

REPORT ON CORPORATE
SOCIAL RESPONSIBILITY

2012-2014

DELICREDERE
DU CROIRE



MEMBER OF THE CREDENDO
GROUP

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FOREWORD

Delcredere | Ducroire believes that societal and business values are inseparably linked. They're shared values. Indeed, a company's policies and management should aim to increase its effectiveness and competitiveness while at the same time improving the economic and social conditions of the society in which the business operates.

Our primary mission is to support and promote international trade and in particular Belgian exports. But our view of our role goes a long way beyond short-term profits.

In 75 years, support from Delcredere | Ducroire has made it possible for a vast number of projects to see the light of day. These projects have fostered growth and well-being both in Belgium and in numerous developing countries. Because of the very nature of what we're trying to achieve, we play a stabilising role in the long term, ensuring that projects are sustainable, protecting our clients in hazardous contexts or situations and avoiding business collapses. In a word, we act as a shock absorber, reducing the adverse impact of events.

We operate in a context where the social responsibility of the businesses and projects that we cover is subject to a specific national and international regulatory framework in terms of sustainable development and human and social rights. We not only apply the requirements of that framework but often go beyond our strict regulatory obligations.

To be sustainable, a business must evolve and constantly set new objectives to fully play its role in society. The purpose of this second report on our corporate social responsibility is to set out our policy in this area and above all to describe the changes and progress achieved since the previous report.

Dirk Terweduwe
Chief Executive Officer

DELCREDERE | DUCROIRE

A RESPONSIBLE COMPANY

BELGIUM'S EXPORT CREDIT AGENCY

Delcredere | Ducroire was created in 1921 as the Delcredere Committee, and is the official Belgian credit insurer responsible for promoting international economic relations. We've been performing this task since 1939 as an autonomous government institution backed by a state guarantee.

Delcredere | Ducroire promotes Belgian exports and provides insurance for companies and financial institutions against political and commercial risks relating to international commercial transactions mainly regarding capital goods and industrial projects, as well as contracted works and services provided to companies. We're also authorised to participate in these same risks by means of risk-sharing agreements with banks. We also insure against political risks relating to foreign direct investments and directly finance commercial transactions on a limited scale. However, our role doesn't stop there. We also cover exchange rate risk on public procurement contracts, insure transit operations, grant financial guarantees, participate in export financing, and carry out, on behalf of the Belgian state, any technical or financial assignments entrusted to us.

These activities mainly focus on non-OECD countries. The bulk of the risks we insure are located in these countries.

AN ENDURING COMMITMENT

Since 1999, Delcredere | Ducroire has been applying the OECD guidelines on corruption, in conjunction with those on sustainable lending to developing countries since 2001, those on the environment since 2007, and those on Human Rights since 2012.

We've made sustainability a core component of our procedures and decision-making processes. We perform not only a financial analysis but also an assessment of the environmental and social risks associated with the transactions submitted for insurance cover. This analysis is the result of regular discussion with exporters designed to ensure that the potential negative impacts will be avoided or minimised as far as possible. We also work on the basis of ongoing cooperation with other export credit agencies in order to guarantee that a common approach is applied among OECD member countries. We regularly call on the advice of environmental and social experts. This second report on corporate social responsibility is intended to provide an overview of our commitment to that issue.

A SOLID PARTNER

Coverage of export risks for Belgian companies is our core business. An insured company must be able to count on its insurer at all times, especially during times of crisis and in a geopolitical context that can sometimes be tense. Our financial soundness and strength is therefore extremely important.

WE GUARANTEE THE CONTINUITY OF PROJECTS

Delcredere | Ducroire operates with the intention, first and foremost, of being a solid partner for Belgian exporters, able to guarantee the continuity of their projects. Through the quality of our management, we've created solid reserves over the years and are therefore able to pay out insurance claims without difficulty, even during periods of crisis.

KEY FIGURES

(in million EUR)	2014	2013	2012
Value of transactions insured during the financial year ⁽¹⁾	13,863.6	6,859.9	7,611.7
Total potential exposure ⁽¹⁾	26,332.7	25,677.7	23,148.5
Insurance premium revenue ⁽¹⁾	217.7	188.3	195.7
Insurance claims and loss adjustment expenses ⁽¹⁾	-56.3	64.1	67.0
Total comprehensive income ⁽²⁾	352.9	155.9	227.1
Total equity	2,351.9	1,999.0	1,877.5
Staff	180	174	157
Ratios (in %)			
Loss ratio ⁽³⁾	-16.8%	-25.9%	-20.4%
Cost ratio ⁽⁴⁾	13.6%	13.0%	11.9%

(1) Before cession to reinsurers

(2) In line with IFRS, a substantial part of capital gains from financial investments have been accounted for as fair value through profit and loss in 2014.

(3) Net insurance claims and loss adjustment expenses / net insurance premium revenue (including FOREX on operating activities)

(4) (Operating expenses, excluding operational foreign exchanges, minus other operating income) / net insurance premium revenue (excluding FOREX on operating activities)

OUR INTERNATIONAL ROLE

Delcredere | Ducroire forms part of the Belgian delegations to the Organisation for Economic Cooperation and Development (OECD), the European Union, the Paris Club and the Berne Union. These organisations formulate guidelines and recommendations covering the activities of export credit agencies. We make a contribution to this decision-making process and often exceed the legal minimum when applying our international obligations.

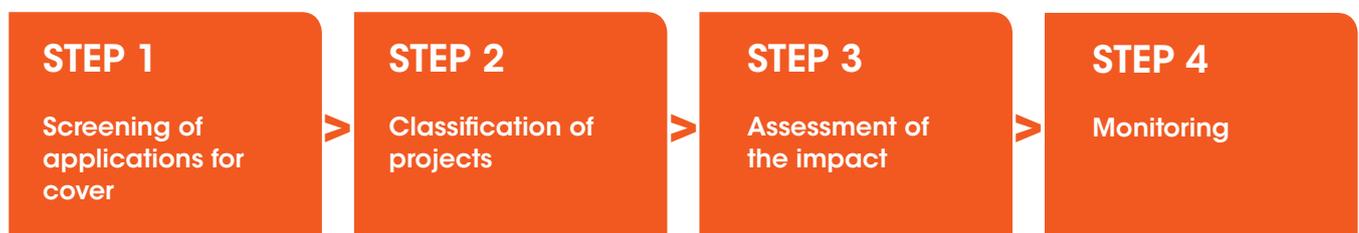
WE ASSESS THE IMPACT OF INSURED PROJECTS

Delcredere | Ducroire assesses the financial and non-financial risks in order to develop an analysis of the sustainability of projects in relation to which insurance is requested. For this purpose, we've introduced a 'due diligence' procedure designed to examine and address potential environmental and social risks associated with applications for export credit. This due diligence has resulted in the introduction of a specific procedure for environmental and social risks, which forms an integral part of our decision-making and risk-management process.

Our environmental and social procedure is based on the OECD guidelines concerning environmental and social screening, more specifically on the 'updated recommendation of the Council on common approaches for officially supported export credits and environmental and social due diligence⁽¹⁾' of 28 June 2012, more commonly referred to as the 'Common Approaches'.

The OECD 'Common Approaches' apply to transactions that involve a credit with a repayment term of two years or more. However, we go beyond the scope of application envisaged by the OECD. In fact, we also analyse the environmental and social risks of transactions for which there is no credit or where the credit repayment term is less than two years. For example, special cash transactions⁽²⁾ and investment projects.

THE STEPS IN THE ENVIRONMENTAL AND SOCIAL PROCEDURE



Step 1: Screening of applications for cover

We subject all requests for cover to screening that makes it possible to classify the transactions according to their potential impact in environmental and social terms (see step 2). This screening is based on the responses provided in the insurance application form and on the information available at the time when the application for cover is received.

(1) <http://www.oecd.org/tad/xcred/oecd-recommendations.htm>

(2) Special cash transactions are projects for which there is no financing and where the contractor (the insured exporter) is paid as the works are completed.

Step 2: Classification of projects

The OECD 'Common Approaches' envisage classification of all transactions located within or near a sensitive environmental area or where the value of the application for cover is at least SDR⁽³⁾ 10 million. We also classify certain transactions where the value of the application for cover is less than SDR 10 million.

Definition of sensitive areas

Sensitive areas are national parks and other protected areas identified as such by domestic or international laws, and other sensitive sites of international, national or regional importance, such as wetlands, forests of high biodiversity value, areas of archaeological or cultural significance, and areas of importance for indigenous peoples or other vulnerable groups.

Applications for cover are classified in categories A, B and C corresponding to the following specific requirements:

- > Projects classified in **category A** have potentially significant consequences for the environment and social aspects, which may be irreversible and may extend beyond the project site. Category A includes projects in sensitive sectors or located in or near sensitive areas. In this case, an environmental and social impact assessment (ESIA) is compulsory.
- > Projects classified in **category B** entail potential environmental or social consequences less significant than those classified in category A and limited to the site where the installations are located. These consequences are generally reversible and prevention and mitigation measures are more readily available. An ESIA isn't required by the OECD but we may request one depending on the scale of impact of the projects.
- > Projects classified in **category C** have minimal or no environmental and social consequences. According to the OECD 'Common Approaches', these projects don't require additional investigation. In all cases, we nonetheless perform an evaluation of their impact, although this may be cursory.

Projects classified as A and B generally differ in terms of their scale and whether the project in question involves new infrastructure or a new production unit. For example, if the application for cover concerns the delivery of a capital good making it possible to significantly reduce greenhouse gas emissions as part of the modernisation of an existing production unit, this is likely to be a category B project. If a project entails the displacement of a population or significant damage to biodiversity, it is a category A project.

The ESIA, or a summary thereof, must be made available to the public at least 30 calendar days before a decision is made in relation to the application for insurance for category A projects subject to application of the OECD Common Approaches.

The project sponsor is responsible for performance of the ESIA. Where the World Bank, or another international financial institution, is involved in the project, the analysis is most often completed by that institution. Where several export credit agencies are cooperating on a single project, the ESIA is in principle undertaken by the lead agency.

(3) Special Drawing Rights: the basket of international currencies used by the International Monetary Fund (IMF). As at 31 December 2014, SDR 1 = EUR 0.85.

Step 3: Assessment of the impact

The OECD 'Common Approaches' envisage an assessment of the impact of transactions where the value of the application for cover is at least SDR 10 million or where sensitive areas are concerned. We go further, and also assess the impact of certain projects where the application for cover is less than SDR 10 million.

The evaluation of the ESIA is performed on the basis of the reference local and international standards applying to the sector into which the transaction falls. If there is a conflict between the local and international standards, the more stringent requirements will prevail. Any derogation from international standards must be substantiated and advised to the OECD.

On the basis of the ESIA and the information made available by the exporter, our sustainable development expert assesses the environmental and social risks associated with the project and how they are to be managed by the exporter or project sponsor. We verify compliance with international standards. The International Financial Corporation performance standards are the principal reference in this area and cover a wide range of themes.

The performance standards of the International Financial Corporation (IFC)

The International Financial Corporation (IFC) is a World Bank institution responsible for issuing general and sector-specific guidelines used to assess projects that entail the involvement of one or more members of the World Bank Group. These guidelines are known as the 'Performance standards and guidance notes on environment, health and security'.

The environmental, health and safety guidelines evaluate the environmental performance of an individual installation. They set minimum performance levels and measures to be applied to ensure that a project is acceptable, at reasonable cost, in terms of its social and environmental impact. The IFC performance standards analyse the overall impact of the project without limiting that analysis merely to the installation. They cover a wide range of themes: environmental impact (risks associated with air and water quality, chemical, biological or radiological risks), working conditions, pollution prevention and rational use of natural resources, public health and safety, land acquisition and involuntary resettlement, biodiversity, rights of indigenous peoples and cultural heritage. The guidelines also take close account of factors specific to the site and the country.

During the review of the OECD 'Common Approaches' in 2007, all OECD export credit agencies decided to apply the IFC performance standards consistently to all projects for which they provide cover or financing. We always apply the most recent version of these guidelines.

The IFC website provides a comprehensive overview and an introduction to the guidelines: <http://www.ifc.org>

Our assessments are intended to determine the expected positive and negative impacts of the project, in terms of both quality and quantity. They also aim to identify possible prevention and mitigation measures and to analyse the possibilities for improving environmental performance. We regularly make use of consultants and external experts for the evaluation of projects. We also rely on the expertise of other export credit agencies and constantly exchange information with the exporter in question during the due diligence process. The assessment of a project may take from several days to several months, depending on the information available, and the scale and timetable for the project.

If, following the analysis, the impacts are considered to be limited or appropriately controlled by means of measures designed to mitigate or offset them, the project is deemed to be acceptable from an environmental and social standpoint. Where applicable, our cover may be subject to specific environmental and social conditions intended to ensure compliance with the applicable standards. These conditions are generally tied to an Environmental and Social Management Plan or an Action Plan. These documents describe all of the measures to be applied during implementation of the project in order to avoid, reduce, mitigate or correct adverse social and environmental impacts, according to a stated order of priority and a detailed schedule.

Our final decision to insure a transaction will only be made if the project is generally positive in economic, social and environmental terms.

Step 4: Monitoring

If the insurance includes environmental and social conditions, we ensure that these conditions are actually fulfilled. The procedures for compliance with environmental and social conditions are generally defined in the ESIA.

Delcredere | Ducroire is supporting sustainable projects relating to water and waste

We're supporting projects that offer populations better access to drinking water, implemented by Belgian companies specialised in solutions for water catchment, pumping, treatment and purification. For example, in 2013, we insured a project to provide drinking water in Ghana and a project relating to the treatment of sludge from water treatment plants in Vietnam. Certain elements must be removed from the water to make it drinkable, either using physical and chemical processes designed to eliminate mineral or organic matter in suspension through settling, or using biological processes to remove pollution. Sludge is produced during water treatment, and thanks to the projects insured by Delcredere | Ducroire, this sludge is not only prevented from being released into rivers but is also treated to ensure that it complies with exacting environmental standards.

We also support projects designed to improve waste management. In 2013, we insured a project involving the analysis, supply and commissioning of a new sorting installation for household waste and composting in Vietnam. This project was intended to:

- > provide a healthy solution to prevent the spread of disease;
- > find an environmental solution to the issues of pollution of groundwater and surface water; and
- > enable recycling of household wastes and their reuse as fertilisers in agriculture.

TRANSPARENCY

TRANSPARENCY EX ANTE

The projects being analysed that have been classified as category A and that are subject to application of the OECD 'Common Approaches' are published on our website at least 30 calendar days before a decision is made on corresponding cover. This information includes the name of the project, its location, a description and a link to the ESIA. We'll have obtained authorisation to disclose this information beforehand. Where applicable, information that cannot be disclosed without infringing commercial or industrial confidentiality may have been previously removed from the document, at the request of the purchaser or exporter.

TRANSPARENCY EX POST

After a decision is made to provide cover for projects classified as categories A and B that are subject to application of the OECD 'Common Approaches', we provide various types of information to the public through our website (country, name of the exporter, amount, project category, reference to additional information).

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're required to advise the OECD of emissions of CO₂ (or CO₂ equivalents) or carbon intensity values (CO₂/kWh) for projects where the CO₂ emissions amount to more than 25,000 tonnes annually.

OVERVIEW OF PROJECTS BY CATEGORY

	Number of projects			Insured amounts (in million EUR)		
	2012	2013	2014	2012	2013	2014
Category A	14	7	8	399	361	517
Category B	34	15	5	608	283	52
Category C	49	34	27	293	129	188
Total	97	56	40	1,300	773	757

WE JOIN IN THE **BATTLE** AGAINST CLIMATE CHANGE

In 2014, the battle against climate change and its negative repercussions for the environment has never been more important. Over recent years, this issue has been on the agenda at every meeting of working groups devoted to export credit within the OECD. By actively taking part in these discussions, we're supporting these efforts intended to promote environmentally friendly technologies.

Since 1 July 2009, there has been a sector-based agreement in place on export credit for projects in the areas of renewable energies and water resources. The purpose of this agreement is to ensure the application of financial terms and conditions that are appropriate for these types of activities. Since 15 July 2014, projects designed to mitigate and adapt to climate change have also been included in the scope of this agreement⁽¹⁾. These projects are intended to reduce the vulnerability of human or natural systems to climate change by supporting or increasing their adaptive capacity and resilience. The construction of dykes and the prevention of erosion are examples of such projects. OECD member countries are considering expanding the scope of this agreement with smart grids. These are technologically advanced electricity networks, which are able to control and supervise electricity generation, distribution, consumption, metering, etc. The reduction and end of public financing granted to high-carbon-intensity power plants is also a subject of intense discussion.

Over the coming years, climate change will remain a key issue on the political agenda of the OECD export credit community. We're participating in these negotiations and are member of the OECD group of environmental and social 'practitioners'. This group is responsible for the implementation of the OECD 'Common Approaches' for Officially Supported Export Credits, usually referred to as the 'Common Approaches'. These Common Approaches govern environmental and social due diligence for export credit agencies. The experts are building a wealth of experience in environmental and social issues in order to improve common practices, develop guidance and promote a level playing field. In the last two years, they've been developing a common methodology for greenhouse gases accounting and reporting. They've also discussed case studies, invited experts and participated in seminars and workshops on climate change issues. A seminar was organised in 2013 to demonstrate how export credit agencies can mobilise more private financing intended to support climate-related projects.

Delcredere | Ducroire insures various transactions relating to renewable energy projects, among them offshore wind farms and projects associated with solar power plants. We also cover transactions that contribute to greater energy efficiency in sectors like construction or those that make it possible to mitigate the effects of climate change, such as projects designed to protect the maritime coastline against coastal erosion. We're thus contributing to sustainable development.

(1) Annex IV (CCSU) to the Arrangement on Officially Supported Export Credits of 15 July 2014:
<http://www.oecd.org/tad/xcred/theexportcreditsarrangementtext.htm>

Delcredere | Ducroire is supporting the largest wind farm in the North Sea

We're contributing to the funding of the Gemini Project, which relates to a wind farm located off the Dutch coast. This is the largest wind farm in the North Sea, with a capacity of 600 MW. Full commercial operation of the installation is scheduled for 2017.

This wind farm will produce enough clean energy to meet the annual needs of 1.5 million people. The Gemini Project will help the Government of the Netherlands to achieve the targets set by the European Union's Directive on renewable energies. This Directive stipulates that by 2020, all member states of the Union must draw on renewable sources for 20% of their energy.

Delcredere | Ducroire is helping to reinforce the seacoast

In 2012, we insured a transaction in Ghana for dredging works intended to reinforce and protect the country's Atlantic coastline. This transaction forms part of the 'Ada Coastal Protection Works' project, which was initiated by the Ghanaian Ministry responsible for aquatic resources, civil works and housing. Ada is a coastal town located between the Volta River and the Atlantic Ocean, 100 km from Accra, the country's capital. The erosion of the coast created increased risks of flooding in the case of storms, and land losses along the Atlantic coast. Furthermore, the closure of a dam in the region had accelerated erosion. Steps therefore needed to be taken to avoid more substantial damage in the future. The project makes it possible to provide effective protection for the coast and to mitigate the ecological and social consequences of the erosion. Digital models were used to optimise this project and ensure that it is sustainable. Various practical aspects have been taken into account, such as the volume of stones used to withstand abrasion (involving stones used in the construction sector) and the possibility of needing to deal with very high waves.

OUR OTHER COMMITMENTS

WE'RE RAISING AWARENESS ABOUT SUSTAINABLE DEVELOPMENT

We regularly organise internal information and training sessions relating to climate change, protection of biodiversity, the international regulatory context and the challenges posed by sustainable development. Furthermore, training concerning the environmental and social procedure is provided twice a year, for the underwriting personnel responsible for performing financial analysis of projects. This training is based around a review of specific case studies.

We also regularly organise meetings with exporters during which aspects associated with Human Rights and working and environmental conditions are addressed for all projects classified in categories A and B. Meetings are held before and after we make a decision so that the expert technical analysis can be refined and a relationship based on mutual trust can be developed.

OUR SUPPORT TO MICROFINANCE

We insure the political risks associated with equity participations and non-subordinated loans issued to institutions involved in microfinance. These entities manage lines of microcredit consisting of loans granted to start-up entrepreneurs and small enterprises in developing countries. This is an essential component of the economies in these countries. Entrepreneurs who are unable to obtain financing from the traditional banking sector can get their projects off the ground successfully thanks to the involvement of microfinance institutions. We're therefore proud, thanks to our portfolio-based approach, to be able to support all the Belgian fund managers that are investing in projects of this kind in developing countries.

More specifically, we cover political risks such as expropriation, arbitrary government action, war and political violence, along with non-transfer risk. The insured parties may be banks, NGOs or fund managers.

WE'RE ENCOURAGING SUSTAINABLE ECONOMIES

Country policy, which classifies countries by category of political risk on a scale from 1 to 7 (with 7 designating the highest level of risk), is the core element of our risk management strategy: it's the starting point for limiting credit claims and, in extreme cases, protecting Belgian exporters from misguided ventures. We've developed and managed the Country Risk Assessment Model (CRAM) that all OECD member states use as the basis for assessing financial and economic country risk.

The assessment of the economic and financial situation of a country is clearly the cornerstone of country policy, but the variables taken into consideration also reflect the various facets of the social context and the environmental situation in the country in question.

We generally grant a better classification to countries that have a sustainable economy and sociopolitical situation. In addition to actual internal conflicts, the assessment of the risks associated with the political situation takes into account political stability, the potential for conflict attributable to social tensions (related to unemployment, disparity of wealth, environmental damage, etc.) and the extent to which these are channelled democratically. The democratic dimension of a country, which fosters internal stability over time, is assessed from various perspectives, including the quality and independence of the legal system, the

Risk assessment criteria

- > Measurement of the level of prosperity
- > Measurement of the economic policy using inflation, public accounts and current account
- > Dependence of the country on donors
- > Potential for growth, taking into account demographic factors and social climate
- > Dependence on certain raw materials including oil and, as a result of this, diversity of the economic growth drivers
- > Dependence on energy imports
- > Dependence in relation to a given export product, in this case raw materials, when this generates too large a proportion of foreign currencies
- > Rate of foreign indebtedness, both in terms of GDP and in terms of total exports
- > Political criteria, such as stability, democracy, ethnic and religious conflicts, potential boycotts and sanctions
- > System of governance (legal context, corruption, etc.)
- > Attitude and payment experience

extent of corruption and the quality of public governance. The more deep-seated and pervasive corruption is in society, the more widespread it generally is in public administration and the greater the effect on governance. Large-scale protest movements have increased over recent years in developing countries because of difficult socioeconomic conditions, but also because of growing demands by the population with regard to governance and prevention of corruption. These movements demonstrate how their impact on domestic stability varies depending on whether the regime is democratic or authoritarian, or indeed military. An authoritarian regime is more likely to exacerbate internal conflict in the case of a popular desire for regime change.

We also incorporate the payment experience of a country in the risk assessment. This can be adversely influenced by factors such as corruption, poor administration (public, economic policy) or reluctance to pay.

The acceptance policy also reflects Belgian and international agreements relating to embargos and sanctions imposed on certain countries. If the United Nations or the European Union bans export credit insurance for a given country (because of child labour, forced labour, a dictatorship, etc.), we apply any such bans to the letter.

With regard to countries that are in a difficult economic and financial position, and are therefore positioned in one of the highest risk categories, we analyse whether the project submitted has a sufficiently high level of economic profitability and whether it constitutes a priority for the economic development of the beneficiary country. Delcredere | Ducreire wishes to avoid 'white elephants' that can worsen country risk.

For the countries classified in categories 4 to 6, we request an opinion of the World Bank, within the framework of projects with the public sector in the debtor country, in order to avoid a worsening of risk in a precarious economic and financial context, in addition to non-productive expenditures. We also comply with all requirements imposed in terms of concessionality and sustainable loans by the IMF and the World Bank.

Risk assessment models currently rely on a very large number of elements that reward a sustainable, diversified policy. Nonetheless we're continuing to adapt our methodology in order to further refine our risk analyses and adapt them to the new structural challenges.

OUR FIGHT AGAINST CORRUPTION

We're applying an antibribery and anticorruption policy in line with the recommendations of the OECD in respect of bribery of foreign public officials⁽¹⁾. A well-established internal procedure is applied.

For any application for cover, the exporter and bank concerned must sign an anticorruption declaration. They must declare, inter alia, that they or persons acting on their behalf (such as agents) comply and will continue to comply with the relevant international conventions and domestic legislation throughout the term of the contract. They must also advise us in the event of any legal proceedings before a national court or an administrative body involving bribery of foreign public officials in any country whatsoever. Lastly, exporters must declare that they do not appear on any exclusion lists created by the following international institutions: the World Bank, the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development and the Inter-American Development Bank.

We apply the general principle whereby our underwriting personnel examine each case file with the same degree of prudence, irrespective of the requesting party. They perform an additional analysis for applications from exporters excluded by financial institutions for acts of corruption, who are subject to legal proceedings or have already been convicted for corruption during the last five years. In such cases, the underwriters verify firstly whether the company concerned implemented any corrective measures and put in place internal prevention mechanisms, before any new cover can be granted. They then ask additional questions if they uncover suspect elements in the application file.

If the underwriters identify plausible signs of corruption in a case file, they report this to their line managers and to the Delcredere | Ducroire Compliance Officer, who decides on the steps to be taken, where applicable in conjunction with the Delcredere | Ducroire Executive Board or Board of Directors.

(1) OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

WE'RE CANCELLING THE DEBT OF DEVELOPING COUNTRIES

We form part of the Belgian delegation to the Paris Club. This entity is an informal group of public creditors whose role is to find coordinated and sustainable solutions to the payment difficulties experienced by debtor countries. The Paris Club creditors grant those countries debt relief in order to help them re-establish their financial positions. The conditions for this relief are determined on the basis of an analysis of the sustainability of the debt performed by the IMF for each debtor country concerned. This debt relief can be obtained by means of debt rescheduling or, in the case of concessional debt treatment, a reduction in debt servicing obligations for a set period (flow relief) or at a set date (stock treatment).

The Paris Club was founded in 1956 when Argentina agreed to meet with its sovereign creditors in Paris. Since then, the Paris Club has concluded 430 agreements with 90 debtor countries. Since 1956, the total amount of debt treated by Paris Club agreements is USD 583 billion. The Paris Club has 20 permanent members.

The debt crisis in the 1980s and 1990s proved extremely costly both for debtor countries and for their creditors. To resolve this crisis, the international community, and the creditors making up the Paris Club in particular, offered massive debt relief to low-income countries, particularly as part of the Heavily Indebted Poor Countries (HIPC) initiative.

We've contributed significantly to relieving the debt burden of HIPC countries. We've cancelled a total amount of EUR 2,172 million in favour of 17 debtor nations between 1991 and 2013.

The Paris Club is also a key forum for discussing mechanisms to provide protection for debtor countries against the aggressive approaches made by litigating creditors ('vulture funds'). These creditors in fact profit from the debt relief efforts granted by other creditors and thus deprive the battle against poverty of substantial financial resources. It is, in particular, for this reason that we apply one of the fundamental principles of the Paris Club in all of the agreements concluded with debtor countries, namely the principle of comparability of treatment. On the basis of this principle, a debtor country signing an agreement with its creditors in the Paris Club undertakes not to agree on conditions for treatment of its debt with its bilateral and commercial creditors that are not members of the Paris Club according to terms that are less favourable for it than the conditions agreed with the Paris Club. Once again with the aim of ensuring protection for debtor countries and given the extremely detrimental consequences of these litigation proceedings for HIPC countries, we, like the other members of the Paris Club, have also been steadfast in its commitment not to sell our debts relating to HIPC to other creditors that refuse to envisage implementing the debt relief solutions defined under the HIPC initiative, and we've called on other creditors to do the same.

REDUCTION OF OUR CARBON FOOTPRINT

We had our carbon footprint analysed by an external consultancy agency along the lines of the carbon footprint assessment that is based on the ISO 14064 standard and that was developed by the French Environment and Energy Management Agency ADEME.

We've broadened the scope of the assessment to include energy consumption, air conditioning, business travel, commuting between home and office, and paper consumption. Assessing the carbon footprint requires more than a simple energy audit.

In 2013, our carbon footprint reached a total of 871 tonnes of CO₂ (direct and indirect emissions), which is a reduction of 16% in relation to the emissions in 2010 (1,036 tonnes of CO₂). The carbon footprint per staff member decreased from 3.9 tonnes of CO₂/FTE⁽¹⁾ in 2010 to 3.2 tonnes of CO₂/FTE in 2013. This is the result of different CO₂ reduction actions we've put in place over the last three years, like the reduction of travel by flight, and the reduction of the consumption of electricity, gas and paper.

Based on the results of the carbon footprint assessment, we'll add new measures to continue to reduce our CO₂ emissions in the years to come.

(1) FTE = Full-time equivalent

OUR HUMAN RESOURCES POLICY

The employees form the core of the Delcredere | Ducroire human resources policy.

Through targeted recruitment, we attract high-quality employees and are committed to diversity in the workplace, whether in terms of gender, origin or potential disabilities. The objective is also to develop the skills of employees, through training designed to foster their professional development and creativity.

As part of the sustainable development focus, we've organised management training sessions on the theme of positive leadership, so that managers can create appreciable added value vis-à-vis their staff. Indeed, appropriately trained managers are essential in supporting staff and in the acquisition of expertise in their specific sphere.

Respect between employees is also reflected in actions associated with well-being in the workplace, and campaigns have therefore been implemented on the theme of respect. Employees aged over 45 years are invited to undergo a periodic medical check-up. We are thus attempting to ensure that our employees can remain active and continue to make a contribution, not only vis-à-vis their employer but also in respect of the company as a whole.

Lastly, we're also endeavouring to foster a healthy and welcoming social climate. We have a policy of socially responsible mobility that places the emphasis on the use of public transport and we have also initiated options for working from home for certain employees.

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