

INDIVIDUAL ESRM POLICIES UNDER REVIEW					
STAKEHOLDER GROUP	ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT (ESRM) POLICY	ENVIRONMENTAL AND SOCIAL REVIEW DIRECTIVE (ERD)	HUMAN RIGHTS POLICY	DISCLOSURE POLICY	CLIMATE CHANGE POLICY
BOARD OF DIRECTORS	<ul style="list-style-type: none"> • Support for a high-level umbrella policy with stand-alone policies for human rights and climate change • Articulate EDC’s position on what will and will not be supported • Consider long-term relevance • Find balance between creating opportunities to encourage responsible business and still supporting high-risk sectors where there is a clear Canadian benefit • Incorporate approach on gender and Indigenous peoples 	<ul style="list-style-type: none"> • Consider the implications on workload when removing country exceptions • Provide clarity around different requirements across project categories and other due diligence requirements (e.g. Equator Principles, Disclosure, etc) 	<ul style="list-style-type: none"> • Increase reporting on human rights in annual report • Support for alignment to the United Nations Guiding Principles • Align with Shareholder 	<ul style="list-style-type: none"> • State heightened obligations clearly • Find balance between more transparency and maintaining customer confidentiality • Align with Shareholder • Be forward thinking 	<ul style="list-style-type: none"> • Find balance between EDC mandate and climate change commitments • Provide support for industry transition • Continue climate impact analysis • Be clear in approach
CIVIL SOCIETY ORGANIZATIONS	<ul style="list-style-type: none"> • State commitment to protect the environment and all internationally recognized human rights • Place absolute restrictions on level of risk accepted • Align with standards committed to or recognized by federal agencies (e.g. Global Affairs Canada) • Update policy to integrate changes in the 2012 International Finance Corporation Performance Standards • Incorporate gender-based analysis 	<ul style="list-style-type: none"> • Clarify and disclose criteria used to determine likelihood and significance of adverse impacts 	<ul style="list-style-type: none"> • Provide more detail on decision-making criteria • Explicit language on Free, Prior and Informed Consent for Indigenous peoples, women’s rights, and reference to Canada’s international human rights obligations • Expand on the leverage process • Publish implementation plan of the policy commitments • Provide clearer narrative on enhancing the Human Rights Statement • Stronger alignment with the United Nations Guiding Principles on Business and Human Rights • Prioritize human rights over business • Utilize independent oversight mechanisms (e.g. an ombudsperson) 	<ul style="list-style-type: none"> • EDC’s justification on supporting a company should be subject to public scrutiny • Disclose details of any mitigation measures included in a contract • Disclose monitoring updates for projects • Disclose 120 days prior to EDC deciding on the project • Disclose how the support is aligned with the Paris Agreement and Canada’s other international commitments 	<ul style="list-style-type: none"> • Commit to ending support for fossil fuels • Apply internal carbon price • Set greenhouse gas emissions reduction targets across EDC’s business portfolio • Increase support for cleantech

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CUSTOMERS	<ul style="list-style-type: none"> • Clear and concise high-level document, directly stating EDC’s expectations and separating out supporting policies and documents • Consider transaction turnaround time when building additional processes • Align with other banks/lenders to allow for consistency in a company’s response • Identify recognized international guidelines that companies can align to 	<ul style="list-style-type: none"> • Consider impacts from supply chain 	<ul style="list-style-type: none"> • Clarify expectations of customers regarding human rights and best practices • Identify metrics used in decision-making • Reference human rights allegation monitoring and remediation mechanisms 	<ul style="list-style-type: none"> • Ensure the project summaries disclosed are comprehensive • Increase EDC’s transparency on process and decision-making • Ensure approach is right-sized and there is flexibility to adapt by sector and size of company • Explore the possibility of a harmonized framework across all types of disclosure (e.g. Carbon Disclosure Project) 	<ul style="list-style-type: none"> • Consider and prioritize international competitiveness of Canadian companies • General support for clarifying EDC’s climate change position, but mixed views on the need for a stand-alone policy • Ensure consistency and transparency • Undertake continuous review of appropriate approach across different sectors
SHAREHOLDER	<ul style="list-style-type: none"> • Clarify and disclose the scope of due diligence performed on transactions below USD 5 million • Clarify how EDC exercises its leverage • Align with the International Finance Corporation’s Performance Standards, United Nations Guiding Principles on Business and Human Rights, Guidelines for Multinational Enterprises, and Trade Commissioner Service’s Integrity Declaration. 	<ul style="list-style-type: none"> • Disclose due diligence process and assessment for Category A and B projects • Ensure human rights considerations in 2012 International Finance Corporation Performance Standards are fully integrated • Strengthen host country/local stakeholder engagement criteria for Category A projects 	<ul style="list-style-type: none"> • Align fully with the United Nations Guiding Principles on Business and Human Rights (pillars 2 and 3) and to Canada’s human rights policies • Make a stronger and clearer statement on EDC’s respect for marginalized groups: women, Indigenous peoples • Ensure the policy includes reference to stakeholder engagement, transparency, leverage, and access to remedy 	<ul style="list-style-type: none"> • Provide summary of ESRM policies and procedures in plain language for public • Report on EDC’s human rights performance • Publish EDC’s responses to allegations 	<ul style="list-style-type: none"> • Align with Government of Canada international commitments, e.g., Paris Agreement, Powering Past Coal Alliance • Support the broader Government of Canada efforts to transition to a lower-carbon economy and increased transparency
CSR ADVISORY COUNCIL	<ul style="list-style-type: none"> • Consider immaturity of SMEs on awareness, understanding, and ability to respond to ESRM • Integrate consideration of gender issues • Distinguish between policy and process • Ensure benchmarking to Export Credit Agencies and the International Finance Corporation on grievance mechanisms and addressing issues around supply chain management • Tie back to CSR strategy and United Nations Sustainable Development Goals 	<ul style="list-style-type: none"> • Consider changes being implemented to Canadian Environmental Assessment Agency to align Environmental and Social Impact Assessment terminologies 	<ul style="list-style-type: none"> • Clarify approach to leverage and access to remedy • Ensure greater coherence throughout the statement 	<ul style="list-style-type: none"> • Understand what other financial institutions, including Export Credit Agencies and Multilateral Development Banks are doing • Be forward thinking 	<ul style="list-style-type: none"> • Align to Government of Canada and Environment and Climate Change Canada • Develop approach for fossil fuels • Explore knowledge-sharing and relationship building opportunities around low carbon transition • Commit to measure and report on carbon exposure

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EMPLOYEES	<ul style="list-style-type: none"> • Provide guidance on upcoming changes and its implications for customers, using internal communications channels • Clear training for frontline staff on the policy and what EDC will/not support • Identify what is suggested and what is required • Consider relationship with customers (timelines and non-accusatory approaches) when revising the ESRM process 	<ul style="list-style-type: none"> • Clarify definition of project and non-project • Address inconsistency between corporate finance and project finance acceptability 	<ul style="list-style-type: none"> • Clarify risk threshold and priorities • Communicate implementation strategy for internal teams • Incorporate tracking and performance monitoring commitments • Incorporate gender impact assessments • Build knowledge products and awareness on risks of human rights impacts • Set appropriate expectations for SMEs • Address access to remedy 	<ul style="list-style-type: none"> • Ensure consistency in document requirements across project categories • Equip frontline to effectively communicate EDC’s expectations • Clarify insurance-related disclosure • Standardize language across legal and business teams • Clarify implications of enhanced disclosure for customers • Disclose EDC’s internal documentation on process rather than customers’ information 	<ul style="list-style-type: none"> • Balance between tackling climate change and responding to EDC’s mandate • Provide support for industry transitions • Ensure ongoing competitiveness in global market • Increase guidance, predictability; provide clear position on entities to support/not support • Provide training for EDC on the new policy and decision-making • General support for stand-alone policy
FINANCIAL INSTITUTIONS	<ul style="list-style-type: none"> • Develop a reputational risk policy with an oversight committee 	<ul style="list-style-type: none"> • Consider discrepancy in the understanding of Equator Principles across clients, consultants and EDC • Speed and efficiency are challenging for Financial Institutions 	<ul style="list-style-type: none"> • Explore grievance mechanism options – can be within EDC, can refer to an ombudsperson or be embedded in the ethics process • Incorporate Free, Prior and Informed Consent principles in due diligence • Align with the federal laws and regulations • Recognize that escalation is a form of mitigation 	<ul style="list-style-type: none"> • Disclose according to market demands • Focus on the due diligence process, not client information • Consider that Shareholder requirements are a priority 	<ul style="list-style-type: none"> • Monitor developments with regard to recommendations of the Task Force on Climate-related Financial Disclosures