



Independent practitioner’s limited assurance report in relation to the Selected ESG Indicators as included in the EDC’s 2020 Annual Report

To: The Board of Directors and Management of Export Development Canada (EDC)

We have undertaken a limited assurance engagement of the selected ESG indicators detailed below (“the selected information”) contained in the EDC 2020 Annual Report (“the Annual Report”) for the year ended December 31, 2020.

Selected Information

Our limited assurance engagement was performed on the following selected 2020 ESG indicators:

ESG Indicator	2020 Result	Page in Annual Report
Number of transactions and customer onboarding reviews that underwent financial crimes enhanced due diligence	221	50
Climate finance in developing countries	\$142 million	13 and 64
The number of transactions that underwent human rights risk screenings	386	13 and 70
EDC Volume/Total Exports and Canadian Direct Investment Abroad	14.5%	91

EDC has disclosed the basis of preparation for each of their selected ESG assurance indicators in Appendix A.

Management’s responsibility

Management is responsible for preparation of the selected information in accordance with the criteria in Appendix A. Management is also responsible for such internal control as management determines necessary to enable the preparation of the selected information that is free from material misstatement.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the selected information based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3000, Attestation Engagements Other than Audit or Reviews of Historical Financial Information. This standard requires us to conclude whether anything has come to our attention that causes us to believe that the selected information is not fairly stated, in all material respects.

*PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806, www.pwc.com/ca*



A limited assurance engagement involves performing procedures (primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures) and evaluating the evidence obtained. The procedures are selected based on our professional judgment, which includes identifying areas where the risks of material misstatement in preparing the selected information in accordance with the criteria are likely to arise.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures and agreeing or reconciling with underlying records. Given the circumstances of the engagement, our procedures included but were not limited to:

- Obtaining an understanding of the management systems, processes, and controls used to generate, aggregate and report the data;
- Limited testing and reviewing of relevant documents and quantitative information related to the selected information on a sample basis; and
- Reviewing the consistency of the selected information with related disclosures in the Annual Report.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement and, consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The selected information has been prepared to assist EDC's management to report to the Board of Directors on the selected information in accordance with the criteria. As a result, the selected information may not be suitable for another purpose. Our report is intended solely for the use of EDC. We neither assume nor accept any responsibility or liability to any third party in respect of this report.

Our independence and quality control

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that EDC's selected information prepared in accordance with the criteria for the year ended December 31, 2020, is not fairly stated, in all material respects.

PricewaterhouseCoopers LLP

Chartered Professional Accountants
Vancouver, BC

April 30, 2021

Appendix A - Criteria

The selected information was prepared in accordance with the following criteria:

Indicator 1 - The number of transactions and customer onboarding reviews that underwent financial crimes enhanced due diligence

Number of transactions and customer onboarding reviews completed in a specified calendar year where enhanced due diligence related to financial crimes performed by the Business Integrity team required direct engagement with one or more counterparties. There are two differences in 2020 when comparing with prior reporting years:

- This is the first year that EDC has reported customer onboarding reviews that underwent financial crimes enhanced due diligence, as part of this information; and,
- In prior years, EDC counted enhanced due diligences initiated and completed in the reporting year. In 2020 EDC is reporting enhanced due diligences completed in the reporting year (2020) including those that initiated in the reporting year prior (2019).

Indicator #2 - Climate finance in developing countries

The amount of financial support provided in 2020 relating to climate finance in developing countries.

- Climate financing includes transactions for climate related projects using the IFC Definitions and Metrics for Climate-Related Activities' published by IFC's Climate Business Department
- Financial support includes EDC's contracted amounts in loans, guarantees, project finance and equity. Insurance-related transactions are excluded.
- Developing Countries are listed on the OECD Development Assistance Committees' list of countries eligible to receive Official Development Assistance (ODA) ("ODA-eligible countries") or that are UNFCCC Non-Annex I Parties to the Convention are eligible recipients of Canada's climate finance, as defined by the Government of Canada.

Indicator #3 - The number of transactions that underwent human rights risk screenings

Number of transactions (excluding project-related transactions) that underwent human rights risk screenings by the Environmental and Social Risk Management (ESRM) team.

Indicator #4 - EDC Volume/Total Exports and Canadian Direct Investment Abroad

Percentage of total Canadian exports and investment abroad in 2020 supported by EDC. This ratio is calculated as follows: $\text{EDC Volume} / (\text{Total Exports} + \text{Canadian Direct Investment Abroad})$ where:

- **EDC Volume:** Total EDC's Business facilitated in 2020. Business facilitated is defined as total EDC's exports, foreign investment and trade development activities
- **Total Canadian Exports in 2020:** EDC uses Total Receipts, Goods and Services for international payments reported by Statistics Canada.
- **Total Canadian Direct Investment Abroad:** EDC uses Direct Investments Assets in 2020 reported by Statistics Canada.

Statistics Canada numbers are continuously updated, EDC uses the latest figures available the time of reporting.