00
Strengthening of the drinking water supply system of the Abobo commune, north Abidjan	Ivory Coast	B	30,000,000.00
Design, engineering and supply of a wood residues fired energy plant	Brazil	B	5,300,000.00
Dredging works in the access channel in the Fatala river	Guinea	A	3,883,433.74
Strengthening the drinking water system in different parts of the country	Ivory Coast	B	194,103,484.00
Construction of a 64 floors high office tower	Ivory Coast	A	149,935,485.54
Rehabilitation of roads and intersections	Ghana	A	65,000,000.00
Delivery of cyclotron equipment to a new health facility	Mexico	B	2,435,000.00
Delivery of equipment to new Séguéla open pit gold mine	Ivory Coast	A	18,660,757.58
<b>Total</b>			<b>505,313,160.86</b>

### Sectoral distribution portfolio Credendo ECA 2022<sup>4</sup>



4. Policies issued for which an environmental and social analysis has been conducted by Credendo (transactions within and outside the scope of the OECD).

# Our support for sustainable projects

At Credendo we support sustainability in many ways. This means we look after our own behaviour and activities, but we also make sure to provide the necessary support to projects that will help improve sustainability.

## UN Sustainable Development Goals

Many of Credendo's transactions contribute directly to the UN SDGs. It is in the company's DNA to promote projects that are beneficial for the environment and social aspects.

Because we consider the SDGs a global roadmap, we carefully analyse how the projects covered by Credendo – Export Credit Agency contribute to achieving the SDGs. We identified eleven SDGs that correspond to our global ambitions:

**Our sustainability ambition is closely linked to these 11 UN SDGs**



- More specifically, these eleven SDGs entail the following:
- 3** Ensure healthy lives and promote well-being for all at all ages.
  - 4** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
  - 6** Ensure availability and sustainable management of water and sanitation for all.
  - 7** Ensure access to affordable, reliable, sustainable and modern energy for all.
  - 8** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
  - 9** Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.
  - 11** Make cities and human settlements inclusive, safe, resilient and sustainable.
  - 12** Ensure sustainable consumption and production patterns.
  - 13** Take urgent action to combat climate change and its impacts.
  - 16** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
  - 17** Strengthen the means of implementation and revitalise the global partnership for sustainable development.

Our goal is to meet our clients' expectations for long-term objectives while fostering the development of businesses that are fully consistent with the UN SDGs. Nevertheless, operations that contribute to the SDGs are subject to the same environmental, human rights and corruption risk assessments and requirements as all other transactions.

Below we will discuss some of the sustainable projects we supported.



## Eco-friendly medical waste processing systems

At Credendo, we cover several **health-related projects**, particularly in Africa. Many African countries want to build an efficient and resilient health system to take good care of their people and we believe our cover can provide important support to such projects. An important aspect in the health care system is the treatment of medical waste.

Most medical waste is contaminated with infectious agents that constitute potential hazards to human health. This issue has become worse as hospitals have been using outdated methods for the disposal of medical waste for far too long. For example: for a long time, medical waste was being dumped in landfills. Those actions were unauthorised, and waste was simply dumped there untreated. Subsequently, this medical waste would go to uncontrolled incineration,

which lead to hazardous gases like dioxins, representing a health and environmental hazard for the population.

In Kenya, for example, we cover the supply of machines for the bacteriological decontamination (sterilisation) of medical waste. These machines are delivered by the Belgian company **Ecosteryl** and support the attempt to **stop dangerous environmental pollution** (soil, water, air) due to untreated medical waste. They contain microwave equipment that is particularly adapted for a safe treatment of medical waste. The machine takes in medical waste and treats it. The waste then leaves the machine decontaminated, dry and greatly reduced. This way, it can directly and safely enter the classic household waste collection circuit. This project is eligible for the Credendo Green Package.

## Goudel IV: water supply and sanitation

Another health-related project we support is located in Niger. In this case, the project is on the other side of the spectrum of health care and focuses on prevention. Niger is one of the poorest countries in the world. It has a semi-desert climate and is marked by strong population growth and severe shortages in drinking water. A project like Goudel IV was more than welcome in these circumstances.

Goudel IV is a large **water supply and water purification project** located in the Nigerian capital Niamey. The main project sponsors are institutions such as ORIO (the Netherlands), AFD (France), the European Investment Bank (EIB) and the Belgian government.

The project encompasses the construction of a water purification plant with a capacity of 40,000 m<sup>3</sup> of water per day, and the construction of a distribution network. The project also includes the creation of a water reservoir upstream to absorb the water from the Goudel IV treatment. This enables water from the river to be pumped up all year round, even at low tide.

Belgian construction company **Denys** delivered an important contribution to this project via several contracts, all with Credendo insurance support. The most recent contract for which we provided coverage was related to urgent maintenance works on the water reservoir part. The Niger river is indispensable for Niamey's water supply and a **shortage in drinking water** is a serious threat for the whole country, especially in dry periods. This explains why Denys was also responsible for dredging works to counter the fact that the Niger and its tributaries were silting up. When a river starts silting up, it becomes blocked with silt. This negatively impacts the water reservoir's flow rate and the purification station's capacity. This project is eligible for the Credendo Green Package



## Cogeneration plant in Kirchberg

A third example of SDG-related project we are supporting is the construction of a **cogeneration plant** in Kirchberg by the Belgian company **Vyncke**. Vyncke is a supplier in the field of combustion technology converting biomass and industrial waste into clean energy. The thermal energy ranges from 1 to 100 MWth (megawatt thermal) and the electrical power from 1 to 20 Mwe (megawatt electric). The energy created either comes individually or in any combination of steam, hot water, thermal oil and hot gas, with or without electrical power generation.

Vyncke have called on our expertise to cover their numerous projects both in Europe and overseas for many years now.

In Europe, the construction of a cogeneration plant at the Kirchberg plateau for Luxembourg's most important energy contractor LuxEnergie was a flagship project for Vyncke. LuxEnergie operates three Vyncke cogeneration plants: one in Kirchberg, a second one in Strassen, and a third one in Roost, together with a partner.

In this latest project at the Kirchberg plateau, Vyncke extended the **green power plant** operated by LuxEnergie through the construction of a fourth and fifth boiler. Thanks to Vyncke's technology, LuxEnergie will now switch from gas to biomass completely for the supply of heat to surrounding buildings on the Kirchberg plateau, which houses the European Court of Justice, the European Investment Bank and the European School of Luxembourg. In this case the fuel consists of wood pellets which are burned in a cogeneration insulation. Vyncke also delivered the milling plant to supply wood powder to the burners.



# Engaging our community

Sustainability is everyone’s business. Therefore, we want to bring everyone on board when it comes to our sustainability and transition strategy. We want to make sure both our stakeholders and our employees have the same mindset when it comes to the importance of sustainability and corporate social responsibility.

## Getting stakeholders on board

We established a set of measures to **raise awareness** regarding corporate social responsibility among our stakeholders. One example are the annual meetings we organise with some of our clients, and in which we present our environmental and social procedures and sustainability actions to them. At the same time, those meetings allow our clients to present their own **sustainability achievements**.

To anchor the concept of sustainability, we intensify the dialogue with our stakeholders and share our knowledge on sustainable business. We organise sessions to **exchange information** on our due diligence process, our clients’ internal environmental management systems and specific issues at project level. We exchange best practices with our peers and other public and private partners to foster collaboration in the field of sustainable trade and finance.

In Belgium, we are member of The Shift – the Belgian meeting point for sustainability – and we participate in various workshops that help companies integrate the SDGs in their overall strategies. We work closely with Chambers of Commerce, business federations, and we build fruitful collaboration networks with members of Agoria – the Belgian federation for the technology industry – which gathers more than 1,600 companies from the sector.

## Getting employees on board

In order to involve and engage our employees, we organise activities and incentives on several levels. First of all, we provide **internal sustainability training** for everyone in our group. In 2022, we organised three sessions, each one specifically dedicated to one of the three ESG pillars: Environment, Social and Governance.

Second, we have our **Value Ambassadors**: an internal group of volunteers organising various initiatives. In order to promote our values they translated respect, reliability and customer intimacy into concrete guiding and actions for our daily work. The result is our Credendo Value Charter. Furthermore, on the occasion of World Environment Day 2022, they organised a presentation about waste and recycling awareness where our employees could finally meet each other again after the pandemic.

Additionally, at our head office we use a system that partially ties the annual bonus for employees to **ecological and social objectives**. More specifically, 25% of the collective bonus for employees is linked to these targets:

1. reducing paper consumption; and
2. reducing electricity consumption.

Our entities also organised supplementary local actions. In November 2022, a group of volunteers from Credendo – Short-Term EU Risks planted sixteen fruit trees in Tocník, Czech Republic. This initiative originated in June 2022 on the occasion of **World Environment Day**.

Credendo – Guarantees & Speciality Risks assembled a cycling team that won a bike challenge organised by a German reinsurance company. As the ‘Glorious Street Riders’, the team covered 2,767 kilometres, combining outdoor cycling and indoor exercise bikes. Together with the other participating teams, they were able to secure a donation to World Bicycle Relief.



> World Environment Day



> World Bicycle Relief

# Reducing our carbon footprint

We try to practice what we preach. This means that we keep making efforts to reduce our own carbon footprint in various ways.

## Aiming for carbon neutrality

Since 2010, we have engaged in a **proactive carbon neutrality campaign** to calculate, reduce and offset our greenhouse gas emissions. In order to ensure a consistent and accredited methodology, we hired CO2logic as an external consultant to carry out this task.

We gradually expanded the scope of the calculation. At first we started with the footprint of our Credendo head office in Belgium. In 2019, we enlarged the scope to include the Czech office of Credendo – Short-Term EU Risks, and the Credendo – Short-Term Non-EU Risks branches in France and Germany.

In our own operations, we make a lot of effort to **reduce our carbon footprint**. We use advanced building technologies, review our processes and reduce greenhouse gas emissions from our infrastructures and human activities.

There are three main categories of greenhouse gases that are emitted by companies. **Scope 1** covers all direct emissions resulting from a company's activities, whether they are combustion-related or process-related. In other words, these are emissions released directly into the atmosphere from a facility owned or operated by the company. **Scope 2** covers all indirect emissions related to energy consumed by a company. For instance, these are emissions released into the atmosphere as a result of the production of energy used by an installation owned or operated by the company. Finally, **scope 3** covers all other indirect emissions. This scope includes all other emissions released into the atmosphere as a result of activities or the purchase of products and/or services that are not owned or controlled by the company.

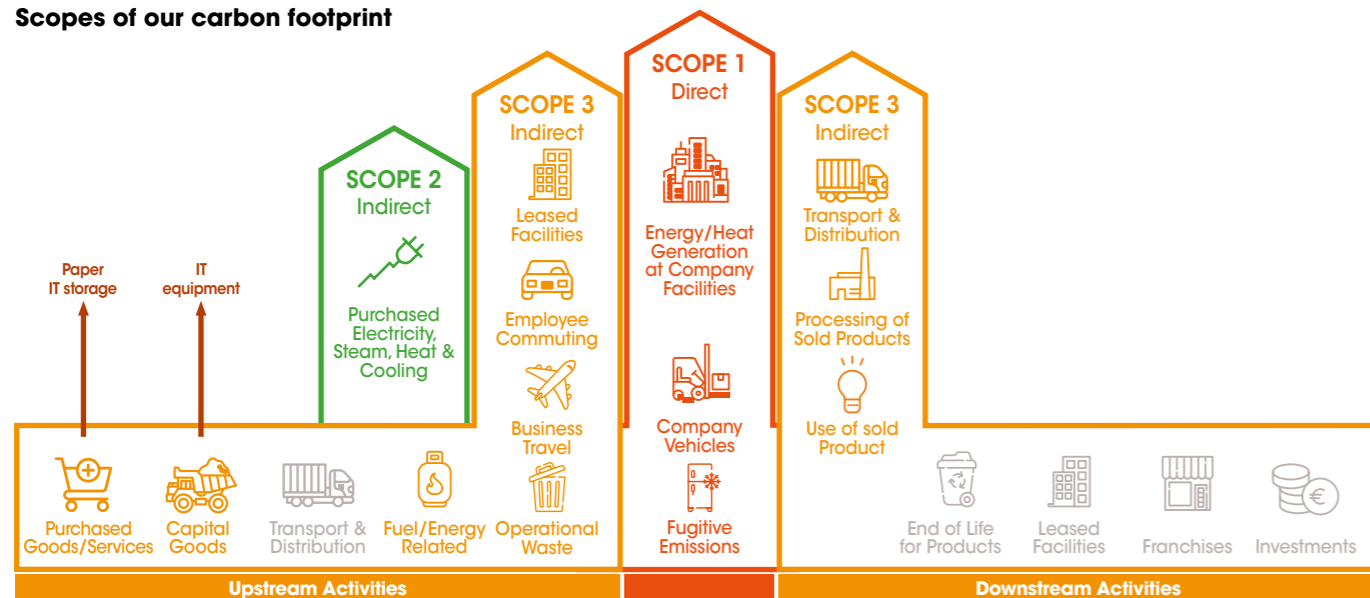
We include the 3 scopes of emissions, assessing and monitoring the direct and indirect activities of our employees related to our business.

### DECREASING OUR GREENHOUSE GAS EMISSIONS

As a result of all our actions, we have been able to reduce our greenhouse gas emissions by almost a third since 2010. They reached around 3 tonnes of CO2 equivalents per annum per full-time equivalent (FTE) in 2019 (or 1,164 tonnes of CO2 equivalents of total emissions). That is well below the financial sector average of around 6 tonnes per FTE. The pandemic led to a significant decrease to 636 tonnes of CO2 equivalents or 1.54 tonnes of CO2 equivalents/FTE in 2020, which means our emissions almost halved compared to the previous year. This huge decrease was mainly related to the suspension of commuting and business travel. In 2021, our greenhouse gas emissions were at 867 tonnes of CO2 equivalents. Nevertheless, we have to keep in mind that Covid-19 years were exceptional and can't be compared to "normal years". The carbon footprint for the year 2022 is under measurement.



### Scopes of our carbon footprint



Sources: CO2logic

In 2019, we received the **CO<sub>2</sub> Neutral label**, issued by CO2logic. Specifically for us, it confirmed our commitment to the environment, and it was proof that our policy to manage and reduce greenhouse gas emissions was working. We are proud to say this label has been renewed every year since then.



## Continuous improvement

We seek to continue our efforts. Therefore, we keep setting new targets for ourselves and we continue to try and find new ways to **improve our energy efficiency**.

As from 2020, we have decided to also include the amount of carbon generated by our IT equipment and server usage in the calculations to also assess the footprint of our electronic equipment and data storage.

In January 2021, we replaced our regular pool cars by hybrid cars in order to further reduce the impact and emissions of our business trips within Belgium.

In January 2022, we also changed the building's chiller, which was based on Freon gas technology, one of the most damaging gases for the ozone layer. Today, we have a condensing chiller, which is quieter, more economical and minimises the environmental impact through a significant reduction in the amount of gas used.

In the first quarter of 2022, we had 134 solar panels installed on the roof of our Brussels head office.



Source: Credendo

## Decreasing our greenhouse gas emissions

Unfortunately, part of our direct emissions are incompressible. As we still want to take part to the global challenge, we made sure to find a way to at least make up for them. Each year, we participate in the financing of a climate project in the amount of our annual greenhouse gas emissions.

To compensate our emissions, since 2019, we have been funding a project first in Ghana and later in Nigeria. Those countries have one of the highest deforestation rates. Demand for charcoal plays a major role in this matter. The project we are supporting aims to develop and distribute charcoal stoves to families in Nigeria. The project helps to:

- save millions of trees and improve biodiversity by reducing deforestation – charcoal production and use is a major contributor to deforestation in Nigeria;
- reduce CO<sub>2</sub> emissions – one cookstove can save more than 3.6 kg of wood per day and 11.9 trees per year, resulting in a reduction of greenhouse gas emissions;

- reduce indoor air pollutants from burning fuel in family houses;
- reduce the time spent collecting wood – this saves women a huge amount of time they can spend on income-generating activities instead;
- reduce fuel purchasing costs for households;
- stimulate economic activities thanks to the local production of the stoves.

This project contributes directly to the sustainable development goals 1, 7 and 13.



Source: CO2logic



# Working in a socially responsible environment

At Credendo we realise that our people are one of the main factors driving our company's success. Therefore, we aim to attract the best people, and we intend to look after them and their well-being in the best way possible.

## Diversity and inclusion

We try to recruit talented employees, which is not always an easy task in today's tight labour market. In our **onboarding programme** we make sure we give newcomers a warm welcome. Part of the package is a 'buddy', someone who is appointed for each new hire, to assist them during the first year of their employment. New hires can ask their buddies for help with practical, HR-related and other kinds of work(place)-related matters.

**Respect** is one of our values at Credendo. We respect each other regardless of position, language, gender, colour or sexual orientation. During the recruitment process, we pay special attention to these aspects as we want to create a **mix of cultures, experiences and backgrounds**. We offer a wide range of fringe benefits, such as an additional child allowance for employees with family responsibilities. Furthermore, we offer a lot of flexibility in working hours, with extensive flexible working hours and the possibility to do work from home for up to three days a week.



## Well-being at Credendo

We have put several initiatives in place to improve our **employees' well-being**. When working at the office, they have ergonomic workstations, a cafeteria, a bike parking and much more are at their disposal. Employees who go for a run in the nearby park during lunch time have the possibility to take a shower in the office afterwards.

We also support **internal mobility** within our group. Our vacancies are open for everyone, both internally and externally. We stimulate lifelong learning and offer the possibility to follow diverse training programmes to develop both technical and social skills. Various part-time schedules or extended-leave options (time credit, parental leave, leave without pay, ...) are open for everybody.

At our head office we also create space for a good social dialogue. We discuss social and well-being topics in the **Works Council** and the **Committee for Prevention and Protection at Work**. Our well-being initiative called '**Credendo cares**' offers several programmes to strengthen mental resilience through various programmes such as yoga, stress prevention, a medical health check-up for those aged over 45, and a yearly flu vaccination.

We have several **confidential counsellors** within the company who are available for our employees in case they want to talk about any stress or burnout symptoms they might have, or in case of harassment.

Finally, we also respect employees who are leaving the company. During the so-called offboarding process we apply the correct exit procedures. We organise exit interviews to learn about the reasons why employees decide to leave the company.

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Responsible editor: Dirk Terweduwe  
Government body under State guarantee