

Meeting of EDC's Advisory Council on Corporate Social Responsibility (CSR)

Tuesday, June 5, 2018 - EDC Head Office

Theme:– EDC's Environmental and Social Risk Management Policy Review

Twice per year, Export Development Canada (EDC) brings together its Advisory Council on Corporate Social Responsibility (CSR). The Council is comprised of leaders from business, civil society and academia to share insights with EDC's executive management, and to serve as a sounding board for EDC's own CSR journey.

The following is a summary of the proceedings of the June 5, 2018, meeting. The list of participants appears at the end of this summary. Terms of reference and members' biographies can be found on edc.ca/csr.

As with previous years, this meeting of the CSR Advisory Council was broken into two sessions. The first session was a round-table discussion of the Council about current and upcoming trends they are seeing related to CSR since the last Council meeting. The latter session was dedicated to a round-table discussion on the Environmental and Social Risk Management (ESRM) Policy review and the related components of the policy review: EDC's Environmental and Social Review Directive, Human Rights Statement, Disclosure Policy, and climate change (currently embedded in EDC's ESRM Policy).

Below is a summary of the discussions.

Session 1: Summary of round-table discussion (Council Members and Staff)

Members of the Advisory Council discussed observations on emerging trends and developments in CSR over the past six months. Senior Vice-President of Corporate Affairs and Corporate Secretary, Catherine Decarie, opened the discussion by reiterating concerns raised during the preceding CSR Advisory Council meeting, held November 2017, around timely disclosure and transparency. Around the table, concerns were raised about the international narrative about trade, and the implications it has on EDC support for exporters. Council members agreed that business models will have to adapt to the urgency for Canadians to diversify their sales. The discussion highlighted the links between tumultuous geopolitical uncertainties and the resulting environmental and social issues. For example, as climate change increases in severity there is opportunity for EDC in the oil and gas sector where industry players are getting innovative and developing proprietary low carbon technology to export. While SMEs are mainly driving the low carbon innovations, Canada's market is not large enough to sustain them. EDC should look at ways to support the growth of these companies further.

Additionally, the EBRD policy review is underway, indicating a strong focus on gender issues and labour rights, which link to project complaint mechanisms and disclosure. Furthermore, Council members discussed the impact of artificial intelligence (AI). As there seems to be a growing ethics gap in AI evolution and general innovation, the view was that EDC needs to be thinking about how these considerations impact its business and the business of Canadian exporters. Lastly, discussion was held on the how innovations in blockchain and cryptocurrency can be linked to support achievement of the United Nations Sustainable Development Goals and where this would fit into EDC's future.

Session 2: Environmental and Social Risk Management Policy Framework Review

ESRM Policy and Environmental and Social Review Directive

Questions were asked on where EDC sits on the issues covered relative to other ECAs and the IFC, how complaints and grievances are addressed, and potential opportunities posed by supply chain issues in introducing standards across the field. Concerns were raised on the negative impressions of the word “risk” if it isn’t coupled with a long term sustainable opportunity. The immaturity of SMEs on awareness, understanding and ability to respond to the issues were also raised. Clarity was sought regarding the G7 countries exception in the ERD. The absence of policy around gender issues was flagged.

Council members recommended holding focus group consultations for targeted input, to leverage customer consultations to prompt thinking around issues and opportunities addressed in the ESRM Policy, and to consider current changes being implemented to CEAA to avoid confusion across environmental assessment terminology. It was also suggested to distinguish between policy and process into separate documents to simplify operations and effectively align EDC’s business to the vision behind the ESRM policy.

Human Rights Statement

Feedback from Council members focused on clarifying the leverage and access to remedy components of the statement. The International Red Cross was identified as a viable organization to consult for advice on human rights and the international law. Concerning customer’s perspectives, coherency throughout the statement is suggested rather than taking a fragmented approach.

Climate Change Policy

Comments around the table centred on the need to explicitly communicate EDC’s strategy as it relates to fossil fuels. Importance was given to how EDC can align with ECCC and the Government of Canada’s position on climate change, drawing on developments such as ratification of the Paris Agreement and global campaigns for the closure of coal-fired power plants. EDC was recognized for and encouraged to build the policy to incorporate Clean Technology, Green Bonds, and Climate Finance further than the current processes. Many recommendations around the table focused on proactive knowledge-sharing and relationship building with customers, commercial banks, ECAs, and academic programs about climate change and low carbon transitions. Additional consultation with stakeholders in the financial sector, including pension funds and ECCC is suggested to refine priority. Measurable commitments around EDC’s carbon exposure should be explored.

Additional feedback

Council members were interested in seeing further action on how the policy framework is connected to EDC’s CSR vision and strategy, as well as how it connects and measures against the UN Sustainable Development Goals (SDGs).



Council members stressed the importance of ensuring customers have a voice at the table in consultations and that EDC ensures a range of sectors, and size of customers are considered. This should include SMEs and companies that are recipients of matchmaking services.