

Export Credit Insurance

Environmental and Social Policy

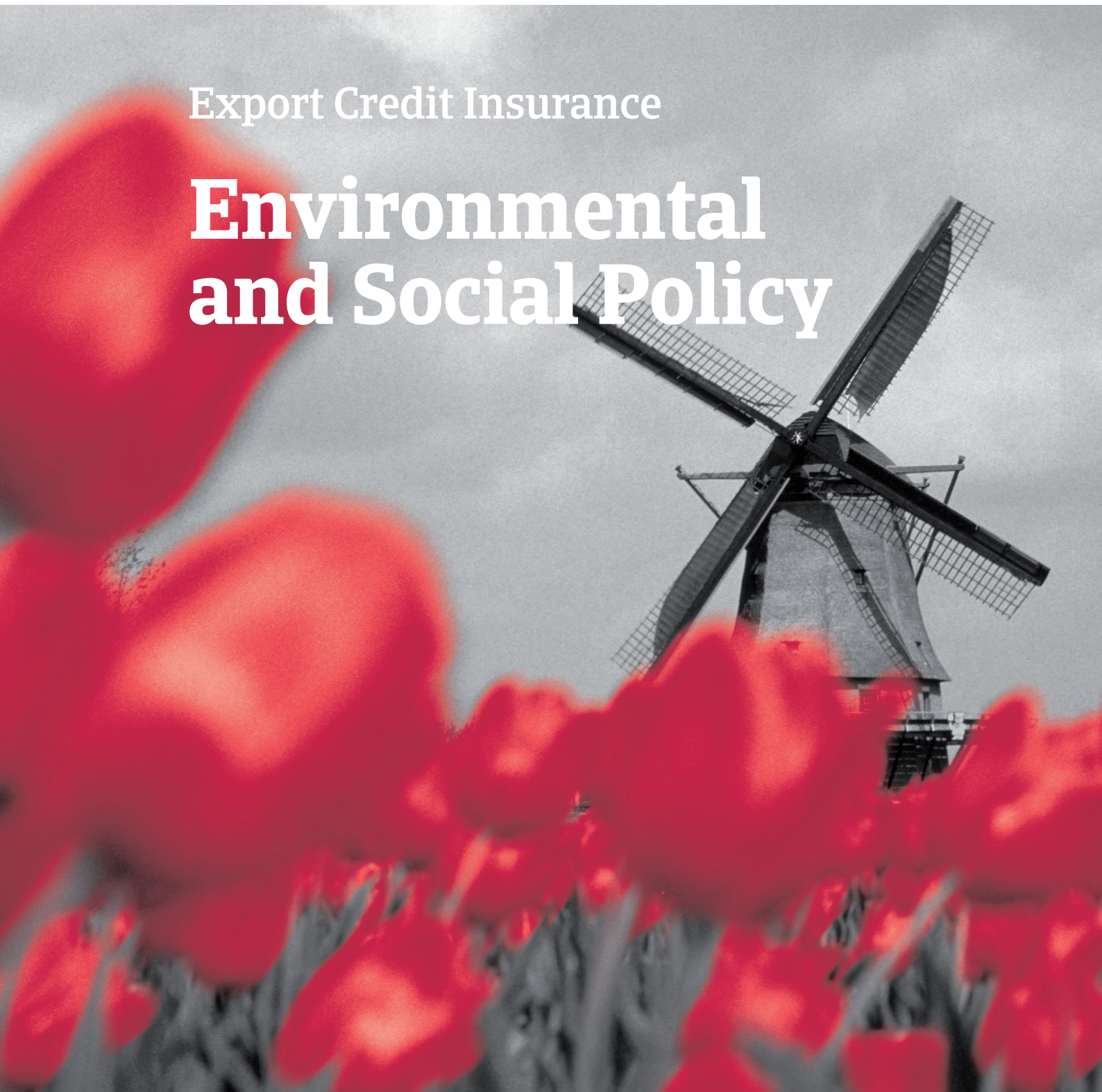


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1. Introduction

Atradius Dutch State Business (Atradius DSB) provides export credit insurance and investment guarantees on behalf of the Dutch government. The Ministries of Finance and Foreign Affairs set national policy and Atradius DSB carries it out. Export credit insurance (eci) insures payment risks of export transactions and political risks associated with foreign investments by Dutch companies and their financiers that are uninsurable through the usual insurance channels. This enables Dutch companies to conduct large and/or high-risk export transactions. However, the insured export transactions may not cause unacceptable environmental and social

risks. To ensure this, an environmental and social due diligence is carried out for all applications in accordance with Atradius DSB's environmental and social policy.

This document is a revision of the environmental and social policy document adopted in 2018, which has formed the basis of our work in recent years. A review of Atradius DSB's environmental and social policy was conducted in 2020-2021 by an external consultant. Its recommendations were implemented last year, meaning the policy document needed to be updated.

The following paragraphs describe the environmental and social policy framework for eci, addressing responsibility and division of duties, international and national policy frameworks, the scope of the policy, transparency and related policy documents (such as the human rights statement and the animal welfare statement, both available on Atradius DSB's website¹). This is followed by Atradius DSB's approach to conducting an environmental and social due diligence.

¹Atradius DSB's website is at atradiusdutchstatebusiness.nl/nl/ (Dutch language) and atradiusdutchstatebusiness.nl/en/



2. Policy Framework

Eci is the responsibility of the Minister of Finance, in consultation with the Minister of Foreign Trade and Development Cooperation, i.e., the ‘Dutch State’ or ‘State’. They set the policy frameworks within which Atradius DSB provides eci, including the associated environmental and social due diligence.

Corporate social responsibility is an important condition for the Dutch state and Atradius DSB when providing eci. For this reason, all applications to Atradius DSB undergo an environmental and social screening. Atradius DSB applies various relevant (inter)national guidelines, principles and standards. The basic rule is that transactions with unacceptable risks of negative environmental and

social impacts cannot be insured. Furthermore, there are specific activities within certain sectors (e.g., venting and flaring of gas) that Atradius DSB excludes upfront from export credit insurance. The Netherlands’ signature of the COP26 declaration led to the termination of new ECA support for the fossil energy sector from 1 January 2023, subject to limited and clearly defined exclusions in line with

the 1.5°C target². These exclusions are listed on Atradius DSB’s website. The list of exclusions in force at the time an application is processed determines whether or not it can be accepted.

2.1 National Policy Framework

Corporate social responsibility means that companies take responsibility for the impacts that business activities have on their surroundings, taking into

² For an explanation, see Atradius DSB website on elaboration of COP26 declaration: Implementation COP26 declaration | Atradius (atradiusdutchstatebusiness.nl)

account people and the environment. The policy on International Corporate Social Responsibility (ICSR) is aimed at companies operating in an international context. The Dutch government promotes ICSR in various ways, by providing information, facilitating opportunities for collaboration, offering financial incentives, introducing obligatory measures (including ICSR legislation), and setting conditions for applications for subsidies and loans. The environmental and social due diligence carried out by Atradius DSB on the eci applications before insurance by the government can be issued, also fits in this context. For more information, see the website of the Ministry of Foreign Affairs on <https://www.government.nl/ministries/ministry-of-foreign-affairs>.

2.2 International Policy Framework

The following is an overview of the main international guidelines, principles and standards that make up our environmental and social due diligence framework.

OECD Common Approaches

The environmental and social due diligence process accords to the *Common Approaches*, which provide a clear and concrete assessment framework tailored to the eci. All export credit agencies of the OECD member states have internationally committed to applying them to the environmental and social due diligence for export credit insurances and investment guarantees. "Having one due diligence framework for all export credit agencies creates an international level playing field. The *Common Approaches* specify in tangible terms how the environmental and social due diligence

should be carried out, which standards apply, and the relevant environmental and social information needed for the due diligence of a project.

The *Common Approaches* apply to funded transactions with repayment terms of more than two years. The Netherlands' policy dictates that also transactions with shorter repayment terms are subject to due diligence in line with the *Common Approaches*.

IFC Performance Standards and EHS Guidelines

Atradius DSB uses the *IFC³ Performance Standards⁴ (IFC PS)* and the World Bank Group *Environmental, Health and Safety Guidelines⁵ (EHS Guidelines)* for the content of the environmental and social due diligence of eci applications.

The IFC is a part of the World Bank Group that provides financing to stimulate the private sector in developing countries. The *IFC Performance Standards* are the standards IFC uses when reviewing projects it is considering lending to. The international financial sector also embraces the IFC standards through the Equator Principles, which are to financial institutions what the *Common Approaches* are to export credit insurers.

The eight *IFC Performance Standards* are:

- assessment and management of environmental and social risks and impacts;
- labor and working conditions;
- Resource efficiency and pollution prevention;
- community health, safety, and security;

- land acquisition and involuntary resettlement;
- biodiversity conservation and sustainable management of living natural resources;
- indigenous peoples;
- cultural heritage.

The *EHS Guidelines* further explain the criteria in the *IFC Performance Standards*. The entire set of *EHS Guidelines* consists of general and sector-specific guidelines. The general *EHS Guidelines* contain standards in areas such as emissions, waste management and safety in both working and living environments. These general *EHS Guidelines* apply to all sectors. There are also sector-specific guidelines including those for agriculture, the chemical industry, infrastructure, and the oil and gas industry. The general and sector-specific guidelines are technical reference documents with performance levels and accepted measures that the World Bank currently states should be achievable with reasonable costs and current technology. As part of an environmental and social due diligence, Atradius DSB analyses the extent to which the project meets these guidelines.

OECD Guidelines for Multinational Enterprises

In addition to the above mentioned international eci frameworks, the State expects companies to comply with the OECD Guidelines for Multinational Enterprises⁶. These guidelines describe what is expected of companies across the full breadth of corporate social responsibility. They address issues such as employment and labor relations,

³ International Finance Corporation; see: www.ifc.org.

⁴ Please refer to the current IFC Performance Standards: www.ifc.org/wps/wcm/connect/115482804a0255db96fbffd1a5d13d27/PS_English_2012_Full-Document.pdf?MOD=AJPERES. The accompanying Guidance Notes: www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Document.pdf?MOD=AJPERES.

⁵ Please refer to the various EHS Guidelines: www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/ehs-guidelines.

⁶ The Dutch text can be found at: [//www.oesorichtlijnen.nl/oeso-richtlijnen/a/algemene-informatie-oeso-richtlijnen/documenten/brochure/201/12/8/volledige-tekst-oeso-richtlijnen](http://www.oesorichtlijnen.nl/oeso-richtlijnen/a/algemene-informatie-oeso-richtlijnen/documenten/brochure/201/12/8/volledige-tekst-oeso-richtlijnen).

science and technology, environment, data disclosure, competition, corruption, finance and taxation.

An applicant for export credit insurance also signs a declaration on the application form stating their commitment to the OECD Guidelines. This means commitment to apply these guidelines for multinational enterprises in the company's operations to the best of its ability. Atradius DSB endorses the OECD Guidelines and applies the guidelines to its environmental and social due diligence.

ADSB also actively engages with applicants on what constitutes compliance with OECD guidelines. If there are questions about their application or interpretation, or complaints about compliance by the exporting business community, a stakeholder can consult the National Contact Point (NCP) OECD guidelines.⁷

United Nations Guiding Principles on Business and Human Rights

The UN Guiding Principles on Business and Human Rights (UNGPs)⁸ are a set of guidelines for governments and companies to prevent, address and remedy human rights violations by corporations. The UNGPs are founded on:

- the recognition of the existing duty by States to respect, protect and fulfil human rights and fundamental freedoms (the “*duty to protect*”);
- the role of business enterprises required to comply with all applicable laws and to respect human rights (the “*responsibility to respect*”); and
- the need to provide appropriate and effective remedies in case of violations of any rights or non-observance of any obligations (the “*access to remedy*”).

The Dutch State endorses the UNGPs and the importance of promoting and protecting human rights, as referred to

in the ‘*duty to protect*’. It applies *Guiding Principle-4*⁹ with this environmental and social policy for eci. The UNGPs were unanimously adopted by the UN Human Rights Committee in 2011, integrated into the OECD Guidelines for Multinational Enterprises the same year, and incorporated into the *Common Approaches* in 2016.

From the ‘*responsibility to respect*’ perspective, *Guiding Principle-13b*¹⁰ and *17*¹¹ oblige Atradius DSB to identify potential negative social impacts caused by Dutch companies’ activities, projects or services, including their business partners in the supply chain, by applying due diligence. Atradius DSB also needs to use its influence to prevent and mitigate risks as much as possible and be able to account for how the risks are dealt with. An analysis of the risks of human rights violations is part of the Atradius DSB’s environmental and social due diligence. In the previous policy update, the UNGPs ensured that all applications are subject to due diligence on potential human rights violations.

⁷ For more information, see <https://www.oesorichtlijnen.nl/>.

⁸ See: www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

⁹ Guiding Principle-4: States should take additional measures to protect against human rights violations by enterprises that are owned or controlled by the State, or that receive significant support and services from government agencies such as export credit agencies and official insurance or guarantee institutions, including, where applicable, requiring human rights due diligence.

¹⁰ Guiding Principle-13b: The responsibility to respect human rights requires companies to (b) strive to prevent or mitigate adverse human rights impacts directly related to their activities, products or services through their business relationships, even if they have not contributed to those impacts themselves.

¹¹ Guiding Principle-17: To identify, prevent, mitigate and account for their adverse human rights impacts, companies should exercise human rights due diligence. This process includes assessing actual and potential human rights impacts, integrating and acting on findings, tracking responses and communicating how impacts are addressed. Diligent human rights research:

- (a) must relate to adverse human rights impacts that the company may cause or contribute to through its own activities or that are directly related to its activities, products or services through its business relationships;
- (b) will vary in complexity with the size of the business enterprise, the risk of severe human rights violations and the nature and context of its activities;
- (c) should be permanent and recognise that human rights risks may change over time as business activities and contexts change.

Additional international reference frameworks

It may occur that an environmental or social aspect relevant to a project cannot be properly assessed on the basis of the IFC PS. Animal welfare constitutes one example hereof. Even though the *Common Approaches* refer to the standards of the World Organisation for Animal Health (OIE)¹² and the IFC Good Practice Notes, it may occur that a specific necessary standard is lacking or incomplete. In such a case, it is investigated which other internationally recognised standards can serve as a reference framework for the substantive environmental and social due diligence. Relevant EU Directives or FAO guidelines¹³ such as the VGGT¹⁴, constitute an example thereof.

When an application is subjected to an environmental and social due diligence, Atradius DSB analyses what project-related environmental and social impacts may be involved in the project. It then determines whether the above standards and guidelines sufficiently cover these risks or whether additional assessment frameworks are needed.

¹² See www.woah.org

¹³ The FAO Voluntary Guidelines on the responsible governance of tenure of land, fisheries and forests in the context of national food security (VGGT) state that active, free, effective, meaningful and informed participation of individuals and groups must be ensured before decisions are made.

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3. Scope of Environmental and Social Policy

Transactions taking more than two years that are financed and that have a defined location are covered by the scope of the *Common Approaches*. All other applications are subject to due diligence in accordance with the supplementary national policy.

This environmental and social policy document is to be read in conjunction with other eci policies. The OECD, for instance, also has policies for export credit insurers on bribery, tax evasion and anti-corruption. However, these

issues are not included in this environmental and social policy document, as they are part of the financial assessment. The Atradius DSB website explains more about the policies on these issues.



4. Method of Environmental and Social due diligence

It was decided in 2001 to carry out an environmental and social due diligence for insurance applications to minimise the risk of insuring transactions with potentially serious negative environmental and social impacts.

The purpose of this due diligence is to reject insurance of export transactions to projects or parties with a high risk of unacceptable environmental and social (including human rights) impacts. The thorough assessment of a transaction's human, animal and environmental impact is an integral part of underwriting export credit insurance and is carried out by Atradius DSB on behalf of the Dutch State.

Environmental and social due diligence is a continuous process that identifies the risks of (potentially) negative effects on people, animals and the environment. The direct

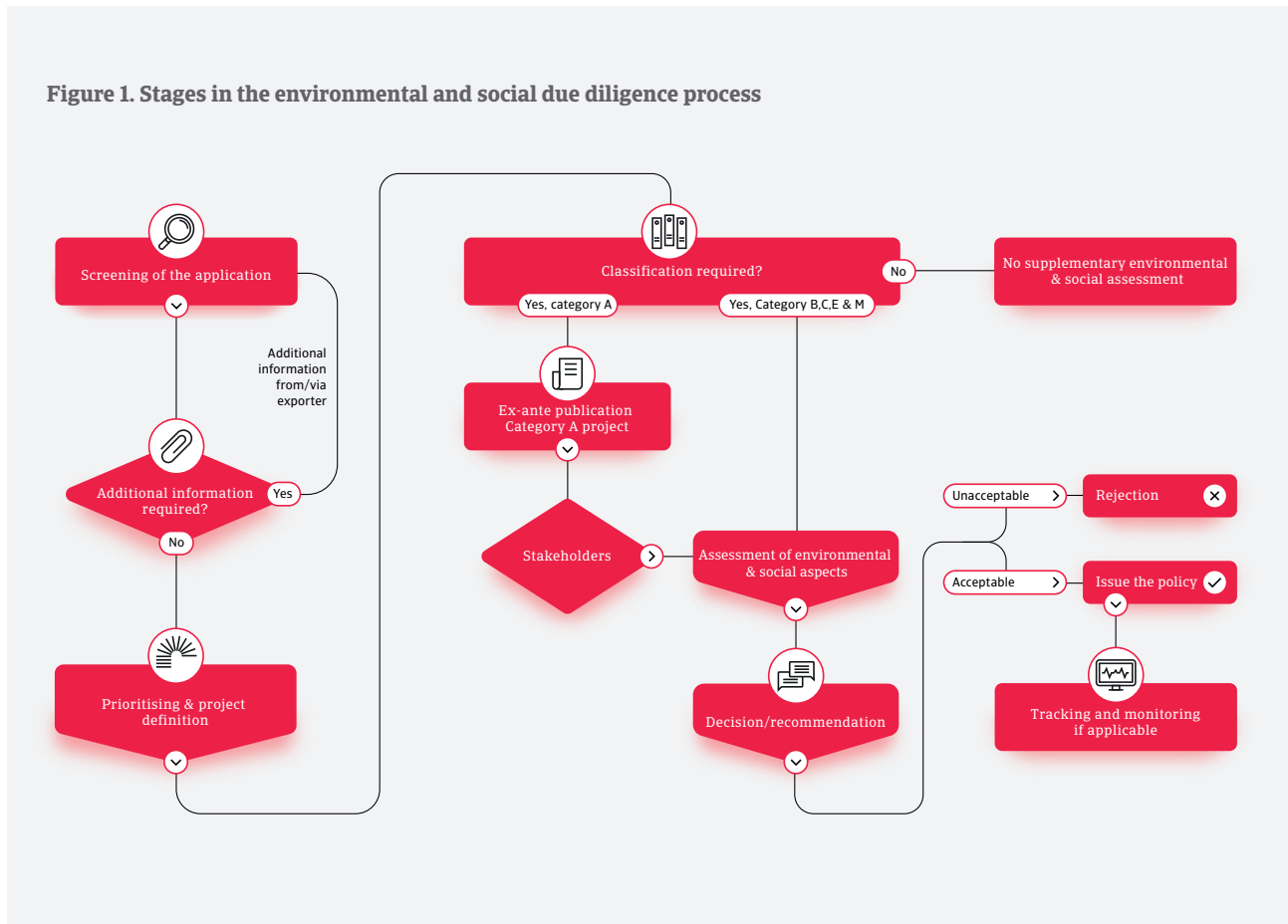
responsibility for managing people and the environment, within operational management and in concrete projects, lies with the companies that carry out the specific works or deliver the goods. They need to establish their own due diligence process to manage the potentially negative impacts of their activities (see OECD guidelines). As the State's ECI provider, Atradius DSB assesses the possible impacts of the implementation and informs the parties involved of the significant project related impacts with the intention to have these parties take measures at project level in order to prevent or mitigate these impacts as

much as possible. It also identifies the impacts that may possibly occur in the chain of business relations and exerts its influence to call the exporter and its relations in the value chain into account for their responsibility to endeavor to address these impacts to the best of their abilities.

Atradius DSB provides advice on high-risk projects and particularly categories A and B (see explanation below); the State makes the final decision on the acceptability of an application's environmental and social risks and impacts, and whether or not the transaction will be insured.

4.1 Environmental and Social due diligence stages

Figure 1 shows the stages of the environmental and social due diligence. Below, each of the stages is explained.



4.2 Screening

Each application for insurance received by Atradius DSB is subject to a screening. This screening focuses on the environmental and social reputation of the exporter and buyer. Against the background of the national and international policy frameworks explained in chapter 2, it also identifies the preferred approach for any further environmental and social due diligence is identified.

With some applications, it is clear in advance that an additional environmental and social due diligence is required¹⁵:

- applications with a transaction amount of €10 million or more;
- applications involving delivery to projects in or near a sensitive area¹⁶, regardless of the transaction amount;
- applications involving delivery to a sensitive sector, regardless of the transaction amount;
- applications involving delivery with a high likelihood of severe project-related human rights violations, regardless of the transaction amount.

The criteria relating to sensitive areas, sensitive sectors and increased risk of human rights violations are detailed below:

Sensitive areas

The project location may provide a reason for exercising environmental and social due diligence if significant adverse impacts might occur there. This inter alia relates to projects in or possibly impacting:

- Areas of great ecological value (e.g., national parks, rain forests, coral reefs or wetlands);
- Areas featuring high population pressure (e.g., projects that are likely to result in land expropriation and resettlement);
- Areas important to indigenous peoples;
- Border areas, conflict areas, post-conflict areas;
- Areas of historical or archaeological value (included on the Unesco's World Heritage List).

Sensitive sectors

Furthermore, delivery to a specific sector could reveal certain risks from a project or transaction. Several sectors, from both environmental and social aspects, are considered sensitive according to national policy and always lead to environmental and social due diligence. These include, but not exclusively, deliveries to or work performed in:

- the dredging industry;
- large-scale construction projects;
- the chemical industry;
- the paper and pulp industry;
- large-scale agriculture and horticulture;
- large-scale intensive livestock farming;
- the textile industry;
- mining;
- nuclear projects;
- transactions in the oil and gas sector outside the exclusions list¹⁷.

Increased risk of human rights violations

Applications are assessed as to whether there is an increased risk of project-related human rights violations. This could be the case, for example, if people have to relocate non-voluntarily for a project, indigenous peoples are disadvantaged or there is a risk of child or forced labour in a project. If Atradius DSB's screening finds that the project has an increased risk of human rights violations, this will prompt it to carry out an environmental and social due diligence.

4.3 Project Definition

If screening reveals the need for to carry out an environmental and social due diligence, the next step is for Atradius DSB to determine the project definition. Clearly describing and delineating the project enables its classification into a particular risk category. This determines the scope of the resultant environmental and social due diligence. A transaction is often delivered as part of a larger project. The environmental and social due diligence includes an assessment of the entire project. The *Common Approaches* use the following project definition:

Exports of capital goods and/or services to an identified location of any new commercial, industrial or infrastructure undertaking, or any existing undertaking that is undergoing material change in output or function, which may result in changes to the operation's environmental and/or social impacts.

¹⁵ The explanation of the environmental and social due diligence process provided here applies to the regular basic ECI products. These are insurance applications directly related to the deployment of capital goods and services (e.g., capital goods insurance, contracting insurance and investment insurance). There are also insurance products where Atradius DSB is further removed from a concrete transaction or physical project: the liquidity products and insurance products in a tender phase. Because of the remoteness of the project being supplied, these products are screened. If this screening reveals the exporter's or buyer's significant (reputational) risks, a comprehensive environmental and social due diligence can still be carried out.

¹⁶ The definition of 'sensitive area' is based on Article 1 from the *Common Approaches* (see section d).

¹⁷ See Atradius DSB's website for the exclusion list: brochures.atradiusdutchstatebusiness.nl/exclusion-list-eci/

Activities directly related to the project (such as an access road or power supply) are also assessed. These activities may be directly related to the project by timing, location or function in the project. In this case, Atradius DSB follows the definition of 'associated facilities'¹⁸ in the *Common Approaches*.

An environmental and social due diligence consists of three parts:

- **The transaction:** this is the actual supply of goods or services or investments for which the application is made.
- **The project:** this is the entire project of which the transaction is a part. The scope of the project must be defined per application. When assessing the environmental and social aspects, the project as described in the project definition is assessed and not just the transaction itself.
- **The project environment/contextual factors:** this consists of all relevant aspects indirectly related to the project but outside the substantive assessment against international standards.

The local social, political and economic reality of a certain country or region may result in risks for the involved parties or the project. The effects such context may have on the project include unrest, controversies or performance delays, for instance because the project is being performed in a (post) conflict zone. These make up the so-called contextual factors. The exporter nor the buyer has any influence on or control over them. Because such factors may be of import to the transaction or the project, they are mapped as part of the environmental and social due diligence process. Atradius DSB also examines to what extent some influence can be

exerted, by means of good cooperation with the project owner or with any other parties the exporter demonstrably has functional relations with.”

4.4 Classification

Based on an analysis of project-specific risks and contextual risks, Atradius DSB defines the project of which the transaction is part using a classification system. The classification determines how comprehensive the project's supplementary environmental and social due diligence will be. Atradius DSB works with five categories, three of which derive from international agreements: A, B, and C. The remaining two categories, M and E, derive from national policies.

A: A project is classified as 'A' if there are potentially significant adverse environmental and social impacts due to the project extending beyond the project site. The impacts may be diverse in nature, irreversible and/or unprecedented. Annex 1 of the *Common Approaches* provides a sample list of category A projects.

If a project is classified as 'A', the applicant must provide an Environmental and Social Impact Assessment (ESIA) or similar documentation. The required content of the ESIA is defined in Annex II of the *Common Approaches* and preferably covers all *IFC PS*. This category is always monitored on environmental and social aspects. For A-category projects, core information will be published ex-ante and a summary of the due diligence is published ex-post. Finally, Atradius DSB will conduct one or more site visits as part of the assessment and/or monitoring.

B: A project is classified in Category B if its potential adverse environmental and/or social impacts are substantial, but less severe than for category-A projects. The potential impacts would be limited to the project itself, few of them would be irreversible, and they would be easier to mitigate and/or compensate. In this case, it is preferable for the applicant to submit an ESIA report or documentation with similar contents.

For B-category projects a summary of the due diligence is published ex-post. In some instances, a B-category project may also require a site visit or monitoring by Atradius DSB.

C: Projects in the C-category are likely to have minimal or no potential adverse environmental and/or social impacts. Answering the environmental and social questions in the application form and supplementary questions by Atradius DSB's environmental and social consultants (e.g., questions for specific sectors such as greenhouse construction) is sufficient.

M: This category derives from Dutch policy and applies to deviating situations which are not subjected to environmental and social due diligence under the *Common Approaches*. It concerns:

- transactions without a fixed location (such as vessels or busses);
- transactions to an existing project that does not significantly change in output or function;
- refinancing applications;
- reinsurance applications.

An M-assessment initially analyses the environmental and social commitment of the exporter and of the buyer. The

¹⁸ 'Associated facilities' are facilities that are not part of the project, but which would not be built or expanded if the project did not exist and whose existence depends on the viability of the project. These facilities may be financed, managed, built and operated by or owned by the buyer and/or the project sponsor or separate from the project.

transaction and project are also briefly assessed (where relevant). In case there is a trigger to do so, other parties involved and other additional information, such as the supply chain, are also analysed.

E: This assessment category is used for applications for tool and equipment insurance and for DGGF applications¹⁹ up to EUR 1 million where little or no risk of negative environmental and social impacts is expected. This assessment focuses mainly on the environmental and social reputation of the Dutch exporter and only an environmental and social screening is carried out on the buyer, examining whether there are sensitivities based on public sources.

4.5 Atradius DSB's environmental and social due diligence

The most extensive environmental and social due diligence conducted by Atradius DSB includes all the components listed below. For transactions within the DGGF with a value of less than EUR 1 million, only the Dutch exporter is assessed.

Assessment of the Dutch exporter

Assessing the Dutch exporter comprises analysis of its working practices and environmental and social reputation based on information available in the public domain. This includes an examination of the exporter's health, safety and environmental policies and management systems. An analysis of the company's supply chain for the present transaction is part of this assessment, including an analysis of information available in the public domain.

Assessment of the foreign buyer

As with the assessment of the Dutch exporter, the foreign buyer or other relevant parties are examined to see how they apply their environmental and social policy and how their management

systems are set up to prevent or mitigate any adverse effects as much as possible. Again, where relevant, the supply chain is also analysed and information in the public domain is examined.

Assessment of the project

First, a project is assessed against the relevant laws and regulations of the country where it takes place. As a minimum, the project will have to comply with the local legislation. In addition, the project is also benchmarked against international standards.

Atradius DSB uses the *IFC Performance Standards* as a guideline for its assessment of a project's potential environmental and social impacts. See the explanation of the *IFC Performance Standards* in the International Policy Framework (chapter 2).

The assessment is carried out based on the severity, nature and scale of the potential environmental and social impacts. In doing so, considerable attention is paid to the largest potential impacts and less to limited impacts.

Prevention and mitigation of adverse impacts

Based on local and international standards, companies (exporters and buyers) need to take stock of the risks associated with their operations and identify their activities' possible (negative) effects. This inventory is done from a company's management system and/or specifically for a project such as in an Environmental and Social Impact Assessment (ESIA). The standard sequence to be followed by companies after identifying risks is:

- avoiding adverse impacts (prevention, e.g., changing a site to conserve nature);
- limiting adverse impacts (mitigation, e.g., application of filters to reduce

emission of particulate matter or modification of a route to reduce or eliminate the need for expropriation);

- Pre-emptively compensating for anticipated adverse impacts (compensation, planting new trees if an existing forest has to give way to a project);
- unforeseen adverse impacts may require recovery and/or compensatory measures or remedy (e.g., compensation for damage caused by breaking a fishing net during construction activities).

An analysis of these mitigation and compensation measures is part of Atradius DSB's environmental and social due diligence. If any specific potential negative impacts are identified for a project, Atradius DSB uses its influence to have the exporter, bank and/or buyer to meet the standard order of remedies set out above. Wherever necessary, Atradius DSB collaborates with stakeholders to increase its influence.

Assessment of the value chain

As with the assessment of relevant parties, issues may arise during the project assessment, such as large-scale use of sensitive natural resources (e.g., timber, stone, iron ore or coal) and/or whether a sector is prone to human rights violations (e.g., quarrying). If Atradius DSB identifies such potential risks in the project's value chain during the assessment, it will conduct further research as an integral part of the environmental and social due diligence. Where relevant to the project, it will also assess associated facilities.

4.6 Environmental and Social Recommendation

The environmental and social due diligence results in a recommendation to the State, which decides on whether or not to insure the transaction. The recommendation addresses the environmental and social impacts and provides

¹⁹ DGGF stands for Dutch Good Growth Fund. For this fund's environmental and social policy, see www.dggf.nl.

an overview of the strengths and weaknesses arising from the reputation of exporter and buyer (and other relevant supply chain partners) and the project assessment. The recommendation ends in a final conclusion on whether issuing an insurance policy is deemed acceptable based on the environmental and social risks and impacts.

If the environmental and social due diligence the project does not meet international standards and/or the reputation of the buyer is unacceptable, Atradius DSB will see whether this can be corrected. If correction is not possible, Atradius DSB will reject the application on environmental and/or social grounds. A lack of information may also lead to rejection. Atradius DSB informs the State of these rejections.

If the financial due diligence has been completed but the environmental and social due diligence is still ongoing, a promise of cover may be issued containing a so-called "provided" clause stating that the environmental and social due diligence result must be positive.

4.7 Monitoring and steering

Atradius DSB will monitor all projects in the highest risk category (A) of which the eci application is submitted from 1 January 2022. For projects in a lower risk category, Atradius DSB determines on a case-by-case basis whether monitoring is required. The type of insurance (financing or no financing) and whether other parties are involved in the transaction or project partially determine the influence Atradius DSB can exert on a project and the project owner and thus the intensity of the monitoring.

For each insurance policy, agreements are made between the exporter and Atradius DSB about the monitoring method and about the expectations to the insured party. This monitoring can take various forms. For example, a project may provide reports at fixed times, ADSB may visit the project at various stages of construction and operation and/or an independent consultant may be contracted to perform an assessment. The arrangements for monitoring are laid down in the policy. Where

possible, we seek to cooperate with other export credit agencies and financiers involved when monitoring a transaction.

If, after a policy has been issued, for example, in the context of monitoring, it is found that a party has submitted incorrect information for the environmental and social due diligence or the party fails to honour its commitments made in the context of the assessment, the general condition applies that 'incorrect or incomplete statement of facts or information shall result in the loss of the right to indemnity'. Furthermore, a next application from a particular exporter or bank or particular customer could result in the application for insurance not being considered or insurance being denied. With financed transactions, Atradius DSB generally has more steering options than with non-financed transactions.

There is more detailed information in Atradius DSB's General Terms and Conditions²⁰.

²⁰ Atradius DSB's General Conditions are on its website: atradiusdutchstatebusiness.nl/en/article/general-conditions.html



5. Cooperation and Communication

Atradius DSB will communicate with relevant stakeholders prior to, during and after completion of a project's environmental and social due diligence.

The Dutch exporter and/or financier is primarily responsible for submitting the information on which the environmental and social due diligence is based, for it is this party who benefits from the insurance issued. The information obtained is verified through other channels to the extent possible, as indicated below.

Atradius DSB uses various sources of information for its due diligence, including:

- the application form;
- the answers provided on the standard questionnaires or specific questionnaires;
- information available on the exporter and buyer from previously insured transactions (track record);
- public sources such as media articles, the internet and databases (such as Google Earth, Protected Planet, Reefbase, RepRisk);
- publications from reputable institutions (e.g., Business & Human Rights Resource Centre and Human Rights Watch);
- country reports (e.g., on human rights from US State Department or from UN organisations such as ILO);
- information provided by embassies;
- where relevant, information gathered during site visits and consultation with stakeholders such as NGOs or local stakeholders (such as substantiated responses via ex-ante publication in the case of 'A' projects).

When other parties are involved in a project requiring an environmental and social due diligence, Atradius DSB always tries to collaborate as much as possible. Such collaboration can be at the national level, with other implementing agencies on behalf of the Dutch government, such as the Netherlands Enterprise Agency (RVO), Invest International and Netherlands Development Finance Company (FMO), or other Dutch banks that finance projects. At an international level, Atradius DSB collaborates with other export credit

agencies and financial institutions such as the World Bank and regional development banks.

Transparency

Atradius DSB is transparent about the way applications are assessed. This is done through this policy, specific policy statements, the Annual Review and stakeholder meetings. Atradius DSB has its own feedback and complaints mechanism²¹ on its website.

Atradius DSB also publishes project information of all Category A projects on the website at least 30 days before issuing a policy. After a policy has been issued, information on the policy and the due diligence is shared on the list of insurance policies issued. Also, similar to all other OECD member states, Atradius DSB reports to the OECD on all category A and B projects using a standardised form. The OECD publishes an annual aggregated

overview of reported projects on its website. The type of information that can or cannot be disclosed, and details on the publication of information are explained in the Atradius DSB Transparency Policy, which is also available on the website.

Atradius DSB informs stakeholders by publishing pending insurance applications and policies issued. During the processing of an application, local parties or NGOs can provide Atradius DSB with relevant information about the project concerned. It is possible to submit relevant information even after a policy is issued, and this will be followed up. The information submitted should be substantiated. Atradius DSB points out that, in some cases, it may be necessary to engage directly or indirectly with local stakeholders, for example, to verify information obtained from the project owner, exporter or local parties.

²¹ atradiusdutchstatebusiness.nl/en/article/feedback-and-complaints.html

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