

EDC values human rights and provides its financing and insurance services with a view to the promotion and protection of internationally-recognized human rights. Investment projects may have potentially significant impacts on the human rights of individuals. EDC recognizes that financial institutions must endeavour to assess the potential for adverse human rights outcomes for individuals directly affected by such projects.

Valuing and Promoting the Protection of Human Rights

EDC is a wholly-owned arm of the Government of Canada that operates in a manner consistent with the Canadian government's policies. EDC receives public policy guidance from the Government of Canada with respect to Canada's international obligations, such as those elaborated in the United Nations' Universal Declaration of Human Rights. Further to a memorandum of understanding signed in 2002, the Government shares intelligence with EDC on the human rights situation for a wide range of countries.

Recognizing Factors that Impact Human Rights

EDC's Political Risk Assessment Department routinely conducts country- and project-level political risk assessments that include an analysis of factors that influence human rights conditions in host countries. An additional layer of due diligence will be undertaken for investment projects and countries assessed to have a higher potential for human rights issues. This supplementary analysis may include an examination of factors such as the country's socio-economic dynamics, history of conflict and site-specific issues such as security, location and relations with local communities. These assessments take into account a range of external indicators including the World Bank's Country Governance Indicators, Minority at Risk data, Freedom House's Freedom of the Press and Civil Liberties ratings and conflict data from the University of Maryland's Center for Development and Conflict Management, among others.

Identifying Best Practices for Financial Institutions

EDC recognises the evolutionary nature of corporate social responsibility (CSR) practices, and actively monitors the international discussion of human rights issues. EDC also draws on the collective experience of the distinguished Canadians who comprise its Advisory Council on CSR. In terms of the field of assessment of potential human rights impacts, EDC is committed to working with the Government of Canada and other stakeholders to identify emerging best practices and to incorporate into its due diligence those practices that are relevant to the mandate of a financial institution.