



# POLICY

## Transparency & Disclosure Policy



## TABLE OF CONTENTS

1	INTRODUCTION .....	1
2	PURPOSE .....	2
2.1	SCOPE AND APPLICATION .....	2
3	POLICY REQUIREMENTS .....	3
3.1	PRINCIPLES AND COMMITMENTS .....	3
3.2	DISCLOSURE OF PROCEDURES, PRACTICES, AND REPORTS .....	3
3.3	WHOLESALE PRODUCTS .....	4
3.4	ADDITIONAL DISCLOSURE PRACTICES .....	4
3.5	TRANSACTION DISCLOSURE .....	5
3.5.1	AGGREGATE DATA REPORTING .....	5
3.5.2	INDIVIDUAL TRANSACTION REPORTING .....	6
3.5.3	ENVIRONMENTAL AND SOCIAL REPORTING .....	7
3.5.4	TREATMENT OF CONFIDENTIAL TRANSACTION INFORMATION .....	8
3.6	STAKEHOLDER ENQUIRIES .....	9
3.7	ESG-RELATED RISK MANAGEMENT DISCLOSURE .....	10
3.8	SOVEREIGN LENDING .....	10
4	ANNUAL BUSINESS REPORTING .....	11
5	CANADA ACCOUNT .....	12
6	ROLES AND RESPONSIBILITIES .....	13
7	REPORTING REQUIREMENTS .....	14
8	REVIEWS AND REVISIONS .....	15
9	ESCALATION AND EXCEPTIONS .....	16
10	RELATED DOCUMENTS .....	17
10.1	DOCUMENT HIERARCHY .....	17
10.2	OTHER RELATED DOCUMENTS .....	17
11	EFFECTIVE DATE .....	18
12	DEFINITIONS .....	19

**LIST OF TABLES**

TABLE 1: REPORTING REQUIREMENTS ..... 14

TABLE 2: REVIEWS AND REVISIONS... ..... 15

TABLE 3: DEFINITIONS ..... 19

## 1 INTRODUCTION

EDC is a Canadian Crown corporation wholly owned by the Government of Canada. As Canada's export credit agency, we have a responsibility to the public. Transparency and disclosure are integral to our business and core values, to facilitating accountability and oversight, and to building trust with Canadians and our Stakeholders. EDC's ***Transparency and Disclosure Policy*** reflects our goal to make transparency one of the central tenets of our organization's culture. As part of EDC's Environment and Social Risk Management (ESRM) Policy Framework, this Policy acts as a governance mechanism for the disclosure of material information and plays a key role in EDC's 2030 strategy.

This updated version of the Policy takes important strides that result in improved reporting practices including enhanced ESG reporting and ensuring all disclosed transactions remain available online. It enables EDC to be clearer in its communications about what we do and how we do it. It incorporates what we have been hearing from Canadians to be as transparent as possible about our business, particularly in how we are meeting our commitments as a champion for trade and responsible and sustainable business. All aspects of this Policy respect our obligations as a financial institution to protect the commercially confidential information that our Customers entrust us with.

## 2 PURPOSE

This Policy sets out a framework for the proactive disclosure of information pertaining to our business in a manner that balances the confidentiality required by our Customers and by the *Export Development Act* with the information interested Canadians seek. It is intended to provide clarity for all audiences, whether they be our employees, Customers, members of civil society or the general public.

This Policy outlines the principles and requirements of EDC with respect to transparency and the types of information EDC discloses to the public. These include:

1. Aggregate information on our business volume;
2. Non-commercially confidential information on individual transactions related to our signed financing support;
3. Aggregate number of prospective financing and insurance transactions that did not proceed due in whole and/or in part to ESG-Related Risks;
4. Policies and relevant information as they relate to our due diligence and risk management processes. This includes disclosure commitments of the ***Environmental and Social Risk Management (ESRM) Policy***, the ***Human Rights Policy***, the ***Climate Change Policy***, the ***Environmental and Social Review Directive (ESRD)***, and the ***Financial Crime Policy***, and information guiding risk management processes in some sectors;
5. Information about our support for transactions and Customers to the degree possible in response to Stakeholder enquiries, subject to any confidentiality obligations; and
6. Environmental and social information for Category A Projects and Category B Projects reviewed under EDC's ***ESRD***.

### 2.1 SCOPE AND APPLICATION

Unless otherwise stated, this Policy is applicable to all of EDC's business and applies to transactions signed on or after the effective date of this Policy (October 13, 2022), with the exception of prospective transactions already undergoing due diligence prior to such effective date. These transactions will be grandfathered under the previous Policy for a period of six (6) months commencing on this Policy's effective date of October 13, 2022.

## **3 POLICY REQUIREMENTS**

### **3.1 PRINCIPLES AND COMMITMENTS**

In addressing EDC's commitment under this Policy to proactively disclose information, EDC aims to strike a balance between our commitment to the confidentiality of our Customers and the role the organization plays as Canada's export credit agency. The following principles guide the Policy and EDC's approach to transparency and disclosure:

1. Maintaining a relationship based on trust and accountability with Canadians and other interested parties through the accurate and timely disclosure of information;
2. EDC is committed to increasing the transparency of its signed business activities as well as the processes and practices used to inform decision-making. Our transparency efforts aim to balance the role EDC plays in the commercial financial services sector, and the role we play as a Crown corporation;
3. As an organization wholly owned by the Government of Canada, EDC's business is in the public interest. EDC works with the businesses we support to provide information to the public to establish clarity and build trust around the way we approach business in line with our core values;
4. As a condition of support, EDC requires our Customers' consent to disclose certain information; and
5. EDC's disclosure practices are in accordance with its legal obligations (statutory and otherwise) for protecting confidential information entrusted to EDC by its Customers, partners and other parties. EDC will not disclose information obtained in relation to a Customer without the consent of the Customer, and any disclosure will be in accordance with statutory requirements.

### **3.2 DISCLOSURE OF PROCEDURES, PRACTICES, AND REPORTS**

EDC discloses relevant information on our processes as they relate to our ESG-related due diligence and risk management Policies. The following disclosures are to help support an open and transparent relationship with Stakeholders, and to demonstrate our commitment to sustainable and responsible business conduct from the organizations we work with. We track our performance related to our human rights due diligence process to evaluate our progress and report externally on our findings on an annual basis. In addition, we track and report on the number of prospective financing and insurance transactions that did not proceed due to ESG-Related Risks.

The following Policies, practices, directives, and reports are made available on [edc.ca](http://edc.ca):

- [\*\*\*Integrated Annual Report\*\*\*](#)
  - ***Corporate Governance***
  - ***Global Reporting Initiative (GRI) Content Index***
- ***Code of Conduct***
- ***ESRM Policy***
- ***ESRD***
- ***Human Rights Policy***
  - ***Human Rights-Related Disclosures***
  - ***Human Rights Due Diligence Framework***
- ***Climate Change Policy***
  - ***TCFD aligned Climate-Related Disclosure***
  - ***Climate Change Due Diligence Framework***
- ***Financial Crime Policy***
- ***Anti-Corruption Policy Guidelines***
- ***Transparency and Disclosure Policy***

EDC also publishes high-level information of processes on [edc.ca](http://edc.ca) relating to the above documents and will review and update them at least every three years.

### **3.3 WHOLESALE PRODUCTS**

In some cases, EDC partners with qualified Canadian financial institutions to provide working capital solutions (guarantees) to small businesses in a simplified structure. These products are offered to clients where EDC has an agreement with their partnering financial institution and where EDC has done a review of the risk management processes undertaken by the institution. EDC discloses signed financing transactions, including financing guarantees, on its individual transaction disclosure [webpage](#).

### **3.4 ADDITIONAL DISCLOSURE PRACTICES**

EDC provides information and performance metrics on certain corporate initiatives and public proceedings or meetings such as:

- [Operational footprint of the EDC head office in Ottawa](#)
- [Inclusion, diversity and equity metrics](#)
- [Proceedings, questions and responses from the Annual Public Meeting](#)
- [Proceedings of EDC's ESG Advisory Council](#)
- [Proceedings from the EDC Industry Stakeholder Panel](#)

All of this information is disclosed on EDC's website ([edc.ca](http://edc.ca)). The list above may not be exhaustive and will be updated as new opportunities to disclose public information become available.

### 3.5 TRANSACTION DISCLOSURE

EDC is committed to the disclosure of signed transactions, in two main categories: insurance services and financing services.

Insurance services refer to: EDC's insurance services provided to Canadian exporters and investors, such as international trade guarantees, and credit insurance where EDC provides insurance coverage to protect Canadian businesses against non-payment of their export sales or contracts.

Financing services refer to: the direct or indirect provision of financing by EDC in support of international business opportunities pursued by Canadian businesses, in the form of debt financing (including financing guarantees) and equity.

EDC provides aggregate reporting for all of its signed insurance and financing transactions. In connection with all of its financing services, EDC also discloses individual signed transaction information as set out below. In addition, with respect to financing support for projects, EDC discloses the type of environmental and social information reviewed and the standards applied in determining its justification for supporting the project. Where EDC is considering support to a Category A Project, this is disclosed prior to and, if successful, following signing (or funding for a project in a Multi-Project Transaction). Category B Projects are disclosed following signing (or funding for a project in a Multi-Project Transaction).

Pursuant to Canada's international commitments, and as Canada's official export credit agency, EDC is committed to sharing aggregate and transaction-level information with international organizations such as the *Organization for Economic Co-operation and Development (OECD)*<sup>1</sup>, the *World Trade Organization (WTO)*, the *International Monetary Fund (IMF)*, the *World Bank*, the *Paris Club*, and the *Berne Union*. EDC will request appropriate consents, where required, from relevant parties.

#### 3.5.1 AGGREGATE DATA REPORTING

EDC discloses information on all its signed insurance and financing transactions in a manner that aims to protect the competitive position of EDC's Customers and the confidential information that they entrust to EDC in the normal course of business.

EDC reports aggregations of its business volume by: Canadian industry sector; country, or region in which business was concluded; Canadian region of the exporter; type of EDC support provided; and purpose for the support. In order to protect the competitive position and confidentiality needs of EDC's Customers, disclosed aggregations normally contain at least 10 data points.

The aggregated information is posted and updated on EDC's website ([edc.ca](http://edc.ca)) on a quarterly basis and no more than 60 days from each quarter's end.

---

<sup>1</sup> As Canada's official export credit agency, EDC participates in the *OECD Working Party on Export Credits and Credit Guarantees (ECG)* which addresses, in a multinational setting, issues related to export credits. This includes, inter alia, the environment, anti-corruption, and debt sustainability. Transparency among members is paramount to the workings of the *OECD*, and EDC is committed to sharing information, both transactional and aggregate, within this forum. Information is also shared with the *World Bank* and the *International Monetary Fund* in support of broader efforts on debt sustainability in low income countries.

On an annual basis, EDC discloses the aggregate number of prospective financing and insurance transactions that did not proceed due in whole and/or in part to ESG-Related Risks. For this

reporting, EDC will not disclose details of such transactions nor the name of the business/prospective counterparty.

### 3.5.2 INDIVIDUAL TRANSACTION REPORTING

EDC reports individual transaction information on all signed financing transactions in the following categories: financing, including financing guarantees, and equity. Additionally, in line with our commitment to transparent climate reporting, EDC will identify financing transactions categorized as Cleantech in its individual transaction disclosure on a go-forward basis.

In this regard, EDC discloses the following information, as applicable:

- Principal counterparty and/or counterparties. This can include name of borrower, the guarantor, the party whose payment EDC is guaranteeing, the investee, according to the EDC financial service provided;
- Entity benefiting from support where it may not be the counterparty;
- Canadian business name;
- Date of signing;
- Industry sector;
- Country where support is being directed;
- EDC financing product type including loan refinancing and/or renewals;
- Description of commercial transaction and purpose of the financing or project;
- Amount of EDC financial support within the following ranges:
  - <\$1 M;
  - \$1-<5 M;
  - \$5-<15 M;
  - \$15-<25 M;
  - After \$25 M increases by \$25 M increments until \$100 M;
  - After \$100 M increases by \$100 M increments until \$500 M; and
  - After \$ 500 M increases by \$250 M increments (no limit); and
- Identification of the transaction as Cleantech.

Information obtained in relation to a customer is always confidential, as stipulated by law or under confidentiality agreements. In order to implement this Policy (and its predecessor policies), EDC

has and will continue to request Customers provide appropriate consents as a condition of providing support.

Individual financing transaction information is posted and updated on EDC's website ([edc.ca](http://edc.ca)) as soon as possible after signing of the EDC transaction (normally within 90 days).

While previous iterations of this Policy committed to disclosing information regarding signed individual financing transactions dating back three calendar years on its website (with older transactions available upon request), EDC will now post all previously disclosed individual transactions since the **Disclosure Policy** came into effect in 2001 on its website to align with best practices in transparency and disclosure.

### 3.5.3 ENVIRONMENTAL AND SOCIAL REPORTING

EDC believes that disclosure of environmental and social information is an essential element of a credible environmental and social review process for international financial institutions, and that requirements for disclosure should reflect the *OECD Common Approaches*, as agreed upon by Canada. EDC shares additional information with *OECD* members in an effort to build a body of experience and to seek greater consistency in implementation of the *OECD Common Approaches*. The content of this reporting that is made publicly available can be found on the *OECD* website, *Trade and Agriculture Directorate / Export Credits Group "Export Credits and the Environment: Information on Category A and B Projects"*.

In addition, EDC discloses information as agreed to under the *Equator Principles*, specifically Principle 10. EDC provides information annually to the [Equator Principles Association](http://EquatorPrinciplesAssociation.org) on project-related transactions that EDC has considered. This information is publicly available on [equator-principles.com](http://equator-principles.com) and [edc.ca](http://edc.ca).

EDC requires that all Project Sponsors of all Category A Projects to whom EDC is considering providing support:

- (i) Publicly release available environmental and social impact information; and
- (ii) Consent to EDC informing the public via its [website](#) that it is considering support to such Category A Project, in each case at least sixty (60) calendar days prior to EDC's signing of the transaction. In the event the disclosure does not meet the sixty (60) day requirement, a justification will be provided on EDC's [website](#). In the case of Multi-Project Transactions, EDC will disclose Category A Projects at least sixty (60) calendar days prior to EDC funding a given project. EDC will disclose the following information at that time: country, project name, general description of project, Project Sponsor and project contact.

All Project Sponsors of Category A Projects are encouraged, according to best practice, to provide a web-link to their projects' environmental and social documentation that can be posted on EDC's website.

Following signing (or funding in the case of projects in Multi-Project Transactions), EDC will publish on its [website](#) its support for Category A Projects, the standards against which the project was benchmarked, whether the project met those standards and EDC's justification for supporting

the project. A project review summary of EDC's assessment of the environmental and social impacts for all Category A Projects will be prepared by EDC and provided for the Project Sponsor's review prior to its publication on EDC's website.

Where EDC provides support to a Category B Project, following signing (or funding in the case of projects in Multi-Project Transactions) EDC [discloses](#) the standards it applied in determining whether to support the Category B Project and the Applicable Environmental Standards applied.

In accordance with EDC's ***Climate Change Policy*** and our commitment to the *Equator Principles*, EDC also has climate change-related public reporting expectations for its Customers for Category A Projects and, as appropriate, Category B Projects. These expectations are detailed in EDC's ***Climate Change Due Diligence Framework***.

EDC may waive any of the foregoing commitments, but will disclose the justification for such waiver to the public via its website.

#### **3.5.4 TREATMENT OF CONFIDENTIAL TRANSACTION INFORMATION**

EDC will not disclose confidential customer information without the required consents, unless required by law. In addition, Section 24.3 of the *Export Development Act* precludes EDC from disclosing information obtained in relation to its Customers without the required consents or unless there is a legal requirement or responsibility to disclose.

Confidential Customer information relating to commercial competitiveness includes:

- a) Financial, business or other proprietary information, intellectual property, or other nonpublic information that has been disclosed to EDC under any obligation of confidentiality unless the necessary legal consents or permission are obtained; and
- b) Financial, business or other proprietary information of third parties where disclosure of such information might adversely affect the third party concerned unless permission is given by such third party to disclose such information, including project appraisal reports and documents prepared by EDC and/or its external counsel or consultants;

Confidential EDC information relating to commercial competitiveness includes:

- a) Information the release of which might prove to be detrimental to the economic interests of Canada;
- b) Proceedings, deliberations and records of EDC's Board of Directors and its committees, including documentation created for use by or presentation to the Board of Directors or its committees; and
- c) Financial, business or proprietary information which might prove to affect EDC's activities in capital or financial markets or to which such markets may be sensitive, or which might prove to affect EDC's competitive position, including details of liquidity investments,

estimates of future borrowings, or redemptions of borrowings, expected rates of interest or rates of return and financial ratios.

In addition, EDC may not disclose the following information, which is unrelated to public accountability:

- a) EDC intellectual property or information dealing with EDC's internal administration, operations or activities, whether or not related to any transaction, including internal notes, memoranda, and correspondence by or among EDC staff, including information relating to internal deliberative processes among EDC staff such as project evaluation reports or credit assessments which are produced for internal use only;
- b) Information the release of which might prove to be a threat to the national security of Canada or other countries or violate any applicable law;
- c) Information related to EDC procurement processes submitted by prospective bidders, including prequalification information, tenders, proposals or price quotations, or records of deliberative processes related thereto;
- d) Personal or employment-related information about EDC staff members. Personal information will be administered in accordance with the provisions of the Privacy Act; and
- e) Privileged information including advice, information, views and opinions provided to EDC by professional advisors and consultants, such as legal advice from or correspondence with either internal or external counsel, information relating to matters under negotiation or in legal disputes, and disciplinary and investigatory information generated in or for EDC.

### **3.6 STAKEHOLDER ENQUIRIES**

EDC recognizes the importance of an open and transparent dialogue with interested Stakeholders about the business we undertake. EDC responds to any Formal Enquiries raised by interested parties within 30 days of receipt. Should there be a delay in response, EDC will communicate with the requestor to advise of the delay.

In this case, Formal Enquiries are defined as a letter addressed to the President and CEO or the Chair of the Board of Directors seeking further information about business EDC has undertaken, or policies and practices of the organization.

EDC makes available responses to Formal Enquiries, including the original request, on [edc.ca](http://edc.ca) once a formal response has been provided. A copy of the enquiry and EDC's response will remain on the website for a period of three years.

For media enquiries, EDC responds within reasonable deadlines. Depending upon the nature of the query, time may be needed to obtain necessary consents for the release of commercially confidential customer information.

EDC's website is the primary location for information disclosure. If the information is not available on the website, a secondary source for public information may be available. A request may be made by telephone, mail or email and EDC will respond to the request within a reasonable period of time. To assist EDC with this process, a requestor should provide as much information as possible about the specific project or information/documentation that is being sought.

Requestors may request information in either French or English; however, if EDC is in possession of a document of a third party written exclusively in one language, including languages other than French or English, EDC will not assume responsibility for the performance or cost of translation.

### **3.7 ESG-RELATED RISK MANAGEMENT DISCLOSURE**

As an agency of the Government of Canada, we receive queries from media and Stakeholders regarding how we are respecting our commitments to ESG practices in relation to transactions where we have provided support.

In responses to such queries, EDC may make specific disclosures, subject to any confidentiality obligations, related to a particular transaction and/or the relevant counterparties to a particular transaction. This includes providing details in relation to the steps EDC took during the non-credit risk due diligence process. With the consent of the transaction counterparty, we may also disclose non-confidential due diligence findings such as information related to policies, practices and procedures of the counterparty which EDC would have reviewed in the course of due diligence. We may also disclose information of any specific measures taken by the counterparty or required by EDC in order to mitigate ESG-Related Risk prior to or subsequent to the signing of a transaction.

In such instances, it is EDC's standard practice to seek consent from the relevant Customer prior to the signing of the transaction and for EDC to notify the customer when this disclosure occurs.

### **3.8 SOVEREIGN LENDING**

To increase Sovereign debt transparency, the Government of Canada and its Group of Seven (G7) peers publicly disclose all Sovereign Loans provided by Canada/EDC, including direct lending transactions to Sovereign borrowers provided by EDC.

This information is disclosed on the Government of Canada's [website](#) on a quarterly basis, as well as on EDC's own individual transaction disclosure page.

## 4 ANNUAL BUSINESS REPORTING

EDC discloses information on its business results, plans, services, products, and key policies on a regular schedule.

Business planning and reporting provided by EDC includes:

- Financial performance as detailed in the ***Integrated Annual Report***, including financial statements audited by the Auditor General of Canada;
- ***Annual Corporate Plan Summary***, as tabled in Parliament; and
- ***Canada Account Annual Report***.

## 5 CANADA ACCOUNT

EDC administers Canada Account Transactions on behalf of the Government of Canada. All funding and liabilities for Canada Account Transactions come directly from the Consolidated Revenue Fund of Canada.

EDC discloses all signed Canada Account Transactions on its [website](#), separate from EDC's [corporate account disclosures](#). While the Government of Canada is responsible for the content of the Canada Account Transaction disclosures, they generally align with EDC's disclosure practices.

## 6 ROLES AND RESPONSIBILITIES

### 6.1. GOVERNANCE ROLES

EDC is governed by a Board of Directors with representatives from the private sector. The Board of Directors, whose members are appointed by the Government of Canada, provide regular oversight throughout the year, alongside EDC's Executive management team. This oversight includes periodic review of Policies' contents and EDC's adherence to those Policies.

EDC is accountable to certain international organizations of which Canada is a member. This includes the *Organization for Economic Co-operation and Development (OECD)*, the *World Trade Organization (WTO)*, the *Berne Union*, and the *Paris Club*. EDC reports to these international bodies through Canadian delegations, or by participating in working groups of subject matter experts.

The ***Transparency and Disclosure Policy*** is a Policy approved by EDC's Board of Directors.

The Senior Vice President, Communications, Marketing and Corporate Strategy is the Policy Owner of this ***Transparency and Disclosure Policy*** and is responsible for its development, implementation and maintenance. The Senior Vice President, Communications, Marketing and Corporate Strategy is also accountable for its execution and effectiveness.

The Policy Owner is the Policy Monitor unless the Policy Owner delegates their responsibilities as Policy Monitor to an alternative and credible person.

Internal Audit is responsible for providing Independent Assurance to the Board of Directors and Executive in accordance with EDC's ***Internal Audit Charter***.

### 6.2. OPERATIONAL ROLES

Ownership, management and monitoring of disclosure consent of individual financing transactions fall under the purview of the business development and underwriting teams. They are responsible for flagging potential or actual risks to Corporate Communications.

Corporate Communications is responsible for the disclosure of individual transactions following signing and escalating any risks via this Policy's formal escalation and exception process.

## 7 REPORTING REQUIREMENTS

The table below sets out the minimum reporting requirements for the *Transparency and Disclosure Policy*.

**Table 1: Reporting Requirements**

Report	Frequency	Description	Distribution
Aggregate quarterly reporting: <ul style="list-style-type: none"> <li>• <a href="#">Country or region in which business is concluded</a></li> <li>• <a href="#">Region of Canada (exporter)</a></li> <li>• <a href="#">Canadian sectors and sub-sectors</a></li> <li>• <a href="#">Type of EDC product or service</a></li> </ul>	Quarterly	Aggregate information EDC business volume	<b>Distributed by:</b> Financial Reporting  <b>Distributed to:</b> Board of Directors
ESG Risk Portfolio Dashboard	Quarterly	Reporting on the aggregate number of prospective transactions that did not proceed due in whole and/or in part to ESG-Related Risks at EDC formal decision-making committees on an annual basis	<b>Distributed by:</b> ESG Customer Success Group (summarized report from EDC's formal decision-making committees)  <b>Distributed to:</b> Board of Directors

## 8 REVIEWS AND REVISIONS

The **Transparency and Disclosure Policy** is reviewed and approved at least every three years, or more frequently should circumstances require. Reviews are conducted in consultation with internal and external stakeholders.

Any revisions to, or rescinding of, this **Transparency and Disclosure Policy** are accompanied by supporting detail on the material changes and associated rationale.

Roles and responsibilities with regard to approval, revision and/or rescinding of the **Transparency and Disclosure Policy** are as described in the table below.

Any minor off-cycle adjustments to this **Transparency and Disclosure Policy** may be made in adherence with, and as set out in, EDC's **Policy of Policies**.

**Table 2: Reviews and Revisions**

Document	Review & Recommend for Approval, Revision (or Rescinding)	Approval	Approval Cycle
<b>Transparency and Disclosure Policy</b>	Senior Vice-President, Communications, Marketing and Corporate Strategy	Board of Directors	At least every three years, unless deemed otherwise by the Board of Directors

## 9 ESCALATION AND EXCEPTIONS

All exceptions or instances of non-compliance to this ***Transparency and Disclosure Policy*** are assessed by the Policy Monitor and escalated to the Policy Owner for resolution or approval.

Requests for Policy exceptions or instances of non-compliance must:

- Identify the applicable section(s) of the Policy to which the exception applies;
- Assess the risk(s) that arises from the proposed exception(s);
- If applicable, outline the appropriate controls to mitigate these risks; and
- Specify the review or effective period of the Policy exception.

The Policy Owner is accountable for the process of identifying, recording and reporting on exceptions or instances of non-compliance with this Policy.

## 10 RELATED DOCUMENTS

### 10.1 DOCUMENT HIERARCHY

The following documents stem from the *Transparency and Disclosure Policy*:

- ***Guide: Disclosure Consent Process under the Transparency and Disclosure Policy***

### 10.2 OTHER RELATED DOCUMENTS

The following documents relate to the Transparency and Disclosure Policy:

- *Anti-Corruption Policy Guidelines*
- ***Climate Change Policy***
- ***ESRM Policy***
- ***ESRD***
- ***Financial Crime Policy***
- ***Human Rights Policy***
- ***Internal Audit Charter***
- *Operational Risk Framework*
- *Operational Risk Policy*
- ***Policy of Policies***

## 11 EFFECTIVE DATE

This revised version of the **Transparency and Disclosure Policy** becomes effective October 13, 2022.

## 12 DEFINITIONS

In this Policy, the names of EDC teams and groups are capitalized and refer to the teams/groups as set out in EDC's corporate directory.

Capitalized terms other than name of EDC teams or groups are defined terms, as set out below.

**Table 3: Definitions**

Terminology	Definition
Applicable Environmental Standards	For signed and/or funded transactions related to Category A Projects and Category B Projects, standards against which the project has been benchmarked (i.e., <i>IFC Performance Standards</i> , Host Country Requirements).
Auditor General of Canada	The Auditor General of Canada conducts an audit of EDC every year, and a comprehensive special examination of EDC every five years.
<i>Berne Union (International Union of Credit and Investment Insurers)</i>	The Berne Union is the leading international organization and community for the export credit and investment insurance industry. The Berne Union actively facilitates cross-border trade by supporting international acceptance of sound principles in export credits and foreign investments and by providing a forum for professional exchanges among its members. The main role of the Berne Union member organizations, coming from both the public and private sector, is to support exporters and/or investments to both highly developed and emerging markets by providing insurance or guarantees to protect exporting companies, investors and financing banks against political and/or commercial risks.
Canada Account Transactions	Transactions supported by the Government of Canada under Section 23 of the <i>Export Development Act</i> , which, on the basis of EDC's risk management practices, would not be supported under EDC's corporate account but are in the national interest.
Category A Project	A project is classified as Category A when it is likely to have significant adverse environmental effects that are sensitive, diverse, or unprecedented.

Category B Project	A Category B Project is a project where EDC considers that the project’s potential environmental effects are less adverse than the potential environmental effects of Category A Projects. Environmental effects associated with Category B Projects are usually site-specific, few if any are irreversible and in most cases mitigation measures can be designed more readily than for Category A Projects. The scope of environmental assessment for a Category B Project may vary from project to project and is narrower than that of an environmental assessment for a Category A Project.
Cleantech	EDC defines cleantech as any process, product or service that reduces environmental impacts through: <ul style="list-style-type: none"> <li>• Environmental protection activities that prevent, reduce or eliminate pollution or any other degradation of the environment;</li> <li>• Resource management activities that result in the more efficient use of natural resources, thus safeguarding against their depletion; or</li> <li>• The use of goods that have been adapted to be significantly less energy or resource intensive than the industry standard.</li> </ul>
Customers	EDC’s customers which may include buyers, borrowers, exporters, guarantors, banks, insurers or any other party to a transaction that EDC is actively considering.
Board of Directors (Board)	EDC’s board of directors.
<i>Equator Principles</i>	A risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects and is primarily intended to provide a minimum standard for due diligence and monitoring to support responsible risk decision-making.
ESG	Refers to environmental, social and governance factors that help organizations manage risks and opportunities by integrating them into decision-making.
ESG-Related Risk	Risks related to ESG.
Executive	The cadre of managers that provides the most senior level of review, guidance and decision-making.
Formal Enquiry	A letter sent by an organization and addressed to the President and CEO or the Chair of EDC’s Board of Directors seeking further information about business EDC has undertaken, or Policies and Procedures of the organization.

<p><i>Financial Administration Act (FAA)</i></p>	<p>The Government of Canada primarily regulates Crown corporations through the <i>Financial Administration Act (FAA)</i>. EDC is presently listed under Part I of Schedule III to the <i>FAA</i>. As such, EDC is required to:</p> <ul style="list-style-type: none"> <li>• Submit an annual report, a corporate plan and an operating budget to the Minister responsible for International Trade; and</li> <li>• Undergo audits by the Auditor General of Canada.</li> </ul>
<p>Guideline</p>	<p>A document which sets out the parameters within which EDC employees should act and the Standards which should be defined to achieve expected outcomes and Policy requirements. This includes mandatory controls, or alternatively guidance, recommendations or best practices.</p>
<p>Host Country Requirements</p>	<p>The requirements of the host country relating to environmental and social effects applicable to a project.</p>
<p><i>IFC Performance Standards</i></p>	<p>The <i>International Finance Corporation’s Performance Standards on Social and Environmental Sustainability</i>, as amended from time to time.</p>
<p>Independent Assurance</p>	<p>The process for assuring the Board and senior management that a Policy and its related Guidelines (or Standards), Procedures and Frameworks are effectively designed and functioning as intended.</p>
<p><i>International Monetary Fund (IMF)</i></p>	<p>The <i>IMF</i> is an organization of 190 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world. The <i>IMF</i> promotes international monetary cooperation and exchange rate stability, facilitates the balanced growth of international trade, and provides resources to help members in balance of payments difficulties or to assist with poverty reduction.</p>
<p>Multi-Project Transaction</p>	<p>Transactions where EDC provides support for an overarching facility through which funds will be directed towards more than one project.</p>
<p><i>OECD Common Approaches</i></p>	<p>The <i>Organization for Economic Co-operation and Development Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence (OECD Common Approaches)</i>, an international multilateral consensus on environmental review practices that aims to level the international playing field and ensure that projects supported by export credit agencies meet established international environmental and social standards.</p>

<i>Paris Club</i>	Paris Club is an informal group of official creditors whose role is to find coordinated and sustainable solutions to the payment difficulties experienced by debtor nations. Paris Club creditors agree to rescheduling debts due to them. Rescheduling is a means of providing a country with debt relief through a postponement and, in the case of concessional rescheduling, a reduction in debt service obligations based on debt sustainability analysis provided by the international financial institutions.
Policy	A document which sets out the principles or protocols to guide decisions and achieve expected outcomes. Policies are derived from EDC’s mandate, missions, strategic objectives and Risk Appetite.
Policy Approver	The authority responsible for approving the Policy (i.e., Board of Directors, President & CEO, Chief Business Officer or Senior Vice-President).
Policy Monitor	The authority responsible for monitoring, ensuring and attesting to compliance with the Policy, and also responsible for reporting instances of non-compliance to the Policy Owner (if Policy Monitor is different from the Policy Owner).
Policy of Policies	A Policy to control the interrelationship, make-up, development, revision and rescinding of other Policies, Guidelines (or Standards) and Procedures and associated Frameworks.
Policy Owner	The senior Executive responsible for the matters addressed by the Policy. This includes responsibility for ensuring the Policy’s development, implementation and maintenance.
Procedures	Step-by-step instructions (including process maps where available and job aids) to complete a task to implement Policies and Guidelines (or Standards). These documents should describe a series of actions on how to perform an activity to achieve expected outcomes.
Project Sponsor	An entity owning, either directly or through an ownership interest in a project company, the assets of a project.
Risk Appetite	The degree and types of risk EDC is prepared to accept in pursuit of its objectives.
Sovereign	Any government or political subdivision of any country and any governmental agency of a country.
Sovereign Loan	EDC loan for which the financial and repayment risk is that of a Sovereign. Examples of Sovereign obligors may include a central government department, central bank, or ministry of finance/treasury.

Stakeholders	Groups that have an interest in EDC’s operations, mandate and Canadian trade more broadly. These include: Customers and industry, employees, civil society organizations, the Government of Canada, and international organizations.
Standards	Requirements that are mandatory, prescriptive and intended to be binding on EDC’s employees.
<i>World Bank</i>	The <i>World Bank</i> is a source of financial and technical assistance to developing countries around the world. The <i>World Bank</i> consists of two unique development institutions owned by its member countries: the <i>International Bank for Reconstruction and Development (IBRD)</i> and the <i>International Development Association (IDA)</i> . Each institution plays a different, but collaborative role. The <i>IBRD</i> aims to reduce poverty in middle-income and creditworthy poorer countries, while <i>IDA</i> focuses on the world's poorest countries. Their work is complemented by that of the <i>International Finance Corporation (IFC)</i> , <i>Multilateral Investment Guarantee Agency (MIGA)</i> and the <i>International Centre for the Settlement of Investment Disputes (ICSID)</i> .
<i>World Trade Organization (WTO)</i>	The <i>World Trade Organization (WTO)</i> is the only global international organization dealing with the rules of trade between nations. At its heart are the <i>WTO</i> agreements, negotiated and signed by the bulk of the world’s trading nations and ratified in their parliaments. The goal is to ensure that trade flows as smoothly, predictably and freely as possible.

## AUTHORITY SIGNATURES

---

**APPROVED BY:** MARTINE IRMAN, CHAIR, EDC BOARD OF DIRECTORS

---

**13/10/2022**

---

**RECOMMENDED BY:** TODD WINTERHALT, SENIOR VICE PRESIDENT, COMMUNICATIONS,  
MARKETING AND CORPORATE STRATEGY

---

**26/09/2022**

# CONTROL SHEET

Policy Name:	Transparency & Disclosure Policy
Policy Owner:	Todd Winterhalt, SVP, Communications, Marketing and Corporate Strategy
Policy Monitor:	Tara Sutorius, Director, Corporate Communications
Version:	Version 4
Recommended by:	Policy Owner
Endorsed by (if applicable):	Executive-level committee
Approved by:	Board of Directors
Approval date:	October 13, 2022
Effective date (of this version):	October 13, 2022
Inaugural effective date:	2001
Next Review Date:	October 13, 2025

## REVISION HISTORY

Version	Approved / Reviewed / Revised / Rescinded	Date	Comments
1.0	Approved by the Board	2001	Inaugural
2.0	Reviewed and revised	November 1, 2010	Reviewed and revised as part of regular revision process
3.0	Reviewed and revised	April 20, 2020	Reviewed and revised as part of regular revision process
4.0	Reviewed and revised	October 13, 2022	Revised as part of Environmental and Social Risk Management (ESRM) Policy Framework Review