

EDC'S ANTI-CORRUPTION POLICY GUIDELINES

In response to the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the “Convention”) signed by Member countries of the Organization for Economic Co-operation and Development (OECD), which Canada ratified in December 1998, and to the predecessors of the 2009 Recommendation of the Council for Further Combatting Bribery of Foreign Public Officials in International Business Transactions, Canada enacted the *Corruption of Foreign Public Officials Act (CFPOA)* in 1999, making it a criminal offence for any person or entity to give or offer a bribe to a foreign public official.

Like the Government of Canada, Export Development Canada (EDC) is a member of the OECD Working Party on Export Credits and Credit Guarantees and agreed to follow the 2019 OECD Council Recommendation on Bribery and Officially Supported Export Credits (the “Recommendation”). The Recommendation calls on EDC and other member state export groups to take appropriate actions to deter bribery in international business transactions which benefit from Official Export Credit Support.

EDC has a legal, corporate and ethical responsibility to ensure it isn't knowingly providing support in a transaction involving the offer or the giving of a bribe. The following policy guidelines outline the measures that EDC will apply to comply with our policy on bribery set out in the Code of Conduct, as well as with the CFPOA and Canada's undertakings with respect to the Convention (and related recommendations) and the Recommendation.

EDC's policy with respect to bribery is set out in EDC's Code of Conduct, which states:

We have zero tolerance for bribery and corruption.

We're dedicated to conducting our business responsibly, free of any form of bribery or corruption and in compliance with all applicable anti-bribery and anti-corruption laws and regulations. We succeed by performing the necessary due diligence to ensure that we don't knowingly engage in, or support any transaction that involves, any form of bribery or corruption.

In keeping with the above, EDC will take appropriate measures to deter the offer or giving of a bribe, including:

- 1. Inform exporters and, where appropriate, other relevant parties** about the legal consequences of bribery in international business transactions and encourage them to engage in responsible business conduct and develop, apply and document appropriate management control systems that combat bribery.
- 2. Require exporters and, where appropriate, other relevant parties** to provide an undertaking/declaration that:
 - neither they are, nor anyone acting on their behalf is, in contravention of any applicable law dealing with bribery, including Canada's *Corruption of Foreign Public Officials Act*;
 - neither they are, nor anyone acting on their behalf in the transaction is, currently under charge in a court or formally under investigation, or, within the last five years have/had been convicted in a court for, or entered into, any form of settlement or other arrangement, including without limitation any publicly available arbitral award in connection with the violation of laws against bribery of any country;
 - the commissions and fees paid/to be paid to any persons acting on their behalf in connection with the transaction are/will be for legitimate services only and that they'll disclose, upon demand, the identity of such persons and the amount/purpose/country or jurisdiction of the commissions and fees paid/to be paid to such persons.
- 3. Exercise reasonable screening and due diligence, including screening of exporters and, where appropriate, other relevant parties,** against publicly available debarments lists of one of the multilateral financial institutions, with the aim of identifying applications for support that should be subject to enhanced due diligence for risks associated with bribery.
- 4. Undertake enhanced due diligence if there's an increased risk of bribery,** reason to believe bribery may be involved in a transaction or suspicions of bribery.
- 5. Bring all transactions in respect of which there's evidence or suspicion of bribery** to the attention of management and legal.
- 6. Refuse to provide support where, in EDC's opinion, there's credible evidence that bribery was involved in a transaction or the required declarations aren't provided** and otherwise determine whether or not to provide support and any appropriate conditions to such support.

- 7. As appropriate under the circumstances, management and legal will consider the following actions in dealing with any situation where, in EDC's opinion, there's credible evidence that bribery was involved in a transaction:**
 - enhanced due diligence;
 - denial of payment or indemnification;
 - cancelling disbursements/cover;
 - declaring an event of default;
 - mandatory prepayment;
 - bringing the case to the attention of co-lenders for discussion on appropriate action, where applicable;
 - refusing to support future transactions with the same company or individuals; and
 - any other action that may be considered appropriate.
- 8. EDC will, in accordance with our disclosure procedure,** notify Canadian law enforcement authorities if in the context of transacting business with a company or individual EDC receives credible evidence (whether during our due diligence process or after support has been provided) that bribery was involved in the award or execution of the export contract.
- 9. Any party that has been convicted of bribery will be debarred from EDC support until we consider that such party has taken appropriate measures to deter further bribery.** EDC will exercise due diligence and care in determining whether such party has taken appropriate measures to deter further bribery, such as the following:
 - replacing individuals who've been involved in bribery;
 - adopting an effective anti-corruption program;
 - submitting to audit;
 - making the results of such audit available; and
 - any other measure that may be considered appropriate under the circumstances.