

**EXPORT DEVELOPMENT CANADA**

# Double Materiality Assessment

2025 Report

Canada



 **EDC**  
TAKE ON THE WORLD

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## About EDC

[Export Development Canada \(EDC\)](#) is a Crown corporation dedicated to helping Canadian companies of all sizes succeed in global markets. We're Canada's export credit agency and a member of the Government of Canada's international trade portfolio, with representations across Canada and around the world. Since 1944, we've equipped Canadian companies with the tools they need—trade knowledge, connections and financial solutions, including loans, equity and insurance—to grow their business with confidence. Underlying our support is a commitment to sustainable, responsible and inclusive business, aimed at strengthening the way trade serves society and our planet.

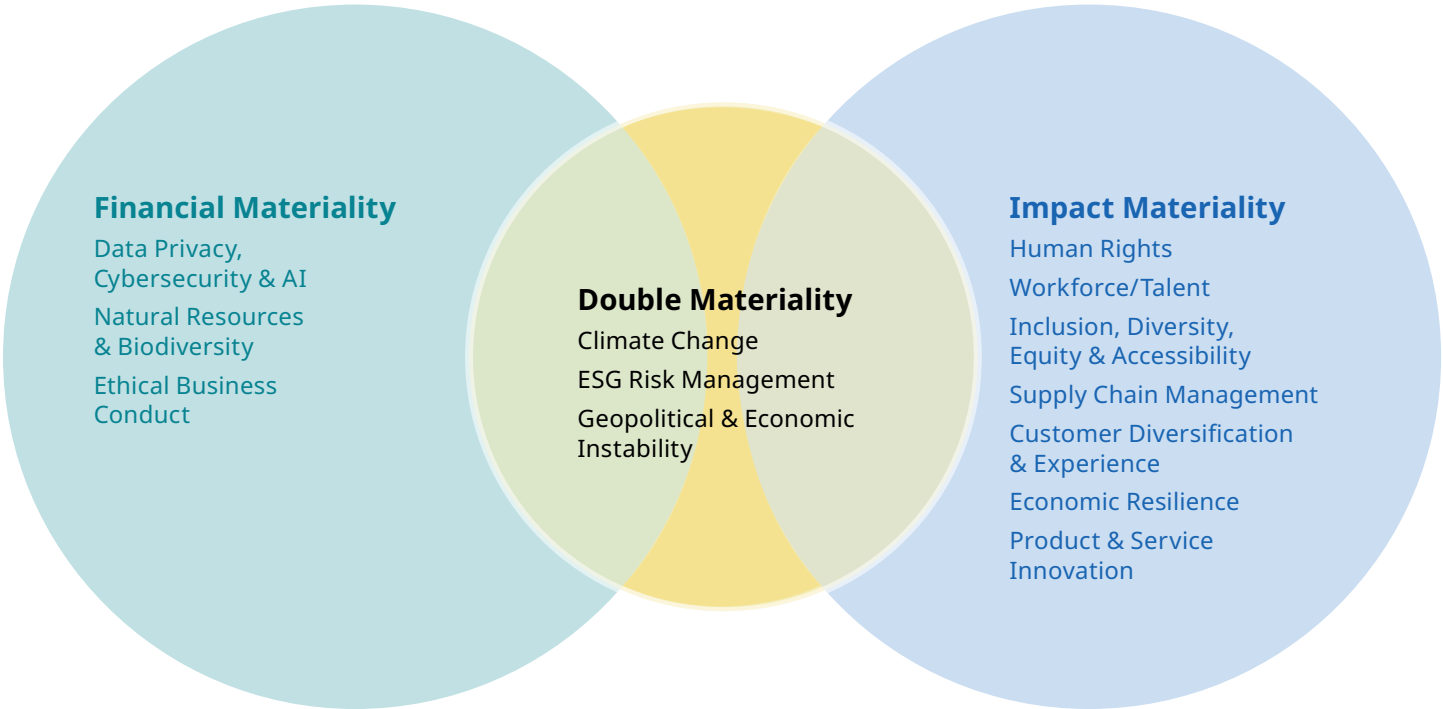


# Executive summary

This report presents the results of EDC’s 2025 Double Materiality Assessment (DMA), which assessed both how environmental, social and governance (ESG) risks and opportunities may affect EDC’s financial performance, and how EDC’s activities impact people, the environment, and the economy. The assessment provides a structured view of stakeholder perspectives and is intended to inform our strategy, strengthen risk management, and support transparent, decision-useful sustainability disclosures.

## Key findings

In our DMA, we identified 13 sustainability topics as material to EDC, including three topics that were determined to be double material.



## Implications for EDC

The results of the DMA highlight opportunities for EDC to strengthen how we integrate sustainability considerations into decision-making, strategy, and disclosure. Specifically, the assessment provides a foundation to:

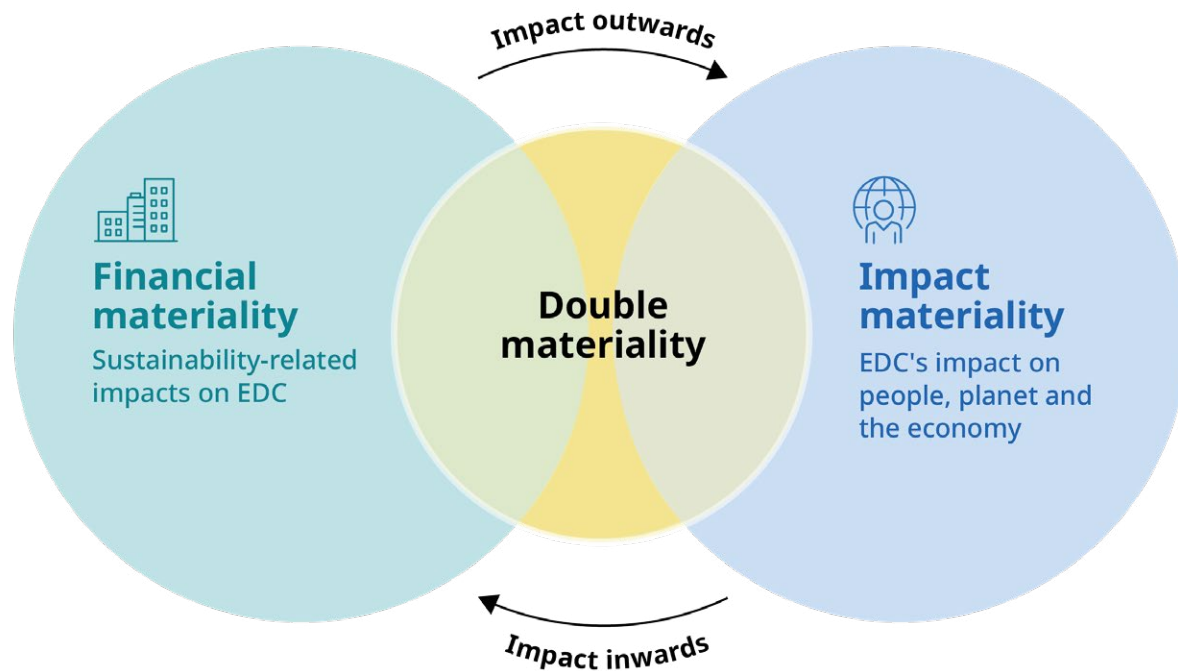
- Provide insights that will help evolve EDC’s sustainability reporting, internal processes, and capabilities supporting alignment with evolving global and Canadian disclosure best practices.
- Refine and focus EDC’s sustainability strategy to integrate material sustainability-related risks, opportunities and impacts.
- Inform our risk management practices with an understanding of stakeholder perspectives and evolving expectations.

## EDC's materiality over the years

Since 2017, EDC has conducted materiality assessments to identify and prioritize the sustainability topics most relevant to our business and stakeholders. The initial assessment established key priority issues from stakeholder perspectives, while the 2021 assessment focused on identifying issues of importance to both internal and external stakeholders, and supported the integration of sustainability into EDC's 2030 corporate strategy.

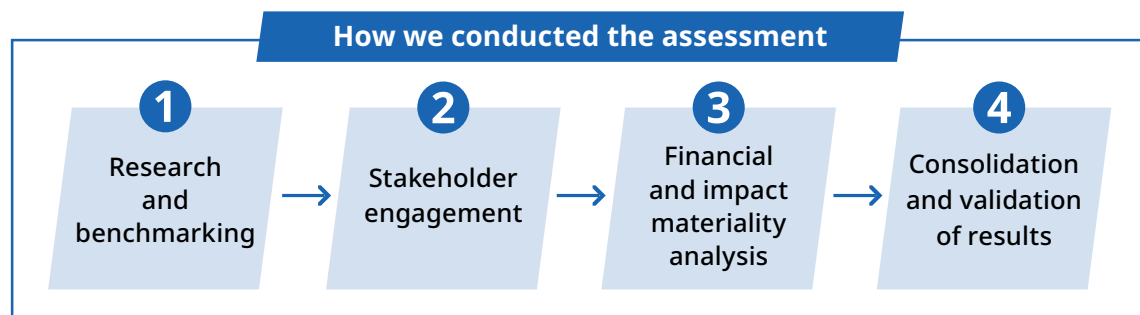
In 2025, we conducted our first DMA, evaluating sustainability topics through two perspectives:

- **Financial materiality:** How sustainability-related risks and opportunities could influence EDC's business value and financial performance.
- **Impact materiality:** How EDC's activities affect people, the environment and the economy.



## Methodology

In partnership with a third-party consultancy, EDC conducted its 2025 DMA, using a structured, four-step approach:



### 1. Defined sustainability topics and related risks, opportunities & impacts

The assessment began with a review of EDC’s existing strategy, prior disclosures, and enterprise risk frameworks to identify a broad set of relevant sustainability topics. This initial analysis was informed by EDC’s enterprise risk management framework and strategic priorities, recognized sustainability standards, peer benchmarking, and broader sustainability, economic and trade trends.

For each sustainability topic, the associated risks, opportunities, and impacts were identified and assessed using criteria aligned with EDC’s business model and value chain.

### 2. Engaged stakeholders to assess sustainability-related risks, opportunities & impacts

We conducted surveys and focus groups with internal and external stakeholders to understand perceptions of sustainability related risks, opportunities, and impacts. Participants included EDC employees, industry associations, civil society organizations, the Government of Canada as EDC’s shareholder, and EDC’s Sustainability Advisory Council.

Participants assessed the significance and likelihood of sustainability risks and opportunities to EDC’s business and financial performance, as well as EDC’s positive and negative impacts on people, the environment and the economy. Focus groups were facilitated to further deepen insight into stakeholder expectations, priorities, and concerns relating to material issues.

### 3. Assessed financial materiality of key risks & opportunities

EDC’s executive management team assessed the financial materiality and time horizons of key sustainability-related risks and opportunities, through a dedicated workshop. Using EDC’s Materiality Threshold Guideline, the executive group evaluated the significance, likelihood, timing, and strategic relevance of potential financial impacts to EDC’s business objectives.

### 4. Completed assessment

We consolidated stakeholder input to identify financially material sustainability-related risks and opportunities, material positive and negative impacts from our business, and implications for strategy and disclosures. The results were validated by executive management and reviewed by the Board of Directors, ensuring alignment with stakeholder perspectives and EDC’s strategic priorities.

## Results summary

The results of the DMA identify the issues of greatest importance to EDC and our stakeholders. Topics that are material from both a financial and impact perspective represent areas of highest priority for EDC. These are: **Climate Change, ESG Risk Management and Geopolitical & Economic Instability.**

### This table summarizes the DMA outcomes.

For further details on how EDC is addressing these priority topics, see the [Integrated Annual Report](#). Descriptions of the associated material risks, opportunities and impacts are provided in the appendix.

	Sustainability topics	Financial materiality		Impact materiality		Double materiality
		Risk	Opportunity	Negative	Positive	
Double materiality	Climate Change	●	●	●	●	●
	Natural Resources & Biodiversity	●	●	●	●	●
	Workforce/Talent	●	●	●	●	●
	Inclusion, Diversity, Equity & Accessibility	●	●	●	●	●
	Human Rights	●	●	●	●	●
	Community Impact	●	●	●	●	●
	Economic Resilience	●	●	●	●	●
	Customer Diversification & Experience	●	●	●	●	●
	Product & Service Innovation	●	●	●	●	●
	ESG Risk Management	●	●	●	●	●
	ESG Oversight & Accountability	●	●	●	●	●
	Ethical Business Conduct	●	●	●	●	●
	Data Privacy, Cybersecurity & AI	●	●	●	●	●
	Supply Chain Management	●	●	●	●	●
	Geopolitical & Economic Instability	●	●	●	●	●

● Material ● Important, but not material

## Overview of financially material topics

We determined which risks and opportunities are financially material using the performance materiality threshold, which is aligned to EDC's financial materiality guidelines.

The table below outlines the material risks and opportunities that were identified as financially material, along with their associated time horizons and impacts on EDC's business model and value chain.

	Description	Time horizon				Inputs		Business model		Outputs	
		Current	Short term	Medium term	Long term	Resources <sup>1</sup>	Relationships <sup>2</sup>	Financial solutions <sup>3</sup>	Advisory Services & Trade Knowledge	Shareholder Value <sup>4</sup>	Customer Success & Societal Benefits
<b>Climate Change</b>											
▼ Risk	Extreme weather events leading to damages, disruption and increased costs.			●		●	●	●			●
▲ Opportunity	Supporting low-carbon economy-aligned customers, furthering EDC's climate objectives.	●				●	●	●	●	●	●
<b>Natural Resources &amp; Biodiversity</b>											
▼ Risk	Increasing consumer scrutiny that cause environmental harms, potentially leading to fines and penalties.	●									
<b>ESG Risk Management</b>											
▼ Risk	Inadequate enterprise-level risk management that fails to address ESG risks and opportunities.	●					●	●		●	●
▼ Risk	Inadequate due diligence that fails to address ESG-related risks connected with EDC's transactions.	●					●	●		●	●
<b>Ethical Business Conduct</b>											
▼ Risk	Increased financial, legal and reputational risks of code of conduct breaches, fraud and corruption.	●					●	●	●	●	●
<b>Data Privacy, Cybersecurity and AI</b>											
▼ Risk	Increased financial, legal and reputational risks due to cybersecurity threats and potential data privacy breaches.	●					●	●	●	●	●
▲ Opportunity	Leveraging emerging technologies that increase efficiencies (e.g., digitization, AI).	●					●	●	●	●	●
<b>Geopolitical &amp; Economic Instability</b>											
▼ Risk	Instability in business and trade relationships due to economic and geopolitical volatility.	●				●	●	●	●	●	●
▲ Opportunity	Building new trade relationships amid shifts in the geopolitical landscape.		●			●	●	●	●	●	●

▼ Risk ▲ Opportunities

<sup>1</sup>Resources refers to the capital required to operate the business and provide financial solutions to customers.

<sup>2</sup>Interactions with the Shareholder, partners/suppliers, employees, customers & Industry Associations and Civil Society Organizations.

<sup>3</sup>Direct lending, insurance & guarantees and investments.

<sup>4</sup>Shareholder value refers to EDC's ability to deliver financial returns to the Government of Canada.

## Overview of material impact topics

Through surveys and focus groups, we identified impacts to the environment, people and the economy that are most significant to our stakeholders.

The table below outlines the positive and negative material impacts that were identified, along with their associated significance, and where the effects transpire.

	Description	Type			Significance		
		Environment	Economy	People	Low	Medium	High
<b>Climate Change</b>							
<b>+ Positive</b>	Impact on Canadian companies' capacity to address climate change, accelerating the transition to a lower-carbon economy.	●		●		●	
<b>- Negative</b>	Impact through support for high-emitting sectors that increase greenhouse gas emissions, along with emissions from its own operations, ultimately contributing to climate change.	●	●	●		●	
<b>Workforce &amp; Talent</b>							
<b>+ Positive</b>	Impact on employees' resilience and quality of life by investing/supporting programs that benefit skills training, knowledge and general wellbeing.			●		●	
<b>Inclusion, Diversity, Equity &amp; Accessibility (IDE&amp;A)</b>							
<b>+ Positive</b>	Impact on employee culture and well-being by championing IDE&A initiatives.			●		●	
<b>Economic Resilience</b>							
<b>+ Positive</b>	Impact by facilitating job creation, economic growth and productivity by helping Canadian companies grow and expand internationally.		●	●			●
<b>Human Rights</b>							
<b>+ Positive</b>	Impact on people and communities by helping Canadian companies understand their human rights risks and opportunities.			●		●	
<b>- Negative</b>	Impact on people and communities if the companies we support do not adequately manage the impacts of their business on human rights, labour rights and Indigenous rights.			●		●	

**+ Positive** **- Negative**

chart continued on next page

		Type			Significance		
		Environment	Economy	People	Low	Medium	High
<b>Description</b>							
<b>Customer Diversification &amp; Experience</b>							
<b>+ Positive</b>	Impact on Canada's economy by promoting inclusive trade and economic reconciliation through improved financial access, capacity building, and tailored products/services for underserved and equity-seeking groups.		●	●		●	
<b>Product &amp; Service Innovation</b>							
<b>+ Positive</b>	Impact by supporting Canadian companies that offer innovative technologies and solutions to environmental and social challenges.	●		●		●	
<b>ESG Risk Management</b>							
<b>- Negative</b>	Impact on the people and the environment, as well as the resiliency of Canadian companies, through inadequate due diligence.	●	●	●		●	
<b>Supply Chain Management</b>							
<b>- Negative</b>	Impact on people and the environment, as well as our customers' resiliency by supporting companies that are not considering human rights, and environmental risks in their supply chains.	●	●	●		●	
<b>Geopolitical &amp; Economic Instability</b>							
<b>+ Positive</b>	Impact on the economy by providing support and new opportunities to Canadian businesses as a result of the changes to global trade relationships.		●	●			●

## Stakeholder insights

Feedback gathered through surveys and focus groups reflected a diverse set of perspectives among stakeholders.

With respect to financial materiality, two key themes emerged: the need to manage geopolitical and economic instability, and the importance of advancing decarbonization and momentum on climate action while continuing to support all sectors of the Canadian economy.

From an impact perspective, stakeholder feedback highlighted three themes: economic resilience amid global uncertainty; the value of EDC's risk-mitigation and enhanced due diligence function; and the desire for strengthened accountability and transparency.





## Stakeholder feedback

“As a Crown corporation, EDC is held to a higher standard by the public.”

– **Civil Society Organization**

“ESG risk management is one area where EDC can have more of an impact.”

– **Industry Association**

“Climate change is going to have a broad and significant impact on EDC.”

– **EDC Employee**

“AI and digital tools are reshaping ESG — they bring big opportunities but also real risks. Getting ahead with strong governance and ethical use will be key.”

– **EDC Employee**

“Economic resilience has always been core to EDC’s mandate but certainly now it is even more important for our members, their customers and communities for building trust. Seeing this reflected in ESG ambitions would be well received.”

– **Industry Association**

“It’s good that EDC is planning on supporting companies to understand human rights risks; however if it wants high positive impact, it should provide companies with tools to prevent human rights risks.”

– **Civil Society Organization**

“EDC has a generational opportunity to support the Government of Canada by providing financial support to companies looking to grow and diversify Canada’s exports via new products, increased product supplies and / or new infrastructure. EDC can help de-risk these projects by reducing the financial risk companies take in order to access new markets, or market new products, and by helping companies access other government support programs, including Indigenous loan programs. EDC’s due diligence must continue to provide a high degree of rigour across the ESG spectrum so other capital providers have confidence strong ESG criteria are being met and risks are low.”

– **Sustainability Advisory Council**

## Committing to drive change

The DMA identified opportunities to further integrate sustainability into EDC's operations and disclosures. The assessment highlighted opportunities to:

- Provide insights that will help evolve EDC's sustainability reporting, internal processes, and capabilities supporting alignment with evolving global and Canadian disclosure best practices.
- Refine and focus EDC's sustainability strategy to integrate material sustainability-related risks, opportunities and impacts.
- Inform our risk management practices with an understanding of stakeholder perspectives and evolving expectations.

In 2026, EDC will operationalize the DMA results and insights through clear priorities and cross-organizational collaboration. The materiality assessment will be refreshed regularly to reflect evolving strategy, stakeholder expectations, and the impacts of EDC's operations.



# Appendices

## Definitions: Material risks & opportunities

Topic	Description
Climate Change	▼ Increased financial risk due to customers' failure to manage extreme weather events, leading to asset damage, safety risks, business disruptions, and higher insurance costs.
	▲ Increased opportunity to support customers aligned with the transition to a lower-carbon economy, furthering EDC's and the Government of Canada's climate objectives.
Natural Resources & Biodiversity	▼ Increased reputational and regulatory risks from financing customers that pollute, inefficiently use natural resources, and harm biodiversity, potentially leading to fines and penalties.
ESG Risk Management	▼ Increased financial, legal and reputational risks due to inadequate enterprise-level risk management that fails to address ESG risks and opportunities.
	▼ Increased regulatory, financial and reputational risks due to inadequate due diligence that fails to address ESG-related risks connected with the transactions EDC supports.
Ethical Business Conduct	▼ Increased financial, legal and reputational risks of conduct code breaches, fraud and corruption.
Data Privacy, Cybersecurity & AI	▲ Increased financial opportunities as a result of integrating emerging technologies that increase efficiencies (e.g., digitization, AI).
	▼ Increased financial, legal and reputational risks due to cybersecurity threats and potential data privacy breaches.
Geopolitical & Economic Instability	▼ Increased risks of instability in business and trade relationships due to economic and geopolitical volatility.
	▲ Increased financial opportunities as a result of building new trade relationships amid shifts in the geopolitical landscape.

▼ Risk   ▲ Opportunities



## Definitions: Material impacts

Topic	Impact	
Climate Change	+	EDC can have a positive impact on Canadian companies' capacity to address climate change, accelerating the transition to a lower-carbon economy.
	-	EDC can have a negative impact through its support for high-emitting sectors that increase greenhouse gas emissions, along with emissions from its own operations, ultimately contributing to climate change.
Workforce/Talent	+	EDC can have a positive impact on employees' resilience and quality of life by investing/supporting programs that benefit skills training, knowledge and general wellbeing.
Inclusion, Diversity, Equity & Accessibility (IDE&A)	+	EDC can have a positive impact on employee culture and well-being by championing IDE&A initiatives.
Economic Resilience	+	EDC can have a positive impact by facilitating job creation, economic growth and productivity by helping Canadian companies grow and expand internationally.
Human Rights	+	EDC can have a positive impact on people and communities by helping Canadian companies understand their human rights risks and opportunities.
	-	EDC can have a negative impact on people and communities if the companies we support do not adequately manage the impacts of their business on human rights, labour rights and Indigenous rights.
Customer Diversification & Experience	+	EDC can have a positive impact on Canada's economy by promoting inclusive trade and economic reconciliation through improved financial access, capacity building, and tailored products/services for underserved and equity-seeking groups.
Product & Service Innovation	+	EDC can have a positive impact by supporting Canadian companies that offer innovative technologies and solutions to environmental and social challenges.
ESG Risk Management	-	EDC can have a negative impact on the environment and society, as well as the resiliency of Canadian companies, through inadequate due diligence practices.
Supply Chain Management	-	EDC can have a negative impact on people and the environment, as well as our customers' resiliency by supporting companies that are not considering human rights, and environmental risks in their supply chains.
Geopolitical & Economic Instability	+	EDC can have a positive impact on the economy by providing support and new opportunities to Canadian businesses as a result of the changes to global trade relationships.

+ Positive - Negative

## ABOUT EXPORT DEVELOPMENT CANADA

### Who are we?

Export Development Canada (EDC) is Canada's export credit agency. Our job is to support and develop Canada's export trade by helping Canadian companies respond to international business opportunities. We're a self-financing Crown Corporation that operates at arm's length from the Government of Canada.

### Disclaimer

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