

August 19, 2022

Dear Representatives of Civil Society Organizations,

Thank you for your letter dated July 19, 2022 in which you referenced your recently published report on Arauco. That report highlighted your environmental and social concerns related to the company's Chilean operations. As Canada's export credit agency, EDC has a mandate to support and develop Canada's trade, and the capacity of Canadian companies to participate in and respond to international business opportunities. We are confident in our role and its potential for positive impact, but we also recognize that international trade can be associated with environmental and social risks. It is why we're committed to upholding the highest standards of responsible and sustainable business practices around the world.

You are correct to note that EDC has provided financing to Arauco in relation to their operations in Chile. EDC's decision to work with the company was informed by assessments according to our environmental and social risk policies. Assessments are completed at the outset of the engagement with a prospective partner and any future engagement requires a full re-evaluation.

EDC's environmental and social risk management framework includes policies, procedures and positions that ensure transactions are subject to rigorous environmental and social screening and assessment as well as transparency. Further, EDC regularly reviews its policies and procedures to ensure that they evolve along with international best practices.

I hope this information has been helpful in demonstrating EDC's commitment to protecting the environment and respecting human rights. If you would like to learn more about EDC's ongoing work in this space, we would be happy to arrange a call with members of our Environmental Social and Governance (ESG) team to continue the conversation.

Yours sincerely,

A handwritten signature in black ink that reads "Mairead Lavery". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Mairead Lavery  
President and Chief Executive Officer