

September 20, 2023

Dear Ms. Spice and Mr. Boyd,

Thank you for your follow-up letter dated June 28, 2023 expressing concerns related to the treatment of human rights defenders in Colombia. We share your concerns and appreciate the dedication of Amnesty International in championing human rights around the world.

As Canada's export credit agency, we recognize that EDC has an important role to play in advancing responsible business practices and respecting human rights. It is why in 2019, we became the first commercial banking institution to release a dedicated [Human Rights Policy](#) built on the United Nations Guiding Principles on Business and Human Rights. This policy outlines the principles and commitments that guide our approach to respecting human rights and our decision-making in connection with the transactions that we support. Our updated Human Rights Policy which was published in March of this year was further strengthened after significant public consultation in 2022. In addition, EDC convened its second Civil Society Roundtable in June of this year to hear directly from Civil Society organizations on their feedback for EDC and to leverage their expertise in helping to guide our ESG approach. This is an annual dialogue that we are committed to and one in which we place great importance.

We recognize that human rights defenders play a critical role in the promotion and protection of human rights by highlighting adverse impacts by different actors, including businesses. We also know that because of their work, they often face significant risks such as human rights abuses, and even death. It is why in our Human Rights Policy update last year, we explicitly called out groups at heightened risk of vulnerability and marginalization and reiterated our commitment to prioritizing them as part of our due diligence process.

EDC recognizes that Indigenous Peoples are often more at risk or disproportionately impacted by the activities of our customers. When EDC supports projects where Indigenous communities may be impacted, we ensure there is extensive consultation consistent with the process of Free, Prior and Informed Consent and the United Nations Declaration on the Rights of Indigenous Peoples consistent with our commitments under our Human Rights Policy.

In your letter, you reference EDC's prior loan to Empresas Publicas de Medellin (EPM), a portion of which the company directed to its Hidroituango dam project. EDC has publicly stated our position following the 2018 dam collapse, including our actions taken to engage with Canadian civil society representatives and Colombian human rights defenders to further inform EDC's perspective and our decision-making and to improve our sustainable business practices and policies.

Since the catastrophe, EDC has significantly improved our policies and practices with respect to due diligence and the business we undertake. We have since implemented EDC's [Principles on Leverage and Remedy](#), which are part of our human rights risk management approach that aims to ensure our efforts are focused on achieving better outcomes for people and the environment. Recently, we also launched mandatory ESG training for all our employees, referencing this project as an example of why human rights are central to our business and a core component of our due diligence process. For more information, please refer to EDC's response in the [May 2020 response to Amnesty International](#) and EDC's [news release](#) following a dialogue session with representatives of civil society.

Finally, your letter asks of EDC to change its country position for Colombia. In response, we would like to share with you some important context. First, it is important to note that our country positions reflect EDC's general willingness to consider potential business opportunities in a particular market noting that every transaction opportunity undergoes its own specific and rigorous due diligence. When assessing a country position, we take into account a number of factors including: political, human rights and corruption risks that are present across multiple sectors of the market's economy, whether there are Government of Canada restrictions, and the size and degree of diversification of the economy.

For Colombia specifically, EDC's position of being open for business is supported by the market having no economic or political sanctions, being stable politically and economically, having a sizable and diversified economy with GDP of USD\$344 billion, and a near investment grade rating based on favourable debt structure and solid macroeconomic policies. Colombia also offers valuable business opportunities for Canadian companies.

While EDC's country position for a market is indicated as open for business, any decision to support a specific business transaction or project undergoes its own due diligence and must comply with all our governing policies. This includes a detailed review of a number of risk factors including contextual, environmental, technical and human rights risks. Where higher risk indicators exist, we perform enhanced due diligence, screening for human rights risks and impacts including those to human rights defenders.

While we appreciate your view that EDC should restrict business in Colombia, it is our view that where EDC can build and use leverage with our customers to prevent and mitigate risks, we can drive positive and responsible business conduct through our business activities. Moreover, risks associated with this market are not necessarily overall to the jurisdiction itself and, as described above, EDC conducts due diligence on specific transactions to identify potential concerns.

I hope this letter has provided additional insights that are helpful to better understand EDC's approach and processes. We would be happy to organize a call if you have additional questions.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Audsley", written over a light blue horizontal line.

Lorraine Audsley  
Senior Vice-President and Chief Sustainability Officer  
Export Development Canada

CC:

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**Lorraine Audsley**  
Chief Sustainability Officer

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