

HUMAN RIGHTS POLICY: 2019-2022 IMPLEMENTATION PLAN

This document is intended to inform EDC’s external stakeholders on the key activities EDC will undertake to implement our Human Rights Policy which was released on May 1st 2019.

BACKGROUND

EDC has been undertaking a review of its Environmental and Social Risk Management (ESRM) Policy Framework, which included our 2008 Human Rights Statement. As part of the review, a robust stakeholder engagement process, including consultations with customers, employees, civil society, industry associations, Board members, the CSR Advisory Council and the Shareholder was undertaken. As a result of this process, we released a stand-alone Human Rights Policy which provides the principles and commitments that will guide EDC’s approach to respecting human rights and our internal decision making in connection with the transactions we support.

ACTIVITIES AND TIMELINE

Our Human Rights Policy is aligned with the [UN Guiding Principles on Business and Human Rights \(UNGPs\)](#) and addresses other relevant international developments and standards. This implementation plan provides details on the many processes and elements EDC already has in place that deliver on this alignment and outlines the key areas where we will focus our efforts to close any remaining gaps. The timeline below indicates when we envision the activities to be completed. We will report on our progress in the implementation of our Policy at least annually.

Policy Commitments	Activities	In place	2019	2020	2021-2022
1. Responsibility to respect human rights	Align EDC’s human rights responsibilities to the UNGPs, with respect to our employees and our business relationships with our customers.	✓			
	Assess gaps, if any, between EDC’s approach to procurement and expectations of the UNGPs in preparation for when the Policy will be subject to next review in 2022.				✓
	Develop initial training and education on UNGPs and content of the Human Rights Policy with EDC Senior management and all employees.	✓			
	Deliver ongoing training, education and capacity building on key elements of the Human Rights Policy (including for EDC Board, Senior		✓		

	management and impacted internal business teams). Note: the need for capacity building will be assessed on an annual basis post 2019.				
2. Human rights due diligence process	Develop and implement human rights due diligence across EDC products.	✓			
	Disclose EDC’s human rights due diligence guidelines which address elements that have been identified as “in place” in sections 2., 2.1 and 2.2.		✓		
2.1 Prioritization	Define and integrate high risk factors that guide prioritization of EDC’s due diligence across all products (e.g., country context, the track record of the business partners, the business activities associated with a transaction and the presence of Vulnerable Peoples).	✓			
	Integrate consideration of the severity and likelihood of a potential and/or actual impact on people’s rights within each transaction as factors to focus due diligence efforts.	✓			
2.2 Client assessment	Develop and implement process to assess the capacity of a customer at managing potential and/or actual severe impacts to people for transactions with higher risks to people.	✓			
	Disclose guidelines on how EDC conducts human rights due diligence for certain higher risk sectors considered relevant to EDC (e.g. ICT and garment).			✓	
	Plan the development of new sector or human rights issue due diligence guidelines. Note: the identification of topics depends upon both developments in the human rights arena and EDC business needs.		✓		
2.3 Leverage	Based on internal assessment, disclose guidelines on how EDC uses and seeks to increase its leverage with its customers that are faced with higher human rights risks.				✓
2.4 Monitoring	Establish formal process to monitor and respond to the performance of project-related transactions exposed to higher risks to people.	✓			
	Following development and implementation, disclose formalized process to monitor and respond to the performance of non-project				✓

	related transactions ¹ exposed to higher risks to people.				
3. Enabling remediation	Based on internal assessment, disclose guidelines on how EDC uses its leverage to enable remediation when a transaction is exposed to actual severe human rights impacts.				✓
4. Communicating with stakeholders	Define and implement approach to engage on business and human rights with external stakeholders.			✓	
5. Tracking and reporting on our human rights performance	Report number of human rights screenings annually.	✓			
	Based on internal benchmark of industry best practice with respect to tracking and reporting on human rights performance, disclose more comprehensive information on EDC's human rights performance annually.				✓
6. Taking an active role in the level playing field	Participate in and influence industry and standard-setting bodies, including the OECD Environmental and Social Practitioners and the Equator Principles.	On-going			
	Based on internal assessment, determine what can be offered as risk management tools to our customers, particularly those SMEs exposed to potential and/or actual severe human rights impacts.				✓

¹ *Non-project related transactions* refer to those transactions undertaken by EDC that fall into various EDC product categories, such as financing, including corporate lending, where the majority of funds are not directed at financing a project, as well as diverse insurance and bonding products.