



Summary of Proceedings:
Export Development Canada’s Advisory Council on
Corporate Sustainability and Responsibility

Date: November 17, 2020

Participants

Guest Speakers:

Richard Florizone, Chair of the Taskforce on a Resilient Recover, President & CEO of IISD

Jaimie Bonham, Corporate Engagement and ESG at Norwest and Ethical Investments Limited Partnership (NEI)

From the CSR Advisory Council:

Christa Wessel, Chief Operating Officer and General Counsel at ClearView Strategic Partners Inc

David Wheeler, Co-Founder of the Academy for Sustainable Innovation

Gordon Lambert, Suncor Sustainability Executive in Residence, Ivey School of Business, Western University

Marie-Lucie Morin, Corporate Director and member of the Security and Intelligence Review committee

Martine Irman, EDC Board Member, Senior Vice President at TD Bank Group, Vice Chair at TD Securities

Rosemary McCarney, Former Canadian Ambassador and Permanent Representative to the United Nations in Geneva

From Export Development Canada (EDC):

Mairead Lavery, President & CEO, and Council Chair

Carl Burlock, Chief Business Officer

Todd Winterhalt, Senior Vice-President of Communications & Strategy

Chris Pullen, Director of Environmental & Social Risk Management

Ranya Gabriel, Vice-President of Business Operations and Governance

Absent

From the CSR Advisory Council:

Eduardo Bohorquez, Executive Director of Transparencia Mexicana

Anita Ramasastry, Dean Emeritus at University of Washington School of Law

From Export Development Canada (EDC):

Justine Hendricks, Senior Vice-President of Sustainable Business Enablement

Sophie Roy, Vice-President of Corporate Sustainability & Responsibility

On November 17, 2020, EDC convened the Fall Session of the Advisory Council on Corporate Sustainability and Responsibility (CSR) for 2020. In keeping with objectives of the Council, this session focused on the following objectives:

- a) Equipping EDC's President and Executive Team with insight to enable better decision-making to support EDC's corporate and Environmental, Social, and Governance (ESG) strategies that are focused on the mid-market; and
- b) Equipping EDC's President and Executive Team with a range of options to consider as they pursue a thoughtful and proactive ESG agenda that will support Canada's economic recovery and sustainability objectives.

This session of the council benefited from a Context Setting Session presented by Dr. Richard Florizone, President and CEO of IISD and Chair of the Taskforce on a Resilient Recovery as well as Jamie Bonham, lead on Corporate Engagement and ESG at NEI investments. The primary message they delivered was that sustainability and a focus on ESG is not only a societal imperative, but that strong ESG performance also results in greater resiliency, which leads to greater profitability and success in a post-crisis recovery economy. Actions on climate remained a focus of the discussion, however there are a multitude of ESG measures and actions that can be undertaken by EDC to support Canada in emerging from the current crisis with a robust, resilient and profitable economy that is aligned with domestic and global sustainability objectives.

The following key themes and observations emerged from the presentations and the Council's discussion for EDC to take into consideration:

1) RECOVERY IS DRIVING ESG MOMENTUM & ACCELERATING TRANSITION TO A LOW CARBON ECONOMY

- The pandemic has triggered a sense of urgency and opportunity related to ESG matters and sustainable economics. ESG finance and investment, disclosure and regulation continue to gain momentum as governments and the private sector commit to accelerating commitments related to facilitating a transition towards a low carbon and resilient economy.

2) BUILDING BACK BETTER: ESG OFFERS RESILIENCE TO THE ECONOMY AND TO PORTFOLIOS

- The debate on the importance of ESG, sustainability and ESG disclosures such as the Task Force of Financial-Related Climate Disclosure (TCFD) is largely agreed upon with resilience' emerging as an area of value. Throughout the pandemic, ESG funds have outperformed and continue to grow their assets, while some traditional funds have declined.
- Several sectors were highlighted for investment as part of global recovery plans such as:
 - climate resilient and energy efficient public and private buildings and retrofits;
 - zero-emission transportation and vehicle manufacturing;
 - clean energy and clean energy storage and infrastructure; as well as
 - natural capital that supports climate resilience and biodiversity.

3) MID-MARKET: PROVIDING ENHANCED SUPPORT AS AN ESG EDUCATOR

- Canada's midmarket segments tend to be capital and capacity constrained, particularly as it relates developing ESG practices. Further, SMEs tend to be unclear on how their business is linked to sustainability and ESG related incentives and may have difficulty navigating future ESG and climate-related regulations and disclosure requirements. The council encouraged EDC to consider what role it can play in supporting SMEs in navigating opportunities and risks in an accelerating ESG international landscape.

4) TRANSPARENCY AND DISCLOSURE

- Transparency and disclosure fosters progress in ESG: focusing on a central group of standards and measures may promote standardization and buy-in.

5) STRATEGIC PARTNERSHIPS

- Fostering competition and facilitating collaboration among innovation and cleantech companies may encourage information sharing and create a sense of strength in numbers. EDC could consider prioritizing supporting to mid market companies with enabling capital and information sharing.

6) TRANSITION RISKS

- Canada may not have much choice in terms of defining international market rules and the standards of sustainable finance. This emphasizes the value EDC can provide as an educator and facilitator of ESG practices.