



2022 GOVERNANCE HIGHLIGHTS

EDC has strong policies, guidelines and controls related to business integrity. As we embed sustainability in our business practices, the board has increased its expertise and time spent overseeing ESG matters.



Committed to ethical, sustainable business

Percentage of relevant employees receiving financial crimes training⁽¹⁾⁽²⁾⁽³⁾



Percentage of employees who completed EDC's Code of Conduct⁽¹⁾



⁽¹⁾ Completion rate is net of adjustments.

⁽²⁾ "Relevant employees" includes all new hires and any employees who changed roles in 2022.

⁽³⁾ The 2021 percentage was restated due to corrected information.

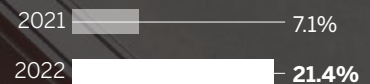
75%

Board members who hold a Competent Boards ESG designation



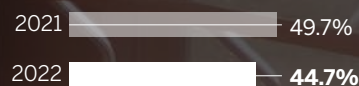
21.4%

Executive management who hold a Competent Boards ESG designation



44.7%

Time dedicated to ESG topics by the board and its committees



50%

Women on EDC's board





Corporate governance

As a commercial and financial Crown corporation, EDC is governed by a board of directors whose representatives are from the private sector. The board's responsibility is to supervise the direction and management of EDC, support the development of strategy and oversee its execution as outlined in EDC's Corporate Plan.

EDC's board comprises seasoned professionals in business, finance, banking, insurance, human resources, technology, investment, policy and risk management. Members possess deep knowledge and understanding of various sectors including finance, exporting, banking, insurance, mining, energy, manufacturing, technology, marketing, law and retail. Their collective experience is leveraged to help inform EDC's business direction.

Board stewardship

The board, along with the Executive Management team, ensures that the Corporation's strategic direction and Corporate Plan are aligned with the Government of Canada's trade priorities. Board members also act as a link between EDC and the shareholder, the Government of Canada. In this regard, the board is informed by guidance from the Minister of International Trade, Export Promotion, Small Business and Economic Development through the annual Statement of Priorities and Accountabilities (SPA). The SPA complements the ongoing dialogue between EDC and its shareholder. The 2023–2027 Corporate Plan was approved by the board in the fall of 2022.

Public policy objective and legislated mandate

EDC's mandate, powers and objectives are established by statute of the Parliament of Canada through the *Export Development Act*.

Accountability and operations

With the exception of the President and CEO, the board is independent of EDC's management. The two entities have an effective working relationship, with the board regularly reviewing the allocation of responsibilities. The EDC bylaws regulate board proceedings and establish matters for which the board has reserved authority. The Board Charter elaborates on the board's stewardship roles and responsibilities and provides additional detail on board proceedings.

At each board and committee meeting, time is reserved for directors to meet in camera with the CEO and separately without the CEO. The Audit Committee meets in camera in three sessions: with representatives of the Office of the Auditor General of Canada; with EDC's Senior Vice-President and Chief Internal Auditor; and as the full Audit Committee without the CEO. The Risk Management Committee holds regular in-camera sessions with the Chief Risk Officer, as well as with the Vice-President and Chief Compliance & Ethics Officer. Additionally, directors receive agendas and materials for, and are welcome to attend, any committees of which they are not members, with the exception of the Nominating and Corporate Governance Committee, where membership and participation are generally reserved for the Chair and Vice-Chair of the board and the chairs of the board committees.

2022 focus areas

The board's long-standing work to provide guidance and oversight related to EDC's strategy, risks and opportunities created a strong foundation for the Executive Management team and the board to build on in 2022. The Corporation responded to the ongoing challenges of the pandemic, as well as new geopolitical and economic uncertainties, while implementing year two of its 2030 strategy.

ESG and culture of ethical conduct

The board provides oversight of the Corporation's overall ESG orientation and contributes to the evolution of its ESG strategy. In 2022, the board and its committees delivered on their respective ESG responsibilities and oversight. The board strengthened its collective ESG competency through ongoing director development and certifications. Directors participated in science-based target training to learn more about the financial sector's role in addressing climate change and science-based target setting, and 75% of directors hold a Competent Boards ESG designation (GCB.D), covering enterprise risk, business complexity, technological disruptions, and social and environmental obligations.

ESG was a standing item on the meeting agendas of the board and the Business Development and Performance Committee (BDPC). All other committees applied an ESG lens in fulfilling their mandates. The board received regular ESG updates from the Chief Sustainability Officer, in addition to hearing from the shareholder and civil society representatives.

ESG topics discussed by the board and its committees included:

- Approval of EDC's Environmental and Social Risk Management Policy Framework
- Board governance of ESG
- Cleantech performance
- Climate scenario analysis and portfolio management
- Climate targets
- EDC's alignment with the Government of Canada's direction on ESG matters
- ESG assessments of, and updates on, key transactions and clients
- ESG materiality assessment
- ESG reporting and ESG scorecard
- External perspectives on ESG
- Human rights
- Stakeholder engagement
- Sustainable Bond Framework
- Sustainable finance

The former Board Chair, Martine Irman, served as the board representative in meetings of EDC's ESG Advisory Council in 2022. This group of experts advises and guides EDC on its ESG practices, and its membership was expanded to include representatives with additional expertise.

More broadly, the board promotes an ethical business culture and is sensitive to conflict-of-interest concerns. The board approves EDC's Employee Code of Conduct, which incorporates the Values and Ethics Code for the Public Sector. It receives regular reports on employee training and sign-off to confirm adherence with EDC's Code of Conduct. Board members are also expected to perform their roles in accordance with EDC's Board Code of Conduct, which the board reviews and approves annually. Attestation and training on the Board Code is an annual obligation, and all board members participated in this training in 2022.

EDC directors file standing declarations of interest and refrain from discussions or voting where a real or potential conflict of interest exists. Board documents are screened to flag companies listed in the standing declarations so that transaction documents are withheld from a director who has declared an interest in a party related to that transaction.

Subsidiary oversight

The board continued to oversee EDC's wholly owned subsidiary, Development Finance Institute Canada (DFIC) Inc., operating under the trade name FinDev Canada. FinDev Canada is guided by a separate board of directors whose membership draws from the EDC board (including EDC's President and CEO, who serves as FinDev Canada's chair), as well as independent directors. This board possesses a broad range of skills and experience in development finance and international markets. In 2022, the board appointed Alzbeta Klein to the FinDev Canada board as an independent director, replacing Mimi Alemayehou. The board oversaw a refresh of the FinDev Canada board charter and supported the development of the FinDev Canada board profile and the establishment of an audit committee.

Transformation, organizational culture and long-term strategy

The EDC board received regular updates on EDC's transformation efforts, including organizational culture and employee survey results, and engaged with management to implement a robust culture roadmap for promoting the shifts required to achieve desired outcomes.

The board also maintained a long-term strategic view and helped guide the development of EDC's Corporate Plan,

ensuring alignment with shareholder priorities, including the government's Indo-Pacific strategy. Throughout the year, the board worked closely with the Executive Management team to examine the trends affecting Canadian trade, such as global economic conditions, climate crisis, supply chain issues and the war in Ukraine, and to engage in divergent thinking about the challenges and opportunities facing Canadian exporters now and into the future. The board performed an effective challenge function, enabling senior management to make decisions as needed to address the demands on the organization and to support Canadian companies.

Continued response to the pandemic

The board oversaw and guided the organization's response to the COVID-19 pandemic and Canada's economic and trade recovery. The board continued to receive regular reports on EDC's administration of the Canada Emergency Benefit Account. As leadership focused on setting EDC's people up for success, the board provided oversight, receiving regular reporting on aspects such as leadership communications, employee survey results, future of work, return to office and change management.

Enterprise risk management

As an export credit agency active around the world, EDC inevitably encounters a wide variety of risks—financial, operational and strategic—across a diverse economic and political landscape. As such, enterprise risk management (ERM)—which builds risk management practices into EDC's everyday operations—remains a board priority. In 2022, the board participated in tabletop exercises with the management team to ensure continued crisis management readiness.



Communication with stakeholders

Maintaining high-level oversight of EDC's stakeholder engagement remained a board priority. In performing its oversight role, the BDPC received regular stakeholder engagement reports and provided guidance, while monitoring market conditions, the needs of Canadian exporters and investors, the priorities of EDC's shareholder and the expectations of the broader stakeholder community. The board received regular reports on inclusive trade and opportunities for supporting equity-seeking exporters, and EDC's international performance. It engaged with stakeholders in the energy sector as well as those pursuing trade opportunities in the Indo-Pacific region.

Communication with the shareholder

The board continued to monitor and facilitate effective communication between EDC and its shareholder, the Government of Canada. The board engaged with the Deputy Minister of International Trade on the Team Canada approach to trade. The chair also engaged with the Minister of International Trade, Export Promotion, Small Business and Economic Development and senior officials on a range of topics related to governance, shareholder priorities and corporate performance, to support the continued alignment of EDC's strategy, policies and commitments, including implementation of the Glasgow Statement (COP26) guidance on public support for the clean energy transition, our 2030 climate targets, and support for Ukraine reconstruction.

Senior management evaluation and succession

As part of its responsibilities, the board evaluates the annual performance of the president and CEO, senior vice-presidents and other designated positions against performance targets and measures. Set by the Human Resources Committee, the president and CEO's annual performance objectives and metrics are directly related to EDC achieving objectives set out in the Corporate Plan, and are aligned with the SPA. The Human Resources Committee reviews performance based on these objectives and metrics, and makes recommendations to the board. The board in turn provides the government with recommendations related to the president and CEO's performance rating, salary and variable pay. In 2022, the board was particularly focused on CEO renewal and ensured senior management succession plans were in place. The Human Resources Committee also reviews performance and compensation of senior management and certain other positions annually, and it reviews talent management plans and business continuity plans.

Committee mandates and reports

The term of EDC Board Chair Martine Irman ended on November 29, 2022. EDC wishes to recognize and thank Martine for her exceptional board leadership and support to EDC and Canadian exporters. Martine played a critical role in leading the organization's response to the COVID-19 pandemic, its strategic pivot to support Canada's economic recovery, and the development of its 2030 strategy. EDC also acknowledges and thanks Lindsay Gordon, who serves as interim board chair.

Board renewal continues to be a priority. In 2022, the terms of four directors were each renewed for four years to ensure continuity and that the board continued to reflect the critical skills, expertise and diversity set out in the board skills and diversity matrix. Two selection processes, led by the Privy Council Office, were launched in 2022 to fill the vacant Chair position and two director positions. Three directors continue to serve beyond the end of their terms, as permitted by the *Export Development Act*. EDC is grateful for their continued oversight and contributions.

Board terms

Director name	Term	Term end date
Chair	Vacant	
Gordon, Lindsay, Interim Chair	2nd	June 13, 2021
McLeese, Robert	2nd	June 13, 2021
Culbert, Heather	2nd	June 13, 2021
Sharma, Manjit	1st	February 10, 2024
Lavery, Mairead	2nd	February 4, 2025
Payette, Richard	1st	February 26, 2025
Stairs Krishnappa, Andrea	2nd	December 16, 2025
Gupta, Karna	2nd	December 16, 2025
MacWilliam, Karen	2nd	December 15, 2026
Matuszewski, Pierre	2nd	December 15, 2026
Boivin, Pierre	2nd	December 15, 2026
Yuers, Kari	2nd	December 15, 2026

The board continues to be gender balanced, reflecting the organization's commitment to inclusion, diversity and equity. The board is supported by six board committees, and regularly reviews their mandates and terms of reference, which are described below.

The **Audit Committee** ensures the board fulfils its mandate in financial matters, reviews any investigations by the Chief Internal Auditor, approves the plans for internal and external auditors, and ensures adequate resources.

The Audit Committee approves and monitors important capital and administrative expenditures, reviews the implications of new accounting policies, and reviews internal and external audit results. The committee approves quarterly financial statements for public release. All Audit Committee members are financially literate and independent of EDC management.

The committee, chaired by Manjit Sharma, held four regular meetings in 2022. Key areas of focus included financial forecasting and developments in the global economy stemming from the pandemic, digital transformation, and ongoing organizational efforts to implement changes in international accounting standards and transition away from the London Interbank Offered Rate. The Audit Committee provided regular reports to the board and engaged frequently with the Chief Internal Auditor and representatives of the Office of the Auditor General of Canada. EDC wishes to thank Rob McLeese for his time and dedication in serving as chair of the committee until May 2022.

The **Business Development and Performance Committee** engages with management, and acts as an advisory body to the board, to ensure that business performance is aligned with the Corporation's strategic direction.

The committee provides advice to the board on strategic direction, oversees the execution of the Corporation's strategy, and monitors performance against approved business strategies, plans and policies.

The committee, chaired by Pierre Matuszewski, held five regular meetings in 2022. Key areas of focus included reporting on business performance metrics, ESG performance reporting, emerging trends across Canadian industry, business transformation, marketing and business line strategies, economic outlooks, voice of customers, stakeholder engagement, international market opportunities and risks, and the Government of Canada's post-pandemic economic recovery plans and related expectations of EDC.

The **Human Resources Committee** supports the board's oversight of human resources strategic planning. It approves the management succession plan, employee and executive compensation, and measures and targets for the corporate incentive program. It sets objectives and advises the board on the assessment of the president's performance, and oversees the design, investment strategy and performance of employee pension plans.

The committee, chaired by Karna Gupta, held six regular meetings in 2022. Key areas of focus in 2022 included organizational culture, recruitment and retention, pension investments, the health, safety and well-being of EDC and FinDev Canada employees, and the future of work direction.

The **Risk Management Committee** supports the board's oversight of the prudent management of EDC's capital structure, including the management of credit, market and other enterprise risks. The committee

oversees and recommends updates to the internal policy framework governing authorization of EDC's business activities, and oversees the authorizations required to undertake specific transactions. It reviews and recommends transactions requiring board approval and monitors compliance with the Environmental and Social Review Directive. It also oversees EDC's compliance and ethics programs and receives updates on portfolio management activities.

The committee, chaired by Lindsay Gordon, held five regular meetings in 2022. Key focus areas included capital management, enterprise-wide stress testing, climate scenarios, organizational cybersecurity, transformation, and EDC's compliance and ethics programs. In 2022, the committee reviewed EDC's Environmental and Social Risk Management (ESRM) policies following the organization's extensive policy review, ensuring alignment with stakeholder expectations and a reflection of a broad range of perspectives. In addition, the committee reviewed and recommended changes to modernize the EDC bylaws.

The **Nominating and Corporate Governance Committee** handles matters relating to EDC's governance regime. It provides input on the ethics program for directors, selection criteria for appointments of the president and the chair, profiles of the desirable skills and experience required of directors, consideration of board candidates, and board orientation and education programs. It oversees the governance of EDC subsidiaries and the assessment of board effectiveness, monitors relations with management, and reviews the membership and mandates of committees.



The committee, chaired in 2022 by the former Board Chair, Martine Irman, held three meetings during the year. Key areas of focus included overall board governance, the review and renewal of board policies, governance of ESG matters, renewal of both the EDC and FinDev Canada boards, and director development.

The **Executive Committee** has the authority to exercise certain board powers and meets only if necessary to deal with urgent matters that arise between board meetings. The committee, chaired by former Board Chair Martine Irman, did not hold any meetings in 2022.

Director remuneration

Compensation paid to directors is set by Order-in-Council. The chair and other independent directors receive an annual retainer for their services and for attending committee and board

meetings, plus a fixed per diem for travel time. The following compensation schedule has been in place since 2000, in accordance with Treasury Board Guidelines:

- Chair of the Board: annual retainer of \$12,400; \$485 per diem
- Other directors: annual retainer of \$6,200; \$485 per diem
- Chairs of committees (other than Executive Committee) and Vice-Chair of the Board: base retainer plus \$2,000

Directors are reimbursed for reasonable out-of-pocket expenses while performing their duties, including travel, accommodations and meals. Each board member serves on multiple committees.

There were 10 board meetings (six regular and four special) and 23 committee meetings in 2022. Board operations were conducted in a hybrid

format, with directors and management participating both in-person and by video conference, with the exception of the February meetings, which were held virtually. The board met in Calgary in June for its annual strategy session, which included engagement with diverse stakeholders and customers from various sectors.

The total remuneration paid to independent directors including the chair (annual retainers plus per diems) was \$256,709 in 2022, compared to \$255,133 in 2021. The total for business travel, promotion and meeting expenses paid to board members plus meeting expenses for the board and committees was \$156,273 in 2022, compared to \$128,292 in 2021 (both figures are exclusive of the expenses of the president). The total for the president's business travel and hospitality expenses in 2022 was \$42,933, compared to \$22,289 in 2021.

Board membership and attendance

	Total Compensation (retainer plus per diem payments)	EXINVEST Board of Directors Meeting	Audit Committee Meeting (3 = quorum)	Business Development and Performance Committee Meeting (3 = quorum)	Human Resources Committee Meeting (3 = quorum)	Nominating & Corporate Governance Committee Meeting (3 = quorum)	Risk Management Committee Meeting (4 = quorum)	Board of Directors Meeting (6 = quorum)
Boivin, Pierre	\$18,446.25	1/1		5/5			5/5	9/10
Culbert, Heather	\$18,306.25	1/1	4/4		6/6	3/3		9/10
Gordon, Lindsay	\$27,168.75	0/1	4/4		4/6	3/3	5/5	9/10
Gupta, Karna	\$26,417.50	1/1	4/4	5/5	6/6	3/3		10/10
Irman, Martine	\$29,487.50	1/1			5/5	3/3	4/4	9/9
Lavery, Mairead	\$-	1/1			6/6		5/5	10/10
MacWilliam, Karen	\$14,202.50	1/1	2/4				3/5	7/10
Matuszewski, Pierre	\$24,690.00	1/1		5/5	6/6	2/3	5/5	10/10
McLeese, Robert	\$21,613.75	1/1	4/4			2/2	5/5	10/10
Payette, Richard	\$16,991.25	1/1	4/4	5/5				9/10
Sharma, Manjit	\$23,098.75	1/1	3/4	4/5		1/1		10/10
Stairs, Andrea	\$12,383.75	1/1		3/5	4/6			5/10
Yuers, Kari	\$18,567.50	1/1	4/4	5/5				9/10
Total	\$251,373.75							
EXINVEST	\$5,335.00							
Total	\$256,708.75							

Board of Directors

Martine Irman

(Chair; term ended November 29, 2022)
Toronto, Ontario

Lindsay Gordon

(Interim Chair and Vice-Chair)
Vancouver, British Columbia

Pierre Boivin

Sainte-foy, Quebec

Heather J. Culbert

Calgary, Alberta

Karna Gupta

Oakville, Ontario

Karen MacWilliam

Wolfville, Nova Scotia

Pierre Matuszewski

Montreal, Quebec

Robert S. McLeese

Toronto, Ontario

Richard Payette

Montreal, Quebec

Manjit Sharma

Toronto, Ontario

Andrea Stairs Krishnappa

Toronto, Ontario

Kari Yuers

Vancouver, British Columbia

Executive Management team

Mairead Lavery

President and Chief Executive Officer

Carl Burlock

Executive Vice-President and Chief Business Officer

Lorraine Audsley

Senior Vice-President, Global Risk Management and Chief Risk Officer (assumed role of Chief Sustainability Officer January 2023)

Jacques Chamberland

Senior Vice-President, Digital Assets and Chief Transformation Officer

Guillermo Freire

Senior Vice-President, Mid-Market Group

Justine Hendricks

Senior Vice-President and Chief Sustainability Officer (term concluded January 2023)

Sven List

Senior Vice-President, Corporate and International Group

Sameer Madhok

Chief Internal Auditor

Dan Mancuso

Senior Vice-President and Special Advisor to the Chief Business Officer

Scott Moore

Senior Vice-President, Finance and Chief Financial Officer

Julie Pottier

Senior Vice-President, Small Business & Partnerships and Head of Insurance

Miguel Simard

Senior Vice-President, Legal Services and Chief Legal Officer

Liette Vigneault

Senior Vice-President, People and Culture

Todd Winterhalt

Senior Vice-President, Communications, Marketing & Corporate Strategy Officer

Clive Witter

Senior Vice-President and Special Advisor