

March 16, 2023

Ms. Spice and Mr. Boyd,

I am writing in response to your letter to our President and CEO, Ms. Mairead Lavery, dated February 20, 2023, regarding human rights concerns in relation to EDC's support in Colombia.

I would like to begin by thanking you for reaching out and for sharing your questions. As the newly appointed Chief Sustainability Officer for EDC, I remain committed to constructive dialogue and welcome engagement from civil society organizations like yours on how we can improve. Regarding the questions you have raised, please let me share the following:

While we are open for business in Colombia, it is important to note that the decision of providing financial support is subject to a standard due diligence process which includes the review of environmental, social and human rights risks at the company level as well as on specific transactions. As part of this process we review contextual risk factors, including the country context to determine the likelihood of potential/actual severe human rights impacts.

In alignment with the corporate responsibility expectations of the *United Nations Guiding Principles on Business and Human Rights*, EDC systematically assesses several risk factors to determine the likelihood of potential or actual severe human rights risks and impacts associated with a customer relationship or transaction, and whether or how EDC could be connected to those impacts. We undertake due diligence not only at the prospective stage but also throughout the life of the transaction and as part of customer relationship management. EDC's Environmental and Social Review Directive (ESRD) guides the process for identifying, managing and mitigating non-financial risks as they pertain to project-related transactions, however our due diligence outlined above applies to both project and non-project related transactions.

Our approach to addressing risks related to Indigenous peoples is guided by the principles of the *United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)* and, in the context of project-related transactions, by the *IFC Performance Standards*, including the need to ensure Free, Prior and Informed Consent (FPIC).

We recognize that human rights defenders play an important role in the promotion and protection of human rights by highlighting adverse impacts by different actors, including businesses. As part of our due diligence process, we assess if human rights defenders could be at greater risk in connection to our customers' business activities. In addition, we understand that climate-related impacts can impact the ability of individuals to realize their rights and can disproportionately affect groups at heightened risk of vulnerability or marginalization.

As stated in our [Human Rights Policy](#), our approach to remedy is based on our determination of how we may be connected to severe human rights impacts through our business relationships. EDC is committed to playing an appropriate role in enabling remedy for rights-holders who have been harmed. For more information on our due diligence process used to identify, prevent and mitigate human rights-related risks and impacts I invite you to review our [Due Diligence Framework: Human Rights](#).

With respect to support to the fossil fuels and extractive sectors, we no longer provide new direct financing to international fossil fuel companies and projects in line with the Glasgow Statement on International Public Support for the Clean Energy Transition. As per our Transparency and Disclosure Policy, we disclose transaction information at various levels on our [website](#). The [transactions related to Colombia](#) are not related to the oil and gas or extractive sectors, and several of them support the renewable energy and cleantech sectors.

When it comes to mining, while this industry continues to be a sector of strategic importance for EDC and Canada, we are not currently supporting any Colombian mining entities. Any potential future transactions related to that industry in Colombia would be closely assessed via our due diligence process, with environmental and human rights critical considerations.

For more information on our approach and commitments you can refer to the following announcements:

July 22, 2021: [Export Development Canada Commits to Net Zero by 2050 | EDC](#)

July 19, 2022: [New measures to reach net zero emissions by 2050 | EDC](#)

December 8, 2022: [EDC supports Canada's Glasgow Statement guidelines | EDC](#)

I hope the information shared above helps shed light on the issues you have raised and thank you again for writing, it is from engaging with civil society groups like yours that we continue to learn and improve.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Audsley", with a stylized flourish at the end.

Lorraine Audsley

Senior Vice-President and Chief Sustainability Officer

Export Development Canada

CC:

- The Honourable Mary Ng, Minister of International Trade, Export Promotion, Small Business and Economic Development: mary.ng@parl.gc.ca
- Richard Cannings, NDP Critic International Trade: richard.cannings@parl.gc.ca
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- Simon-Pierre Savard-Tremblay, porte-parole pour le Bloc Québécois en matière de Commerce international — Bloc Québécois spokesperson for International Trade: Simon-Pierre.Savard-Tremblay@parl.gc.ca
- Elizabeth May, Parliamentary Leader of the Green Party of Canada: elizabeth.may@parl.gc.ca