

Highlights of the year

We have faced a tough year with Credendo, shaped by the Russia-Ukraine war and its negative ramifications on global supply chains and the financial stability of some emerging markets. We rose to numerous challenges with the swift adaptation of our risk policies and close monitoring of certain regions. We also made significant strides forward in our sustainability strategy.

The invasion of Ukraine by Russia in February 2022 not only had an immediate impact on our business in the region, it has also had wide-reaching ramifications across our operations.

We went off cover for Ukraine, Russia, and Belarus at the end of February 2022, in line with the situation on the field and the US and EU decision to impose tougher sanctions on Russia and Belarus. We then swiftly reviewed our risk exposure and increased our monitoring of risks, with our exposure in the region decreasing every month.

We are also in the process of relinquishing our Russian subsidiary – a joint venture with Russian insurer Ingosstrakh set up in 2009 in which we have a 66.67% stake. A sales process in order to exit the Russian market is ongoing.

However, the conflict has had an impact far beyond the borders of Russia and Ukraine. With both countries being major suppliers of grains, other agricultural produce and a number of raw materials, as well as Russia's significant share in the global oil and gas market, supply chains around the world have been disrupted.

Many countries such as Egypt and Tunisia depend on imports of wheat and other cereals from these markets, and have faced disruptions in supply, rising costs and an urgent need to diversify their sources for imported goods – all of which pose a threat to a country's financial health.

The energy crisis witnessed in Europe last year has fuelled global inflation, leading the world's major central banks to hike up interest rates to counteract the cost-of-living crisis.

These major shifts in the global economy, coupled with the lingering impact of the Covid-19 disruption, have destabilised economies worldwide and in particular in many emerging markets. We already saw Zambia default on debt repayments in 2020, while Sri Lanka failed to make repayments on foreign debt last May.

Last December, we decided to go off cover on Ghana after the country had suspended payments on most of its external debt.

Other countries are also likely to struggle to meet debt obligations as they face increases in interest rates and rising costs of imports. In light of the increasing level of risk worldwide, we continue to closely monitor emerging markets.

Sustainability and the environment

We made two major steps forward in our efforts to improve our impact on the environment last year.

We published our new Fossil Fuel policy in 2022, which came into effect on 1 January 2023. The extensive policy document outlines how we will limit our support for fossil fuels while aiding the global shift towards clean energy.

As of the beginning of 2023, we are no longer supporting any applications for cover for the exploration of new gas and oil fields. We had already ceased our support for new coal mines from November 2021, and under this latest policy, applications for the expansion of existing coal mines are also excluded from Credendo cover since 1 January 2023.

As the world still requires some degree of energy from fossil fuels during this time of transition to greener energy sources, we will still be able to support applications for cover on oil and gas fields where production started before 2022 – under certain conditions.



We also launched our long-awaited Credendo Green Package – a package of initiatives designed to incentivise the development of climate-focused, environmentally friendly and sustainable projects.

The package aims to provide favourable coverage terms to projects that directly or indirectly have a positive impact on the environment. Incentives include lower thresholds for Belgian content in a transaction, a higher covered percentage of the transaction, an extension to domestic transactions with export potential, an increase in funds to self-finance transactions with an increased maximum amount, and longer repayment terms.

After receiving positive feedback from business federations and trade agencies in May 2022, the programme was officially launched last October. By November, we signed our first Credendo Green Package transaction for a photovoltaic project that uses sunlight to generate electricity. In total, ten transactions have qualified for Credendo Green Package support in 2022, with three contracts signed at the time of writing.

These two initiatives aim to ensure that we fulfil the commitments Belgium made under the COP26 Statement on International Public Support for the Clean Energy Transition, signed in November 2021 in Glasgow.

The country pledged to end new direct public support for the international fossil fuel energy sector by the end of 2022, with some exceptions which still require the project to be consistent with the 2016 Paris Agreement. This

agreement requires its signatories to work towards net-zero greenhouse gas emissions by 2050 and to try to limit global warming to within 1.5 °C of pre-industrial temperatures.

Our updated fossil fuel strategy further supports Belgium's participation in the Export Finance for Future (E3F) coalition which aims to align export finance with climate change objectives.

The coalition was created in April 2021 and signatories include the governments of France, Denmark, Germany, the Netherlands, Spain, Sweden and the UK. Belgium, Italy, and Finland signed up to the coalition in November 2021.

Internally, we continue to reduce our CO₂ footprint, with plans afoot to change the lighting at our Brussels headquarters from traditional to more energy-efficient LED lighting. This move follows previous initiatives to install solar panels and ensure company cars within the car pool are hybrid models.

Such efforts will help us maintain our 'CO₂ Neutral' label granted by the environmental consultant CO2logic for the third time in early February.





Internal organisation

Following the gradual lifting of Covid-19 restrictions in Belgium around March-April 2022, we shifted out of 'crisis mode' and back to a more 'normal' way of working by May. However, we have retained a structure that allows for more remote working compared to pre-Covid days, with our staff allowed to work from home for a maximum of three days per week.

With the return to more office-based working, we also took measures to enhance employee interaction and foster greater group cohesion, after a number of years of staff being relatively isolated from each other.

We hosted a team-building event in June 2022 which culminated with a belated celebration of our 100th anniversary. Most of the in-person centenary events planned for 2021 were postponed due to Covid restrictions.

2022 also saw the launch of the long-awaited new SAP-based IT platform which will improve our operations. The platform has initially been launched for Credendo – Short-Term Non-EU Risks, before being extended to other areas of the business.

New products

Together with the release of the Credendo Online application at the beginning of May 2022, Credendo – Short-Term Non-EU Risks launched the new Credendo Global Flex product.

Credendo Global Flex is a flexible comprehensive policy and will serve as a common product for all entities in our multi-risk business. The layout of the new specifications list immediately gives our insured a complete view on their cover in a structured way, focusing on all aspects specifically agreed on with the insured.

This means the specifications list can be used as a quick point of reference for daily operational needs. The general principles on the functioning of the policy are included in the general terms and thematic extensions to the general terms.

Board of Directors

Our new Board of Directors has juggled numerous market-changing challenges this past year, not least with the invasion of Ukraine by Russia taking place a few days after the official appointment of the Board on 21 February 2022.

Members typically stay for five years, but due to the retirement of Claire Tillekaerts, Pascal Walrave will be replacing her as the representative of the Flemish regional government.

Innovation and strategy

We are currently one year into our three-year strategy known as 'Rise' which outlines our vision for 2022 to 2024. The plan is to organise the company according to business lines with the client's needs being prioritised.

We continue our innovation efforts within Credendo via AREA42. AREA42 started in 2019 after a first proof of concept. Since then, it has launched a successful trade integration platform, has participated in a promising trade-related services company, is launching a new trade service and continues working on many other innovating ideas.

The overall goal of all these initiatives is to create a fluid and risk-savvy trade environment.

AREA42 is not doing this alone. It cooperates directly with potential clients and closely with entrepreneurs interested in solving trade hurdles. This proves to be a fertile ground for problem detection and solution generation.