



CREDENDO GREEN PACKAGE



TURNING UNCERTAINTIES
INTO **OPPORTUNITIES**





Introduction

Credendo – Export Credit Agency (hereafter “Credendo”) has decided to upgrade its processes, its solutions and its culture to meet the needs of tomorrow.

With a view to encouraging and supporting a shift in investments towards projects that contemplate climate change mitigation or adaptation, or those that are environmentally sustainable, as well as delivering on the climate goals of the Paris Agreement, green export activities can be eligible for a number of benefits.

The Credendo Green Package offers these benefits to enterprises and banks for activities that meet the eligibility criteria and pass the application procedure.

What is the Credendo Green Package?

The Credendo Green Package transposes the voluntary commitments made by Credendo to make public support for exports a key lever in the fight against climate change.

More than just an ambition, this package is a real game changer, with the aim of aligning greenhouse gas emission reduction strategies and public export support policies so as to make a significant contribution in the fight against climate change.

Activities and transactions that meet the eligibility criteria can benefit from the several advantages.

The Credendo Green Package is extremely comprehensive, with benefits available for each of the following Credendo product categories: export credit insurance, funded solutions and financial guarantees.

What does Credendo offer the exporter?

The Credendo Green Package is a selection of Credendo’s most interesting and advantageous conditions, which have been upgraded to provide important support for sustainable, climate-friendly and environmentally friendly projects.

In order to accelerate environmental transition and increase its sustainability, the Credendo Green Package includes a series of incentives to support projects and companies that have a positive impact on the environment.

As demonstrated below, the main incentives include a lower threshold for the percentage of Belgian content for a transaction (minimum threshold of 20%), a higher insured percentage (98%), an extension to domestic transactions when the supplied goods, technologies, services or projects show an export potential, a higher participation of Credendo in financial guarantees (up to 80%), an increase in resources for own financing of transactions with higher maximum amounts (up to EUR 15 million) and longer repayment periods (up to 10 years), as well as an active positive communication on green projects.



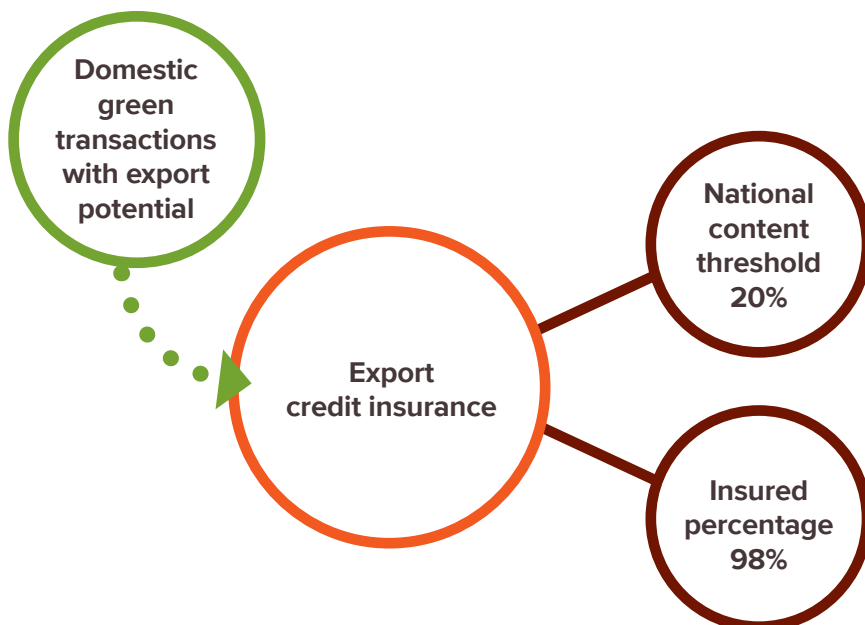
FOR EXPORT CREDIT INSURANCE:

Credendo protects the exporter or the financing bank from the risk of non-payment by the buyer, irrespective of whether that non-payment is due to debtor default (bankruptcy, financial difficulties experienced by the buyer, etc.) or a political event (war, Fait du Prince, shortage of currency, natural disaster, etc.). Credendo also offers the exporter protection against the risk of termination of an export contract. Here too, termination may result from debtor default or a political event.

With the Credendo Green Package, Credendo shall now incentivise green transactions by systematically applying a minimum national content threshold of 20% for the green transaction covered.

In order to boost green transactions, we are ready to apply an insured percentage of 98% for all sustainable transactions instead of a variable percentage between 90% and 98%.

By definition, export credit insurance is aimed at securing export transactions. However, Credendo has decided to broaden the scope of transactions eligible for credit insurance cover to domestic green transactions when the supplied goods, technologies, services or projects show an export potential.



- > More flexible Belgian content requirements
- > Insured percentage up to 98%
- > Wider scope of transactions eligible for credit insurance cover to include domestic green transactions when the supplied goods, technologies, services and projects show an export potential



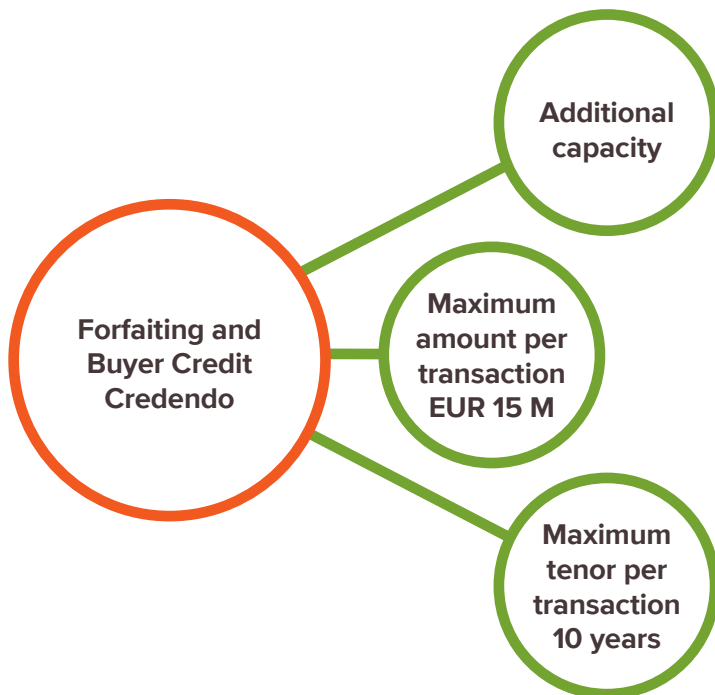
FOR FUNDED SOLUTIONS (I.E. FORFAITING AND BUYER CREDIT CREENDO):

Under the Forfaiting product, Credendo refinances a supplier credit granted by the exporter to its client, through the discounting of bills of exchange. At present, the scope of this product is limited to export contracts covering capital goods or services with a supplier credit not exceeding EUR 8 million, and a tenor between 2 and 5 years.

Under the Buyer Credit Credendo product, Credendo provides direct credit to foreign buyers to finance the

purchase of capital goods or services from a Belgian exporter. Credendo can lend the buyer up to 85% of the amount of the commercial contract, for amounts between EUR 2 million and EUR 8 million and with a term of between 2 and 5 years.

As part of the Credendo Green Package, Credendo has now provided an additional envelope specifically for green transactions. Furthermore, the maximum amount of funding per transaction has increased from EUR 8 million to EUR 15 million and the tenor can be up to 10 years for green transactions instead of 5 years.



- > Additional capacity for green transactions
- > Increase of the maximum amount of funding per transaction up to EUR 15 million
- > Increase of the maximum tenor up to 10 years.

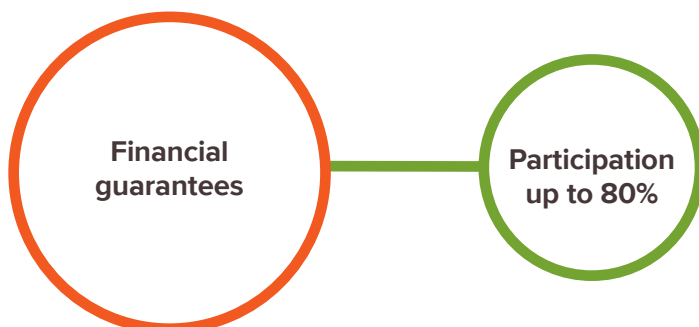
FOR FINANCIAL GUARANTEES:

Through its financial guarantee, Credendo participates in a loan granted by a Belgian or foreign bank to a Belgian company with international operations, allowing the latter to access bank financing more easily, without additional costs. This may be a line of credit required for issuing bank guarantees, a working capital facility or an investment loan.

The traditional Credendo financial guarantee covers the bank up to 50% of the loan value.

Through its Credendo Green Package, Credendo has increased the guaranteed percentage up to 80% to help Belgian companies with their green transactions.

When the covered bank can demonstrate that the purpose of the underlying loan is EU taxonomy-aligned, it will benefit from an increase of the guaranteed percentage up to 80% instead of the standard 50%.



- > Increase of the guaranteed percentage from 50% to 80%



What are the eligible activities?

Credendo understands “green projects” as projects that contribute directly or indirectly to the reduction of greenhouse gas emissions into the atmosphere, to the reduction of the vulnerability of human and natural systems from climate change, or to environmental sustainability (e.g. through waste reduction, circular economy, drinking water projects, etc.).

In addition, to be eligible for these incentives, the projects must not cause significant harm to the environment (“do no significant harm” principle) and must respect the principles of good governance.

Activities and transactions eligible for the Credendo Green Package incentives shall therefore meet the following requirements:

- > be an export transaction or domestic activity with export potential or an investment abroad;
- > be an activity where the main purpose of the transaction or the project must contribute to climate change mitigation, climate change adaptation or to other activities related to environmental sustainability, as defined in the Credendo Green List;
- > be a transaction or a project that does not have any significant negative environmental and/or social impact; and
- > respect the principles of good governance and responsible conduct, as defined in the OECD Guidelines for Multinational Enterprises, the United Nations Global Compact initiative and the United Nations Guiding Principles on Business and Human Rights.

Who can apply for the Credendo Green Package?

International projects must have a Belgian grounding, but a new feature is the access to cover for domestic transactions when the supplied goods, technologies, services and projects are green and show an export potential in the future.

Entire projects can be considered, but it is also possible to benefit from the Credendo Green Package when you contribute to only part of a larger project as a subcontractor.

The Credendo Green List

The Credendo Green List is a classification scheme and a list of activities that are identified by Credendo as directly or indirectly contributing to climate change mitigation, to other activities linked to environmental sustainability or to climate change adaptation. Using this list, Credendo can determine whether a transaction is eligible for the incentives offered by its Credendo Green Package.

In order to define its own taxonomy, i.e. the Credendo Green List, Credendo takes its inspiration from the International Finance Corporation’s “Definitions and Metrics for Climate-Related Activities”, the European Taxonomy and international best practices to provide institutional guidance on identifying climate-related activities. This also includes certain activities that are relevant for the Belgian export market and that contribute to climate change mitigation or adaptation.



In all cases, the company will have to provide quantitative and qualitative elements to demonstrate that it is achieving the best performance in relation to its business sector.

At present, activities that contribute to one of the four following objectives are taken into account:

> **Direct climate change mitigation:** transactions contributing directly to the reduction of greenhouse gas emissions into the atmosphere or the absorption of greenhouse gas from the atmosphere.

Examples: Technologies and industrial processes leading to substantial energy efficiency improvements compared to existing technologies or processes, technologies leading to greenhouse gas emissions reduction, carbon capture and storage projects.

> **Indirect climate change mitigation:** transactions contributing indirectly to the reduction of greenhouse gas emissions into the atmosphere or the absorption of greenhouse gas from the atmosphere.

Examples: Consultancy activities or activities leading to an indirect mitigation through reduced pressure on carbon stored in forests, peatlands and wetlands.

> **Other activities related to environmental sustainability:** transactions contributing to the fight against climate change or the protection and improvement of the environment mitigation of its consequences (besides the reduction of greenhouse gas emissions).

Examples: Activities contributing to the conservation or increase of biodiversity, to pollution mitigation (beyond regulatory compliance), re-use and recycling activities.

> **Climate change adaptation:** transactions contributing to the reduction of the vulnerability of human or natural

systems from the effects of climate change and climate variability-related risks, by maintaining or increasing adaptive capacity and resilience.

Examples: Water-efficient technologies, changes in the level of roads or materials, resilient hybrid crops and improved water management, coastal protection works.

The Credendo Green List shall be updated regularly to reflect new technologies and developments.

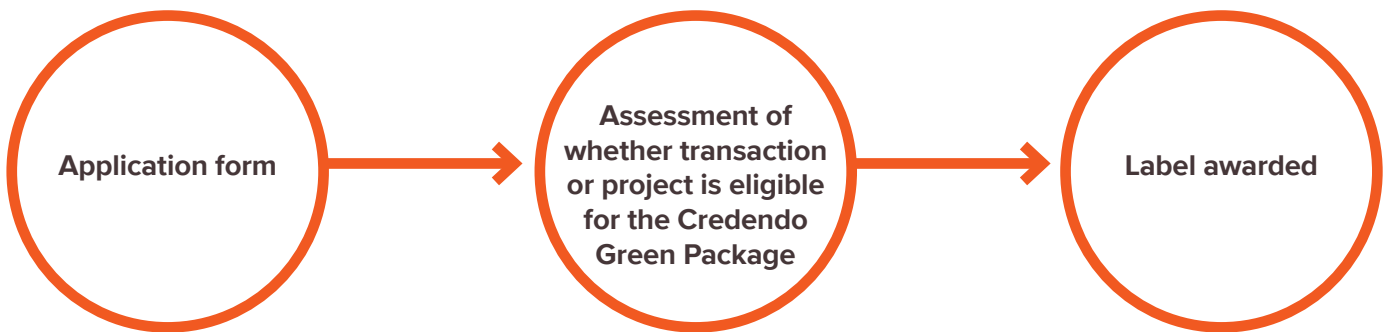
By accompanying its clients in this transition without delay, Credendo aims to be a pioneer in the implementation of a green export strategy, helping its clients to innovate and offering them a competitive advantage.

Application process

When the applicant makes a request for insurance or funding, Credendo will examine whether the transaction concerned may be eligible for the Credendo Green Package based on the information received from the applicant.

If the transaction does not fall within the scope of the Credendo Green List, the applicant can ask whether the project could still be considered as “green”. The transaction may be out of the current Credendo Green List’s scope, but still make an essential contribution to a green project, and therefore be classified as green. A transaction can therefore be green, regardless of the sector to which the economic activity belongs.

Following both this analysis and the usual credit analysis, Credendo will make its decision, granting the Credendo Green Label and confirming its cover position by issuing a promise or an insurance policy, which offers advantages related to the type of product.



FURTHER INFORMATION

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Annex: Credendo Green List

Direct mitigation	Renewable energy	Electricity generation	Wind, solar, geothermal, biomass, ocean and hydropower (including retrofits).
		Heat production or other renewable energy application	Solar water heating and other thermal applications of solar power, thermal applications of geothermal energy and sustainably produced bioenergy, wind-driven pumping systems or similar.
		Measures to facilitate integration of renewable energy into grids	New, expanded, improved transmission systems (lines, substations), storage systems (battery, mechanical, thermal storage, pumped storage), new information and communication technology, smart grid and mini-grid.
	Lower-carbon and efficient energy generation	Transmission and distribution systems	Retrofit of transmission lines or substations and distribution systems (software and hardware changes) to reduce energy use and technical losses per unit of end-use consumption, including improving grid stability and reliability (only if net emission reductions can be demonstrated).
		Power plants	Thermal power plant retrofit to enable switch from more GHG-intensive fuel to different, less GHG-intensive fuel.
			Conversion of existing fossil fuel-based power plant to co- or tri-generation technologies that generate electricity in addition to providing heating and cooling.
			Energy-efficiency improvements in existing thermal power plant, including conversion from single- to combined-cycle electricity generation, operating changes, rehabilitation of major equipment and installation of waste heat recovery units.
		Other	Rehabilitation of district heating and cooling systems, utility heat loss reduction and greater waste heat recovery.
			Production of green hydrogen by electrolysis from renewable sources.
	Energy efficiency	in industry	Installation in existing facilities of co- or tri-generation equipment.
			Implementation of greenfield manufacturing facilities that exceed global energy-use standards.
			More efficient facility replacement of older facility (old facility retired).

Direct mitigation	Energy efficiency	in industry	Development of new technologies and industrial processes leading to substantial energy efficiency improvements compared to existing technologies or processes.
		in existing industrial, commercial, public and residential buildings	Energy efficiency improvement in lighting, appliances and equipment.
			Substitution of co- or tri-generation plants that generate electricity in addition to providing heating and cooling for existing heating and cooling systems for buildings.
			Retrofit of existing buildings: architectural or building changes that enable the reduction of energy consumption.
		in new commercial, public and residential buildings	Green buildings.
			Use of highly efficient architectural designs, energy-efficient appliances and equipment, and building techniques that reduce energy consumption, exceeding available standards and complying with high energy-efficiency certification or rating schemes.
		in the utility sector	Installation of more efficient lighting or equipment.
			Rehabilitation of district heating systems.
			Reduction of losses in utility water/natural gas/electricity consumption.
			Increased waste heat recovery.
	Agriculture, forestry and land use	Activities that contribute to climate-smart agriculture	Reduction in energy use in traction (e.g. efficient tillage) and other agricultural processes.
			Reduction in water consumption (efficient irrigation), laser soil levelling, switching to less water-intensive crops, water harvest and storage facilities.
			Agricultural projects that improve existing carbon pools (e.g. rangeland management; collection and use of bagasse, rice husks or other agricultural waste; reduced tillage techniques that increase carbon contents of soil; rehabilitation of degraded lands; peatland restoration).

Direct mitigation	Agriculture, forestry and land use	Activities that contribute to climate-smart agriculture	Reduction of non-carbon dioxide GHG emissions from agricultural practices (e.g. paddy rice production, fertiliser use).
			Livestock and aquaculture projects that reduce methane and other GHG emissions (e.g. improved animal health, animal husbandry, manure management with biodigesters, improved nutrition, increased productivity, etc.).
		Afforestation, reforestation, biosphere conservation	Afforestation (plantations) of non-forested land.
			Reforestation on previously forested land.
			Sustainable forest management activities that increase carbon stocks or reduce the effect of forestry activities.
			Reduced emissions from deforestation and forest degradation.
			Biosphere conservation projects (including payments for ecosystem services) targeting the reduction of emissions from the deforestation or degradation of ecosystems.
			Production of biofuels (including biodiesel and bioethanol).
	Non-energy greenhouse gas reductions	Fugitive emissions	Reduction of gas flaring or fugitive methane emissions in existing oil and gas industry installations.
		Carbon capture and storage	Carbon capture and storage projects not involving enhanced oil recovery.
		Air conditioning and refrigeration	Replacement of refrigerants with high global-warming potential in existing industrial, commercial or residential infrastructure with solutions with lower global-warming potential.
		Industrial processes	Reduction in GHG emissions resulting from industrial process improvements and cleaner production (e.g. cement, chemical), excluding carbon capture and storage.
	Waste and wastewater		Treatment of wastewater where it is not a compliance requirement (e.g. performance standard or safeguard) as part of a larger project that reduces methane emissions.
			Waste management and waste-to-energy projects that capture or combust methane emissions.

	Waste and wastewater	Waste collection, recycling and management projects that recover or reuse materials and waste as inputs into new products or as a resource.	
	Transport	Urban transport modal change	Leading to an increase in non-motorised transport (bicycles and pedestrian mobility), development of urban mass transit.
			Integration of transport and urban development planning (e.g. dense development, multiple land use, walking communities, transit connectivity) leading to a reduction in the use of passenger cars.
			Transport demand management measures dedicated to reducing GHG emissions (e.g. speed limits, high-occupancy vehicle lanes, congestion charging or road pricing, parking management, restriction or auctioning of licence plates, car-free city areas, low-emission zones).
		Inter-urban transport	Railway transport ensuring a modal shift of freight and passenger transport from road to rail (improvement of existing lines or construction of new lines).
			Waterway transport ensuring a modal shift of freight and passenger transport from road to waterways (improvement of existing infrastructure or construction of new infrastructure).
			Existing vehicles, rail or vessel fleet retrofit or replacement (including the use of lower-carbon fuels, electric or hydrogen technologies, etc.) leading to substantial GHG emission reduction.
	Other activities	Any activity for which the results of ex-ante greenhouse gas accounting (undertaken according to commonly agreed methodologies) show substantial net emission reductions.	
Indirect mitigation	Climate-related products	Manufacture, production and/or sale of equipment, components or infrastructure that when used result in increased renewable energy generation or energy efficiency.	
	Consultancy activities	Energy audits of energy end-users, including industry, buildings and transport systems.	
		Research and development, advocacy activities, knowledge-sharing on climate change mitigation.	
		Systems for monitoring GHG emissions.	
		Efficient pricing of fuels and electricity (subsidy rationalisation; efficient end-user tariffs; efficient regulations on electricity generation, transmission, distribution).	
		Education, training, capacity building and awareness-raising on climate change mitigation, sustainable energy, sustainable transport; mitigation research.	

Indirect mitigation	Enabling activities	Economic activities that, by provision of their products or services, enable a substantial contribution to the GHG reduction and/or climate change objectives of the listed type of activities.	
Activities related to environmental sustainability	Biodiversity	Activity is substantially contributing to conserving/increasing biodiversity, and the core business/aim of the project is to conserve or increase biodiversity.	
		Activity is substantially contributing to conserving/increasing biodiversity, or the core aim of the project is to conserve natural resources (i.e. land, water, forests, natural materials).	
	Pollution mitigation	Activity is either contributing to pollution mitigation (beyond regulatory compliance) or the core business/aim of the project is to mitigate pollution (beyond regulatory compliance). Waste water treatment as the core business of the project.	
		Company's core business is to clean up hazardous waste sites (i.e. soil remediation and mine rehabilitation).	
		Recycling/solid waste collection and treatment as the core business of the project.	
	Circular economy	Company's core business is the remanufacture of products (or extending the lifecycle of such products in other ways), or complete circular economy business models.	
	Drinking water	Drinking water supply projects contributing to greater water efficiency than the most likely alternative or causing a shift to a less stressed water source.	
		Water-saving projects.	
	Adaptation	An adaptation project should:	
			reduce risk, exposure or sensitivity to climate change; or
		increase climate resilience; or	
		build problem-solving capacity to develop responses to identified risks, vulnerabilities or effects; or	
		address effects directly linked to climate change.	
For a project to be viewed as one that contributes to adaptation, the following key steps or statements are required:			
		Setting out the climate vulnerability context of the project, with the use of material from existing analyses and reports or original climate vulnerability analyses conducted as part of the preparation of a project.	
		Making an explicit statement of intent to address climate vulnerability as part of the project as set out in existing analyses, reports or the project's climate vulnerability assessment.	
		Articulating a clear and direct link between the climate vulnerability context and the specific project activities.	

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Credendo Risk app



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