

The Green Label

About Atradius Dutch State Business

Atradius and its predecessors has operated the Export Credit Insurance Facility (ECI) for the Dutch State since 1932. Atradius Dutch State Business NV (Atradius DSB), a wholly-owned subsidiary of the Atradius Group, is responsible for administering the ECI.

Greening export credit insurance

Atradius DSB is pursuing an ambitious 'greening' policy on behalf of the Dutch State. The policy's basic principles have been formulated jointly with the Ministries of Finance and of Foreign Affairs (the State). The greening policy means Atradius DSB is promoting as many environmentally responsible export transactions as possible.

The Green Label

To stimulate greening, Atradius DSB1 introduced a number of special measures at the request of the State to make the ECI more attractive for environmentally responsible transactions. Atradius DSB has developed a green label methodology to determine whether a transaction meets the criteria necessary for classification as 'green'. Labelling green transactions also enables identification of the extent to which the export credit insurance (ECI) portfolio is green (including the Dutch Good Growth Fund, DGGF, and the Dutch Trade and Investment Fund, DTIF). Atradius DSB will measure the proportion of green transactions under the new policies for the first time from 2019, and will report on this annually.

¹ An overview of the special measures under the 'Green instruments' can be found on the Atradius DSB website

What is green?

Transactions are labelled 'Green' if they contribute substantially to

- a) reducing the rate of climate change (climate mitigation) or
- b) adapting to the effects of climate change (climate adaptation). Such transactions are in line with the objectives of the UN Paris Climate Convention and Sustainable Development Goal (SDG) 13: 'take urgent action to combat climate change and its impact'. There is also a third non-climate-related green category known as 'other footprint reduction'.

These definitions bring Atradius DSB in line with the standard definition used by the International Finance Corporation (IFC)² and the Netherlands Finance Corporation for Developing Countries (FMO) sustainability bonds framework³, which match those of the IFC.

Atradius DSB applies the following definitions:

Climate mitigation

Climate mitigation comprises activities that contribute to avoiding or reducing greenhouse gas emissions (including carbon dioxide), or increasing the capacity to absorb carbon, for example through reforestation. Climate mitigation reduces the rate of climate change.

Climate adaptation

Climate adaptation is an activity or technology that addresses local climate vulnerability by strengthening the resilience of communities, goods or ecosystems to climate change. Climate adaptation allows for adapting to the effects of climate change

Other footprint reduction Reduction of other footprint includes those activities that do not directly aim at mitigating or adapting to climate change, but that have a positive impact on the environment and go beyond local legal requirements. Examples include biodiversity conservation, waste management, pollution control and the sustainable use and protection of water.

Where a transaction contributes to:



² IFC's Definitions and Metrics for Climate-Related Activities, 2017

³ FMO Sustainability Bonds Framework, 2020

The 'Green List'



Three shades of green

Atradius DSB has further refined the definition of 'Green' by dividing the categories into different shades of green. This derives from the 'shades of green' by CICERO, a non-profit research institute specialising in climate and environmental sciences.

It distinguishes the following shades:

Dark green

transactions and projects that contribute to combating climate change and its impact (2050-proof). An example is a wind energy project;

Medium green

transactions and projects that take steps (bridging towards 2050) to combat climate change and its impact. An example is 'bridging' technology such as plug-in hybrid buses;

Light green

transactions and projects that lead to more efficient use of natural resources or that are not directly climate related (reduction of other footprint). An example is investment in more efficient shipping technologies where clean alternatives are not available.

By differentiating green projects, Atradius DSB will eventually be able to see the way in which the ECI portfolio contributes positively to the climate and the environment. Once a green label is awarded, an exporter can qualify for the greening measures, regardless of the shade of green. The Green List in the Appendix specifies the shades of green applied to the categories and activities.

Green label award

Awarding a green label is part of the application process for export credit insurance and advising the State. Atradius DSB refers to the Green Label to determine whether or not the transaction, or the project the transaction is part of, is green.

The following information may be required to determine the green label:

- What is the project or deployment that the transaction is part of?
- Is it an upgrade/improvement, replacement, expansion or new investment?
- Is the technology a regulatory' requirement or does the project or deployment go a step further?

Then there are three key questions to determine the label. These are listed in the figure below. If the answer to key question 1 is negative, it is checked whether the project is on the Green List. Key question 2 can result in a non-green transaction that still makes an essential contribution to a green project. In this case, a transaction can still be classified as green. If the transaction is on the Green List, it will not be examined if the main purpose or deployment of the project conforms to the activities on the Atradius DSB Green List. A transaction can therefore be green, regardless of the sector to which the economic activity belongs.

Available information is used as far as possible when awarding the green label in order to minimise an exporter's administrative burden. However, some Green List transactions are conditional, such as 20% efficiency in the use of natural resources. Where appropriate, additional information is required to determine whether a green label can be awarded. If a transaction is not green, this does not automatically mean that it has a negative effect on climate or environmental objectives. It can also be neutral. All transactions (green and non-green) go through the regular vetting processes, including environmental and social due diligence based on the CSR policy for export credit insurance.

The green classification applies to all products under ECI, the Investment Insurances Regulation (Regeling Investeringsverzekeringen, RIV), the Dutch Good Growth Fund (DGGF) and the Dutch Trade and Investment Fund (DTIF) for which Atradius DSB is an agent.

The Green List has been adopted by the Ministry of Finance and will be evaluated periodically to reflect new information or developments.

Is the main purpose of the **transaction** on the Green List?

01

Is the main purpose of **02** the **project** or deployment on the Green List?

> Will the transaction **03** result in more efficient use of natural resources?



EU Taxonomy of sustainable activities

The European Commission presented draft legislation in 2018 on financing sustainable growth. The aim of the draft legislation is to improve regulation of the market for sustainable financing. Part of this draft legislation is a 'taxonomy' to determine what constitutes sustainable economic activity. The Technical Expert Group (TEG) on Sustainable Finance published its final report in March 2020 with recommendations for this EU Taxonomy. The EU Platform on Sustainable Finance will develop the taxonomy further. The EU taxonomy for the financial sector will be effective from end 2021.

The Green List generally aligns well with the EU Taxonomy, although differences may remain. The EU taxonomy applies only to transactions within the EU, whilst ECI often insures export transactions to countries outside the EU.

A transaction can be classified as 'green' according to the Green Label, regardless of the sector to which the economic activity belongs.

ANNEX: GREEN LIST

Activity	Type of transaction/project (ADSB)	Shade of Green	Climate Impact Type
1. Renewa	ble energy		
1.1. Electricity	/ Generation		
1.1.1	Wind power	Dark green	Mitigation
1.1.2	Geothermal power	Dark green	Mitigation
1.1.3	Solar power	Dark green	Mitigation
1.1.4	Generation of electricity through the use of first generation biomass or biogas that does not decrease biomass and soil carbon pools, and only if net GHG emission reductions can be demonstrated	Medium green	Mitigation
1.1.5	Generation of electricity through the use of second generation waste biomass or biogas power generation (ie. from agri waste or landfills) because it does not decrease biomass and soil carbon pools. Preferably with demonstrated expected annual GHG avoidance.	Dark green	Mitigation
1.1.6	Ocean power (wave, tidal, ocean currents, salt gradient, etc.)	Dark green	Mitigation
1.1.7	Hydropower	Dark green	Mitigation
1.2. Heat Pro	duction or other renewable energy application		
1.2.1	Solar water heating and other thermal applications of solar power in all sectors	Dark green	Mitigation
1.2.2	Thermal applications of geothermal power in all sectors	Dark green	Mitigation
1.2.3	Wind-driven pumping systems or similar	Dark green	Mitigation
1.2.4	Thermal applications of sustainably produced (1st generation) bioenergy in all sectors, incl. efficient, improved biomass stoves	Medium green	Mitigation
1.2.5	Thermal applications of sustainably produced (2nd generation) bioenergy in all sectors, incl. efficient, improved biomass stoves	Dark green	Mitigation
1.3. Transmis	sion systems for renewable energy		
1.3.1	New, expanded, improved transmission systems (lines, substations) to facilitate the integration of renewable energy sources into the grid	Dark green	Mitigation
1.3.2	Renewable energy power plant retrofits	Dark green	Mitigation
1.3.3	New, expanded, improved storage systems to facilitate the integration of renewable energy sources into grid (e.g. battery, mechanical, thermal storage, pumped storage)	Dark green	Mitigation
1.3.4	New, expanded, improved information and communication technology, smart grid and mini-grid to facilitate the integration of renewable energy sources into the grid	Dark green	Mitigation
1.3.5	Connecting new users to the grid that under a business as usual scenario use GHG intensive power sources e.g.: a shift away from the use of diesel generators for power (only in case of a demonstrated expected annual GHG reduction)	Medium green	Mitigation
2. Lower carbon and efficiency in energy generation			
2.1. Transmission and distribution systems			
2.1.1	Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses leading to at least 20% energy efficiency. This excludes capacity expansion.	Light green	Mitigation
2.2. Power Plants			
2.2.1	Thermal power plant retrofit to fuel switch from a more GHG- intensive fuel to a different, less GHG-intensive fuel type	Light green	Mitigation
2.2.2	Conversion of existing fossil-fuel based power plant to co-generation technologies that generate electricity in addition to providing heating/cooling	Light green	Mitigation

Activity	Type of transaction/project (ADSB)	Shade of Green	Climate Impact Type
2.2.3	Waste heat recovery improvements.	Light green	Mitigation
2.2.4	Energy-efficiency improvement in existing thermal power plant.	Light green	Mitigation
3. Energy	efficiency in other processes		
3.1. Brownfie	ld energy efficiency in industry		
3.1.1	Industrial energy-efficiency of at least 20%: eg. improvements through the installation of more efficient equipment, changes in processes, reduction of heat losses and/or increased waste heat recovery	Light green	Mitigation
3.1.2	Installation of co-generation plants that generate electricity in addition to providing heating/cooling	Light green	Mitigation
3.1.3	Replacement of an older facility by a more efficient facility leading to an energy efficiency of at least 20%	Light green	Mitigation
3.2. Brownfie	eld energy efficiency in commercial, public and residential sectors (build	lings)	
3.2.1	Energy-efficiency improvement in lighting, appliances and equipment leading to an energy efficiency of at least 20%	Light green	Mitigation
3.2.2	Substitution of existing heating/cooling systems for buildings by (fossil fueled) co-generation plants that generate electricity in addition to providing heating/cooling	Light green	Mitigation
3.2.3	Retrofit of existing buildings: Architectural or building changes that enable reduction of energy consumption leading to an energy efficiency of at least 20%	Light green	Mitigation
3.3. Brownfie	ld energy efficiency in utility sector & public services		
3.3.1	Energy-efficiency improvement of at least 20% in utilities and public services through the installation of more efficient lighting or equipment	Light green	Mitigation
3.3.2	Rehabilitation of district heating systems	Light green	Mitigation
3.3.3	Utility heat loss reduction and/or increased waste heat recovery	Light green	Mitigation
3.3.4	Improvement of efficiency of utility infrastructure of at least 20% through efficient energy use and loss reduction (water, gas and electricity consumption)	Light green	Mitigation
3.4. Vehicle a	nd vessel energy efficiency fleet retrofit and new vehicles or vessels		
3.4.1	Existing vehicles, rail or vessel fleet retrofit or replacement (including the use of lower-carbon fuels, electric or hydrogen technologies, etc.) leading to at least 20% GHG emission reduction	Medium green	Mitigation
3.4.2	 "New vehicle(s) (road or rail) or vessel(s) using lower-carbon fuels, electric or hydrogen technologies, etc. For new vessels the following is applicable: Fuelled by low emission fuels like LNG/ LPG/Methanol/Hydrogen, resulting in at least 20% less emissions per ton mile compared to reference MGO fuelled ships. (emissions: CO2, NOX, SOX, Particles). Full Electric ships resulting in at least 80% less emissions per ton mile compared to reference MGO fuelled ships. Hybrid powered ships (electric combined with MGO or low emission fuels, in no case HFO) resulting in at least 20% less emissions per ton mile compared to reference MGO fuelled ships. Fuelled by 100% alternative fuels, if measurable and enforceable, such as bio MGO or Gas. 	Medium green	Mitigation
3.5 . Engine upgrades			
3.5.1	Engine upgrades resulting in particulate matter, NOx and/or SOx reductions of > 20% if the upgrade does not increase levels of other pollutants	Light green	Other footprint reduction

Activity	Type of transaction/project (ADSB)	Shade of Green	Climate Impact Type	
3.6 . Greenfield energy efficiency in commercial and residential sectors (buildings)				
3.6.1	Use of highly efficient architectural designs, energy efficiency appliances and equipment, and building techniques that reduce building energy consumption, exceeding available standards and complying with high energy efficiency certification or rating schemes	Light green	Mitigation	
3.6.2	Green Buildings certified by LEED (only LEED Gold or Platinum certifcation qualifies) or IFCs EDGE Tool	Light green	Mitigation	
3.6.3	Green Buildings with substantial use of renewable energy, not yet certified or certified under other scheme	Medium green	Mitigation	
3.6.4	Green Buildings with 100% use of renewable energy, not yet certified or certified under other scheme	Dark green	Mitigation	
4. Climate	smart agriculture and land use and food production			
4.1. Agricultu	re			
4.1.1	In existing project: reduction in energy use in traction (e.g. efficient tillage) and other agriculture processes of at least 20%	Light green	Other Footprint Reduction	
4.1.2	In existing project: reduction in water consumption (efficient irrigation), laser soil leveling, switching to less-water-intensive crops, water harvest and storage facilities of at least 20%.	Light green	Other Footprint Reduction	
4.1.3	Agriculture projects that do not deplete and/or improve existing carbon pools (Reduction in fertilizer use, rangeland management, collection and use of bagasse, rice husks, or other agricultural waste, low tillage techniques that increase carbon contents of soil, rehabilitation of degraded lands, peat land restoration etc.)	Medium green	Mitigation	
4.1.4	In existing project: reduction of methane or other GHG from agricultural practices (e.g. paddy rice production, fertilizer use) of at least 20%	Light green	Mitigation	
4.1.5	Projects or companies that lead to expanded sustainable production in line with one of the following certification schemes (company itself or the specific project needs to be or become certified): UTZ Certified, Better Cotton Iniative, Roundtable for Sustainable Palm Oil (RSPO), Roundtable on Sustainable Biomaterials (RSB), Roundtable on Responsible Soy (RTRS), The Intercultural Federation of Organic Agriculture Movements (IFOAM), Proterra, Soil Association or Bonsucro.	Light green	Other Footprint Reduction	
4.2. Aquaculture				
4.2.1	Projects or companies certified under one of the certification schemes: Aquaculture Stewardship Council (ASC), Aquaculture Stewardship Council Tilapia (ASC Tilapia). In case of a company with certified and uncertified production/processing, the financing has to be targeted specifically at the certified element or applied to the process towards certificationts/activities.	Light green	Other Footprint Reduction	
4.2.2	Aquaculture projects that reduce methane or other GHG emissions (manure management with biodigestors, etc.) of at least 20%	Light green	Mitigation	
4.3. Fisheries				
4.3.1	Projects or companies certified under the certification schemes of the Marine Stewardship Council (MSC). In case of a company with certified and uncertified production/processing, the transaction has to be targeted specifically at the certified or applied to the process towards certification.	Light green	Other Footprint Reduction	

Activity	Type of transaction/project (ADSB)	Shade of Green	Climate Impact Type	
4.4. Livestock				
4.4.1	In existing project: livestock and aquaculture projects that reduce methane or other GHG emissions (manure management with biodigestors, etc.) of at least 20%	Light green	Mitigation	
4.5. Afforesta	ation and reforestation, and biosphere conservation			
4.5.1	Afforestation (plantations) on non-forested land as main objective of the project	Dark green	Adaptation	
4.5.2	Reforestation on previously forested land as main objective of the project	Dark green	Adaptation	
4.5.3	Sustainable forest management activities that increase carbon stocks or reduce the impact of forestry activities as main objective of the project	Dark green	Mitigation	
4.5.4	Biosphere conservation projects (including payments for ecosystem services) targeting reducing GHG emissions from the deforestation or degradation of ecosystems	Dark green	Mitigation	
4.5.5	Projects with a FSC and/or PEFC Certification	Light green	Other Footprint Reduction	
4.5.6	Projects with a Rainforest Alliance Certification	Light green	Other Footprint Reduction	
4.6. Biofuels				
4.6.1	Agricultural production and processing of 1st generation biofuels (including biodiesel and bioethanol) that does not decrease biomass and soil carbon pools	Medium green	Mitigation	
4.6.2	Processing of (2nd generation) biofuels (including biodiesel and bioethanol)	Dark green	Mitigation	
4.7. Protein T	ransition			
4.7.1	A modal shift from meat-based protein intake to plant-based intake. Eg: manufacturing of vegetarian alternatives to meat	Medium green	Mitigation	
5. Non-ene	ergy GHG reductions			
5.1. Fugitive	emissions			
5.1.1	Substantial reduction (of at least 20%) of gas flaring or methane fugitive emissions in the oil and gas industry	Medium green	Mitigation	
5.1.2	Methane capture in existing mining	Medium green	Mitigation	
5.2. Carbon capture and storage				
5.2.1	Projects for carbon capture and storage (CCS) and / or utilisation (CCU)	Medium green	Mitigation	
5.3. Air conditioning and refrigeration				
5.3.1	Retrofit of existing industrial, commercial and residential infrastructure to switch to cooling agent with lower global warming potential	Medium green	Mitigation	
5.4. Industrial processes				
5.4.1	Substantial reduction (of at least 20%) in GHG emissions resulting from industrial process improvements and cleaner production (e.g. cement, chemical), excluding carbon capture and storage	Medium green	Mitigation	
6. Solid wa	ste & waste water			
6.1. Wastewa	ter			
6.1.1	Treatment of wastewater, beyond legal compliance requirements, as part of an industrial process, only if net GHG emission reductions can be demonstrated.	Medium green	Mitigation	

Activity	Type of transaction/project (ADSB)	Shade of Green	Climate Impact Type	
6.1.2	Upgrade of existing Waste water treatment as the core business of the project (not part of specific industrial process), only if net	Medium green	Mitigation	
6.2 Solid was	GHG emission reductions can be demonstrated.			
6.2.1	Waste management and waste-to-energy projects that reduce methane emissions and generate energy (e.g. incineration of waste, landfill gas capture, and landfill gas combustion)	Dark green	Mitigation	
6.2.2	Waste-recycling projects that recover or reuse materials and waste as inputs into new products or as a resource (only if net GHG emission reductions can be demonstrated).	Dark green	Mitigation	
7. Transpo	rt			
7.1. Urban tra	nsport modal change	Modium groop	Mitigation	
7.1.2	Non-motorized or electric transport (bicycles and pedestrian mobility)	Medium green	Mitigation	
7.2. Transpor	t oriented urban development			
7.2.1	Integration of transport and urban development planning (dense development, multiple land-use, walking communities, transit connectivity, etc.), leading to a reduction in the use of passenger cars	Medium green	Mitigation	
7.2.2	Transport demand management measures to reduce GHG emissions (e.g., speed limits, high-occupancy vehicle lanes, congestion charging/road pricing, parking management, restriction or auctioning of license plates, car-free city areas, low-emission zones)	Medium green	Mitigation	
7.3. Inter-urba	an transport			
7.3.1	Railway transport ensuring a modal shift of freight and/or passenger transport from road to rail (improvement of existing lines or construction of new lines)	Medium green	Mitigation	
7.3.2	Waterways transport ensuring a modal shift of freight and/or passenger transport from road to waterways (improvement of existing infrastructure or construction of new infrastructure)	Medium green	Mitigation	
8. Low car	bon technologies and services			
8.1. Products	or equipment			
8.1.1	Manufacturing, producing and/or distributing components, equipment or infrastructure dedicated to the renewable and energy efficiency sectors	Medium green	Mitigation	
8.2. R&D and advisory services				
8.2.1	Research and development of renewable energy or energy efficiency technologies, including advisory services.	Medium green	Mitigation	
9. Cross cutting issues				
9.1. Support to national, regional or local policy, and private sector development, fully or partially dedicated to climate change policy or action				
9.1.1	Advisory services for institution for national, sectoral, territorial climate mitigation policies	Medium green	Mitigation	
9.1.2	The development of energy sector policies and regulations (energy efficiency standards or certification schemes; energy efficiency procurement schemes; renewable energy policies)	Medium green	Mitigation	
9.1.3	Systems for monitoring the emissions of greenhouse gasses	Medium green	Mitigation	
9.1.4	Efficient pricing of fuels and electricity (subsidy rationalization, efficient end-user tariffs, and efficient regulations on electricity generation, transmission, or distribution)	Medium green	Mitigation	

Activity	Type of transaction/project (ADSB)	Shade of Green	Climate Impact Type
9.1.5	Education, training, capacity building and awareness raising on climate change mitigation/sustainable energy/sustainable transport; mitigation research	Medium green	Mitigation
9.1.6	Other policy and regulatory activities, including those in non- energy sectors, leading to climate change mitigation or mainstreaming of climate action	Medium green	Mitigation
9.2. Other act	tivities with substantial net greenhouse gas reduction		
9.2.1	Any other activity not included in this list for which the results of an ex-ante greenhouse gas accounting (undertaken according to commonly agreed methodologies) show substantial net emission reductions	Medium green	Mitigation
9.3. Financing	ginstruments		
9.3.1	Carbon Markets and finance (purchase, sale, trading, financing and other technical assistance). Includes all activities related to compliance-grade carbon assets and mechanisms, such as CDM, JI, AAUs, as well as well-established voluntary carbon standards like the VCS or the Gold Standard	Medium green	Mitigation
10. Climate	e change adaptation		
10.1.1	Activity or technology that addresses the local climate yulgerability	Dark groop	Adaptation
10.1.1	Activity or technology that addresses the local climate vulnerability by strengthening the resilience or communities, goods, or ecosystems to climate change that meet the criteria for climate adaptation. To be considered as Climate Change Adaptation, a project needs to demonstrate that it potentially contributes to reducing the vulnerability to climate change identified in the project area. The following should be provided in order to substantiate this: 1) a description of the context of climate vulnerability of the project based on an investigation of the vulnerabilities to climate change of the project's geographical area 2) an explicit statement of intent to address climate vulnerability as part of the project. This should be supported by an analysis of the project's planned activities to decipher a positive list of actions that can contribute to reducing vulnerability, or strengthening the resilience or communities, goods, of ecosystems to climate change 3) Articulating clear and direct link between the climate vulnerability context and the specific project activities	Dark green	Adaptation
11. Other rootprint reduction			
11.1.1 11.1.1	Activity is either substantially contributing to conserving/ increasing biodiversity and the core business/aim of the project is to conserve or increase biodiversity	Light green	Other Footprint Reduction
11.1.2	The transition to, or maintenance of, silvo-pastoral systems, if no conversion of natural land is involved.	Light green	Other Footprint Reduction
11.1.3	Activity is substantially contributing to and the core aim of the project is to conserve natural resources (ie land, water, forests, natural materials)	Light green	Other Footprint Reduction
11.2. Pollution mitigation			
11.2.1	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)	Light green	Other Footprint Reduction

Activity	Type of transaction/project (ADSB)	Shade of Green	Climate Impact Type
11.2.2	Waste water treatment as the core business of the project (not part of specific industrial process)	Light green	Other Footprint Reduction
11.2.3	Company's core business is cleaning up hazardous waste sites (ie. soil remediation and mine rehabilitation)	Light green	Other Footprint Reduction
11.2.4	Recycling /solid waste collection and treatment as the core business of the project	Light green	Other Footprint Reduction
11.3. Cradle 2	Cradle		
11.3.1	Company's core business is the remanufacture of products (or extend their lifecycle in other ways), servitisation or complete circular economy business models	Light green	Other Footprint Reduction
11.4. Drinking water supply and sanitation			
11.4.1	"Drinking Water supply projects, only if: 1. the activity is either contributing to 20% more water efficiency than the most likely alternative, or causes a shift to a less- stressed water source 2. the source of water is not contributing to water scarcity"	Light green	Other Footprint Reduction
11.4.2	Sanitation projects with proper waste treatment if it replaces open defecation.	Light green	Other Footprint Reduction



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