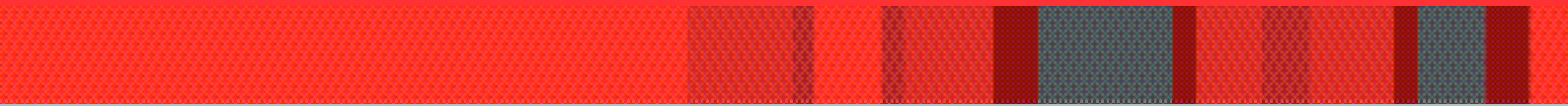


Corporate Social Responsibility (CSR)



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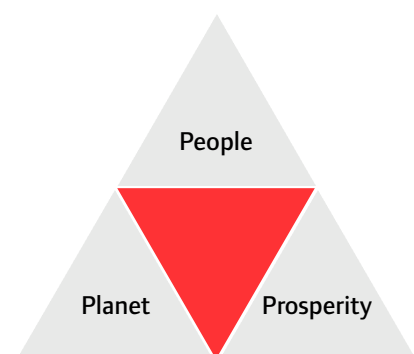
What does CSR mean for Atradius Dutch State Business?

The Dutch government wants to promote Corporate Social Responsibility (CSR) in businesses. The government's vision for Corporate Social Responsibility 2008–2009 - "Inspire, innovate, integrate" - outlines the framework for the CSR policy on government support for exports and foreign investment. The government has decided that it will only cover risks relating to export transactions and direct investments if the export or investment in question is not associated with bribery, or the breach of fundamental labour standards, and does not have an unacceptable environmental and social impact.

In this brochure we explain how Atradius Dutch State Business (Atradius DSB) has incorporated the CSR policy set out by the Dutch government in the government facilities which it administers, and what this means for you as the exporter or investor.

What is CSR?

Corporate Social Responsibility means that in addition to aiming for economic and social gain (prosperity), the effects of business activities on the environment (planet) and human factors inside and outside the company (people) are also taken into account. It is increasingly clear that balancing these criteria leads to better results for both businesses and society.



What are the CSR criteria?

The Dutch government believes that it is important that transactions to be insured should meet CSR standards. Atradius DSB performs a CSR review to establish whether the transactions meet those standards. The criteria for reviewing export transactions and direct investments have been developed in consultation with the Ministries of Finance, Economic Affairs, Foreign Affairs and Housing, Spatial Planning and the Environment.

The CSR review focuses on:

- combating bribery;
- sustainable lending policy;
- the OECD* guidelines for multinational enterprises;
- supply chain responsibility;
- fundamental ILO** labour standards; and
- environmental and social impact.

**OECD: Organisation for Economic Co-operation and Development.*

***ILO: International Labour Organisation*



What are the requirements for the CSR review?

The requirements for the CSR review of applications are:

- The CSR review has to comply with international agreements, such as the OECD and ILO guidelines.
- The review guidelines have to be in line with those of foreign export credit insurers so that Dutch exporters are not at a competitive disadvantage.
- The review has to be an integral part of your application.
- The administrative burden on exporters, investors and the authorities must be kept to a minimum.

Review criteria

We set criteria with respect to the combating of bribery, sustainable lending, supply chain responsibility, fundamental labour standards and environmental and social impact, according to the type of cover to be provided¹. Applicants are also required to sign a statement of commitment to the OECD guidelines. By doing so, they state that they will make a best effort to apply the guidelines for multinational enterprises in their business. The different criteria are explained below.

Prevention of bribery

The 2006 OECD “Recommendation on Bribery and Officially supported Export Credits” based on the “Convention on Combating Bribery of Foreign Public Officials in International Business Transactions” states that combating bribery is a matter of priority in the case of transactions using government-backed export financing. The OECD member states have agreed to take appropriate measures to combat bribery in transactions which they support. Atradius DSB will reject an application if there is serious concern

that the applicant or his agent has engaged or will engage in bribery according to the Criminal Code, or has been an accessory to bribery to win the contract.

In the application form, Atradius DSB therefore asks for information on agents’ commission. The insurance policy also refers to the penalties for bribery: loss of entitlement to indemnification, obligation to repay any indemnification already received, and possible prosecution.

Sustainable lending policy

The OECD has agreed arrangements with the IMF and the World Bank aimed at keeping the debt levels of developing countries within acceptable proportions. This means that unlimited lending, particularly to governments of low-income countries, is not permitted. In the case of some of these countries, export credit may only be granted if the loan is accompanied by funding in full or part through aid (e.g. an ORIO funding). Please, consult our country policy on this.

OECD guidelines

These guidelines for multinational enterprises set out the conduct that the authorities expect of enterprises. They offer guidance on codes of conduct for enterprises concerning the different aspects of sustainable development. The guidelines cover employment and labour relations, science and technology, environment, publication of information, competition, finance and taxes. In this sense, the OECD guidelines are unique: they are not limited to one subject, but address a number of topics. The guidelines apply not only to multinational companies but to all enterprises with activities abroad. These guidelines are endorsed by the governments of all the OECD member states and an increasing number of other countries. They are the result of co-operation between the business world, trade unions and other civil society organisations.

By signing the application form you confirm that you have taken note of these guidelines and will apply them to the best of your ability.

Supply chain responsibility

CSR also concerns supply chain responsibility. In the case of export credit insurance, this means paying attention to

- the supply chains in the project which you are supplying, and
- the supply chain for your export goods/services.

Atradius DSB assesses the supply chains in the project which you are supplying as part of the environmental and social assessment.

With respect to your supply chain, the application form contains questions on your familiarity with the government’s policy on supply chain responsibility, how you apply it in your business, and who the principal suppliers of goods/services which you plan to export are. This refers to the main direct essential suppliers (not intermediaries) over which you have control or influence, and supplies involving large quantities of natural resources.

If your answers indicate problems in the supply chain, we shall consider a follow-up investigation, after which we shall conduct a further review.

Fundamental labour standards

The review is based on the ILO ‘Declaration on Fundamental Principles and Rights at Work’ concerning fundamental labour standards and related treaties ratified by the Netherlands. It concerns the prohibition of child labour and forced labour, freedom of association and the right to collective bargaining, and the prohibition of discrimination in the workplace. A well-founded concern that these fundamental labour standards are being or could be violated constitutes grounds for rejecting the application. However, it

¹We conduct a full CSR review of applications in the case of the following risks to be insured: pre-creditrisk, creditrisk, (advance) payment risk, foreclosure risk, investment risk.

is acknowledged that local laws and regulations in the country concerned may prevent compliance with the standards.

In the application form, Atradius DSB asks whether, to your knowledge, the four fundamental labour standards are being violated. Further appraisal of compliance with the relevant labour standards in the project which you are supplying forms part of the environmental and social assessment.

Environmental and social impact

In the application form, Atradius DSB asks about some environmental and social aspects of the transaction and the project. In some cases, Atradius DSB will then conduct its own assessment of the environmental and social impact. For that purpose, the information provided is benchmarked against the laws and

regulations of the country where the goods/services are to be used or consumed, or the work is to be carried out, and against international guidelines such as those laid down in the OECD's 'Common Approaches'. The international guidelines applied here are the International Finance Corporation (IFC) Performance Standards. The transaction/project may also be benchmarked against the guidelines of multinational development banks, the European Union or internationally recognised standards for specific sectors.

The environmental and social review is explained in more detail in this brochure.

Reporting

CSR requires openness and transparency. Atradius DSB is part of the Atradius Group. The Atradius Group is a signatory to the 'UN

Global Compact'. As such, Atradius recognises that human rights, labour conditions, the environment and the prevention of corruption are part of its corporate strategy, culture and day-to-day policy, and will act accordingly. Atradius DSB will report on how these aspects are incorporated in its own activities. For this purpose Atradius DSB publishes an annual sustainability report on the integration and on-going development of CSR.

More information

Please contact Maartje Hermans (020 553 2587) if you have any questions on supply chain responsibility, labour standards, or environmental and social aspects, or Bert de Jongh (020 553 2084) for questions concerning bribery, sustainable lending and the OECD guidelines.



Environmental and social assessment

When do we conduct an assessment?

Atradius DSB will assess the environmental and social aspects of the transaction and the project of which it forms part in the following cases:

- If the agreed contract price exceeds € 10 million.
- If the agreed contract price is below € 10 million but the contract concerns a sensitive sector, or a sensitive area.

Exceptions are applications:

- concerning the defence or the aerospace industry;
- for transactions funded in full or in part by Dutch development assistance, since their environmental and social aspects will already have been reviewed.

Atradius DSB has in-house experts (the CSR desk) to assess the environmental and social impact.

Atradius DSB may also enlist external expertise.

Procedure

All insurance applications concerning export transactions and investments are screened prior to the review. In the case of applications in excess of € 10 million, the project is first defined and then classified on the basis of the screening. Following classification, an analysis is conducted on the potential environmental and social impact. The review procedure is explained below.

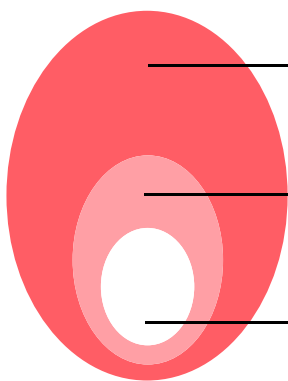
Screening

The questions on environmental and social aspects have to be answered for all transactions/projects in excess of € 10 million. Projects or transactions below € 10 million are screened on the basis of the description and location of the transaction. If it is thought that a transaction/project below the € 10 million threshold might result in a major adverse impact, the application will also be subject to an environmental and social analysis. The same applies to work in a sensitive sector, or work in or near sensitive areas, in which case you will be asked to answer the questions.

Project definition

In its environmental and social review, Atradius DSB considers not only the transaction itself, but also the project of which it forms part. The project is clearly defined in accordance with the following criteria: function, location and timing under the 'Common Approaches'. On the basis of these criteria the transaction, the specified project and the project environment will be defined, classified and then assessed.





Project environment:
activities related to the initiative but without any functional link

Project:
the initiative of which the transaction forms part.

Transaction:
the actual supply of goods/services or investment

Function:
how is the transaction linked to the overall activities?

Location:
is it ecologically or socially 'sensitive'?

Timing:
what is the timing of the transaction in relation to the project?

Classification

Following the project definition, all applications requiring answers to the environmental and social questions are placed in one of four categories: A, B, C or M. The category indicates the potential environmental and social impact and the information needed to analyse it.

Category A

The transaction/project has the potential for a significant adverse environmental and social impact, possibly extending beyond the location of the project or work. In principle, Category A covers transactions/projects conducted in sensitive sectors or located in or near sensitive areas. In these cases, you have to submit an Environmental Impact Analysis (EIA) or the equivalent.

Category B

The transaction/project has the potential for a major adverse environmental and social impact, although less than in the case of Category A projects. The effects do not extend beyond the project's location, only a few of the potential effects are irreversible, and mitigation and/or compensation is more readily available. In these cases you have to submit at least an Environmental Impact Statement (EIS) with a commentary. The statement must, as a minimum, quantify the environmental and social impact on the basis of research results, state how long the effects are expected to last and the measures taken to limit the impact.

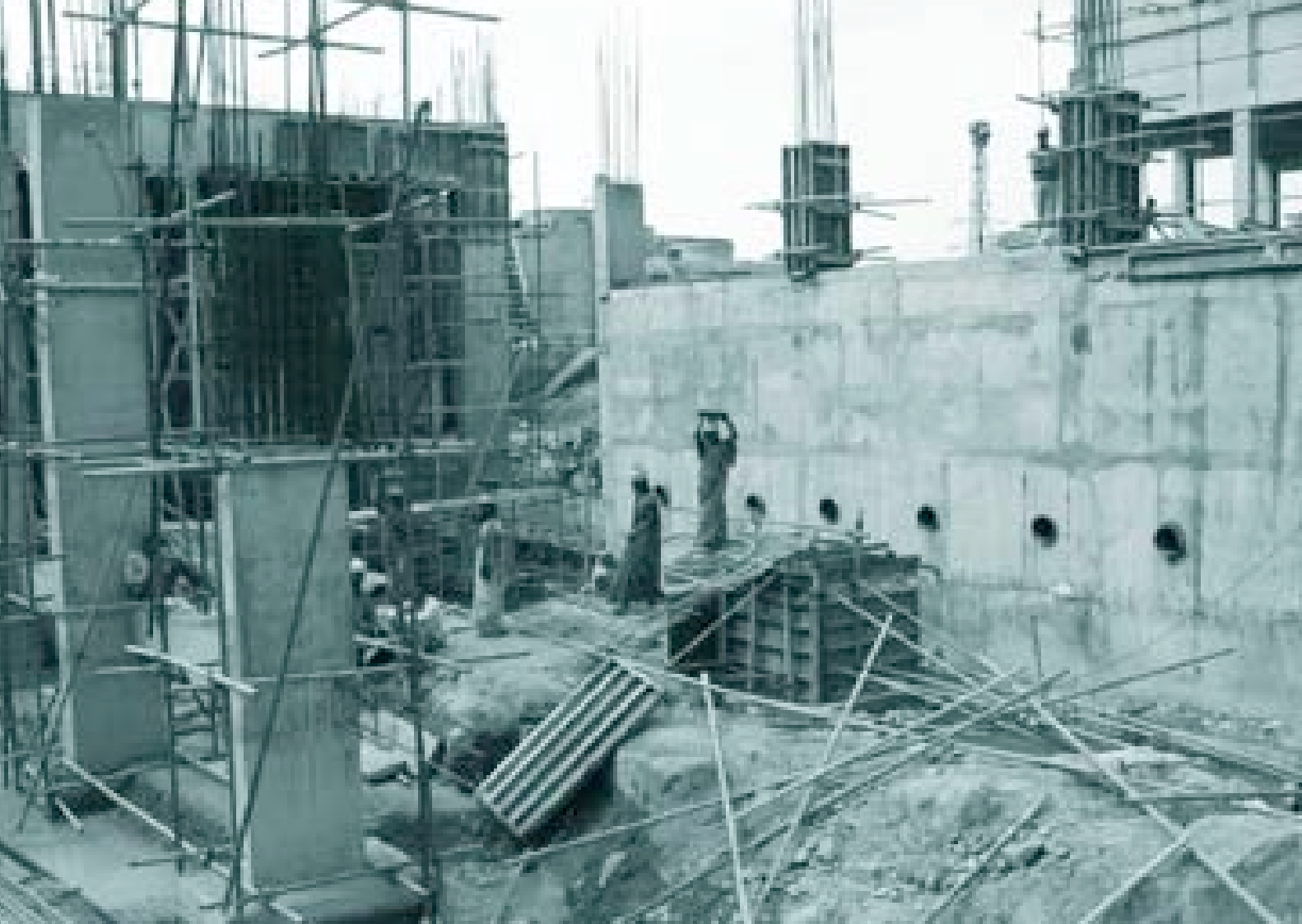
Category C

The transaction/project has minimal or no adverse environmental and social impact. It is sufficient to answer the questions on CSR and provide any additional information. This rounds off the review procedure for these transactions/projects.

Category M

In a number of cases a 'marginal review' will be conducted, namely in cases concerning goods or services supplied to an existing operation without any significant changes, or applications for refinancing and confirmation of letters of credit. In this last case, the project work is in progress or has been completed. The marginal review assesses whether the work has been carried out in accordance with the agreed arrangements (e.g. environmental and social management plan and/or licences) and examines the client's reputation in regard to environmental and social aspects. We shall therefore be asking you for information for the purpose of a qualitative appraisal of the actual environmental and social impact.

Your transaction/project will be reviewed after receipt of the EIS with commentary or the impact assessment or equivalent information. This review is conducted in parallel with the credit review, and is an integral part of your application.



What does the transaction/project review cover?

A favourable decision is dependent on the review concluding that, on balance, all things considered, the environmental and social impact of the transaction and the project of which it forms part is acceptable. To answer this question, after analysing the various environmental and social implications, Atradius DSB conducts a balanced evaluation of the beneficial, neutral and adverse effects. The evaluation is based on the sector, location and technology applied. For example:

- Sector: the construction of a dam will have a greater impact than a telecoms project.
 - Location: is the project being developed in an industrial area, or will it require destruction of a mangrove forest or resettlement of local people?
 - Technology applied: does the technology applied meet the current industrial standards?
- Atradius DSB reviews the potential environmental and social impact of the following aspects of the transaction and the project:
- use of scarce natural resources (such as minerals or water);
 - energy use;
 - release of wastes and emissions to air and water and soil;
 - waste streams;
 - damage to flora and fauna;
 - involuntary resettlement;
 - indigenous peoples;
 - cultural heritage; and
 - ILO labour standards.

Publication of environmental and social information

If, after receipt of the application form, a transaction is classified as a Category A project (a project with a potentially significant adverse environmental and social impact), the project information (project name, location, description and contact details) will be published as soon as possible, but at least 30 days before any policy is issued. Information on the environmental and social impact (e.g. the EIA or a summary of it) will also be published as soon as possible, but at least 30 days before any policy is issued.

Publication and release of the above information to third parties is required under Dutch law and international agreements. In very exceptional cases, on the basis of well-founded objections, Atradius DSB may, at its discretion, refrain

from publishing all or part of the information, or may delay publication. Atradius DSB may also use the information provided to meet its national and international reporting obligations.

Atradius DSB will publish the project information on its website.

What is expected of you?

On the basis of your answers to the questions, Atradius DSB will determine whether an EIA (Category A) or an EIS (Category B) is needed for the project. Send in these documents and other relevant information with your application, or as soon as they are available, to avoid delaying your application. We would also like to point out that the environmental and social impact report must be a public document on account of the publication requirement.

Promise of cover with environmental proviso

If the credit review is finished before completion of the environmental and social impact review and the outcome is favourable, you will receive a promise of cover, but with the provision that Atradius DSB will only be able to issue a policy if it determines that the environmental and social impact of the transaction/project is acceptable.

Information obligation

If you have received your promise of cover, you must notify Atradius DSB immediately of any change in the environmental and social impact of the overall project prior to issuance of the policy. This also applies to changes in the overall project that are not directly related to your supply, because such new information could entail a reassessment of the environmental and social impact

of the project as a whole, so that measures may be required. You must provide the information in Dutch or in English.

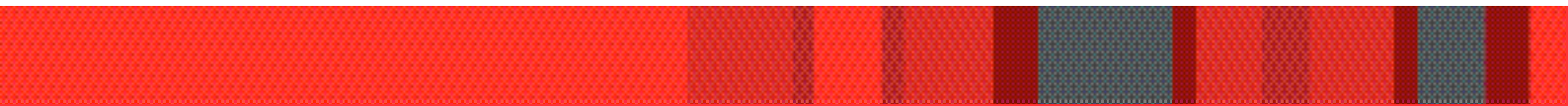
Costs

The costs of the environmental and social impact review will be covered by Atradius DSB and the Dutch government. You have to bear the costs of providing the documents (such as the EIA or EIS).

More information

If you have any questions about the review, contact the CSR desk (020 553 2587 or 020 553 2843).





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