



POLICY

Human Rights Policy



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1. PURPOSE AND SCOPE

1.1. PURPOSE

Businesses, including export credit agencies, have a responsibility to respect Human Rights across their operations. The *United Nations Guiding Principles on Business and Human Rights (UNGPs)* are the authoritative international framework for businesses and states on meeting this responsibility. The *UNGPs* mandate that businesses should have a Human Rights policy commitment supported by a Human Rights Due Diligence process, with the intention of achieving better outcomes for people.

This Policy, which is part of the broader Environmental and Social Risk Management (ESRM) Policy Framework, governs EDC's approach to respecting Human Rights and our internal decision-making in connection with our Customer relationships.

As part of this Framework, and in line with our strategy, this Policy helps EDC to embed ESG considerations into everything we do. Driven by our values, we continue to respect Human Rights in our business by evolving and strengthening our efforts.

1.2. SCOPE AND APPLICATION

This Policy applies across EDC's Portfolio of business and to EDC's Customer relationships, excluding certain [Canada Account](#) Transactions as set out in EDC's internal Policies, Standards and Guidelines¹. This Policy utilizes a risk management-based approach and applies to our global operations, including branches, subsidiaries², regional offices and foreign representations, unless otherwise specified. Finally, this Policy should be read in conjunction with other applicable Policies and relevant documents, and further details on policy implementation are elaborated in the Policy's Procedures and Guidelines.

This Policy focuses on Customer relationships because EDC recognizes that in most cases, this is where we have the greatest risk of being connected to Severe Human Rights Impacts.

EDC's commitments to the rights of our employees are addressed in EDC's [Code of Conduct](#) and EDC's human resource Policies and include our commitments to inclusion, diversity and equity. Our Human Rights-related commitments with our own suppliers are outlined in EDC's [Supplier Code of Conduct](#) and our [Procurement Policy](#). Finally, EDC also complies with applicable legislation and trade agreements.

¹ Canada Account Transactions are governed by EDC's Delegation of Authority for Credit Commitments Policy, Delegation of Authority Standards and Canada Account Transactions Guideline.

² This Policy applies to all of EDC's subsidiaries unless the subsidiary has adopted its own Human Rights Policy.

2. POLICY REQUIREMENTS

2.1. GUIDING PRINCIPLES

As Canada's export credit agency with a mandate to help Canadian businesses navigate, manage and take on risk to support their growth beyond Canada's borders, EDC recognizes that our business decisions and activities have the potential to impact the environment and local communities where we do business.

Embedding sustainability values and principles into business practices is essential to risk management and key to the long-term growth and success of EDC and the customers that we serve. We are committed to advancing and promoting responsible business conduct and to supporting Canadian businesses in building robust ESG practices.

EDC acknowledges that, as Canada's export credit agency, we have a role to play in advancing responsible business practices, including by championing human rights, particularly the rights of Indigenous Peoples, advancing gender equality, diversity and inclusivity, combating biodiversity and ecosystems services loss and supporting a Just Transition to Net Zero emissions. We are committed to exploring these issues with our stakeholders and our customers. We expect to evolve our approach in a manner consistent with our mandate and our values, as we gain more clarity from our consultations.

EDC also recognizes the inter-linkages between environmental and social issues and risks and that efforts to address them often require a multi-dimensional approach.

We recognize that environmental and social impacts are often connected to, and can negatively affect, the full enjoyment of Human Rights by individuals. For example, we understand that climate-related impacts and/or biodiversity and ecosystem loss can impact the ability of individuals to realize their rights and disproportionately affect groups at heightened risk of vulnerability or marginalization.

As we implement our mandate, we recognize our responsibility to respect the internationally recognized Human Rights enshrined within the *International Bill of Human Rights* and the *International Labour Organization Declaration on Fundamental Principles and Rights at Work*. We align our practices with the corporate responsibility expectations of the *UNGPs*, and we are a signatory of the *United Nations Global Compact*. We also operate in a manner consistent with Canadian law which embeds the international commitments made by Canada and in line with the Government of Canada's policies, strategies and guidance, specifically with respect to responsible business conduct. EDC utilizes a risk management-based approach to identify, Prevent and Mitigate Severe Human Rights Impacts connected to our Customer relationships and play an appropriate role in enabling Remedy. To do so, we prioritize our due diligence to assess the business that we support for actual and/or potential Severe Human Rights Impacts, and then we engage with our Customers to ensure the risks and impacts identified are effectively managed. In doing this, we also aim to effect positive change and continuous improvement in our Customers' Human Rights practices.

EDC expects our Customers to meet their responsibility to respect Human Rights. As per the *UNGPs*, we recognize that the scale and complexity of the means through which they meet that responsibility may vary according to the size, nature and context of operations and the severity of the actual and/or potential Severe Human Rights Impacts.

2.2. COMMITMENTS

With the above guiding principles in mind, EDC is committed to:

- 1) Respecting Human Rights by conducting due diligence to:
 - a) identify and prioritize actual and/or potential Severe Human Rights Impacts by taking a risk management-based approach (with due consideration given to certain groups who may be disproportionately affected);
 - b) assess Customers' management capacity and use Leverage to Prevent and Mitigate Severe Human Rights Impacts;
 - c) guide decisions on managing Customer relationships;
 - d) monitor transactions associated with Severe Human Rights Impacts; and
 - e) enable Remedy for Severe Human Rights Impacts;
- 2) Communicating with stakeholders in good faith;
- 3) Tracking and reporting on our Human Rights Procedures, practices and performance; and
- 4) Taking an active role in advancing best practices.

The following sub-sections provide further details on these commitments.

COMMITMENT 1: RESPECTING HUMAN RIGHTS BY CONDUCTING DUE DILIGENCE

To identify, assess and effectively manage the actual and/or potential Severe Human Rights Impacts associated with our Customers or transactions, EDC conducts due diligence in accordance with our ***Environmental and Social Risk Management (ESRM) Policy*** and the ***Environmental and Social Review Directive (ESRD)***, which are informed by the *OECD Common Approaches* and the *Equator Principles*, both of which embed the *IFC Performance Standards*, as well as the *OECD Guidelines on Multinational Enterprises* and the *UNGPs*. For more information on our due diligence process with respect to this Policy, please refer to our [***Due Diligence Framework: Human Rights***](#).

a) IDENTIFY AND PRIORITIZE ACTUAL AND/OR POTENTIAL SEVERE HUMAN RIGHTS IMPACTS

Considering our large and diverse Portfolio of Customers, EDC takes a risk management-based approach. When we identify risks to individuals based on certain factors (such as the country context, the track record of the business partners, or the business activities associated with a

Customer or transaction), we prioritize further due diligence. We commit to review and update these factors on an ongoing basis.

EDC also prioritizes the risks to, or impacts on, individuals associated with a Customer or transaction based on severity. In alignment with the *UNGPs*, EDC determines the severity of an impact according to its scale, scope and ability to be Remediated.

Further to this, EDC pays particular attention to actual and/or potential Severe Human Rights Impacts on groups at heightened risk of vulnerability or marginalization. These include groups that are entitled to specific protection under international laws including, for example, women and girls, children, persons with disabilities, religious or ethnic minorities and Indigenous Peoples as well as groups we have recognized as being more likely to suffer Adverse Human Rights Impacts in certain contexts, such as human rights defenders, 2SLGBTQ+ persons, migrant workers or artisanal miners. We are also aware that supply chain workers from these groups may particularly face disproportionate risk of Adverse Human Rights Impacts.

More details on EDC's commitments, in relation to some of these groups, can be found in Appendix A.

b) ASSESS CUSTOMERS' MANAGEMENT CAPACITY AND USE LEVERAGE TO PREVENT AND MITIGATE SEVERE HUMAN RIGHTS IMPACTS

Commensurate with the severity and likelihood of Adverse Human Rights Impacts, EDC assesses our Customers' capacity to manage Adverse Human Rights Impacts that are connected to our support. When exposed to actual and/or potential Severe Human Rights Impacts, we expect our Customers to fulfil their Human Rights responsibility and engage with us constructively on Human Rights-related matters. For Customers and transactions with higher risks of negative impacts on individuals, we go further in assessing our Customers' management systems to ensure effective stakeholder engagement processes and operational level grievance mechanisms are in place, in line with best practices, so that Affected Stakeholders can voice their concerns.

Guided by EDC's [*Principles on Leverage and Remedy*](#), our practice is to use Leverage to influence our Customers' actions to Prevent and Mitigate their actual and/or potential Severe Human Rights Impacts. We recognize that the extent of our Leverage is variable and impacts our ability to influence the actions of our Customers. Where we have insufficient Leverage, EDC seeks ways to increase our Leverage so that those Severe Human Rights Impacts can be effectively Prevented and Mitigated.

c) GUIDE DECISIONS ON MANAGING CUSTOMER RELATIONSHIPS

When deciding whether or not to enter or exit a Customer relationship, EDC considers the severity of the actual and/or potential Adverse Human Rights Impacts, our Customers' willingness and capacity to address them, and our ability to build and increase Leverage successfully towards the objective of effectively managing risks. EDC is committed to engaging and working collaboratively

with our Customers to the extent possible. We also recognize that sometimes the severity of Human Rights Risks is such that they cannot be managed.

When a Customer is unable or unwilling to work constructively with us to manage the risks and to improve their practices, we may need to review our position on the relationship. When reviewing our relationship with the Customer, we consider the severity of the actual and/or potential harm and our ability to further build and apply Leverage. Should EDC determine it has no option but to exit from a Customer relationship, we will look at how to do this responsibly, including by considering the Human Rights Risks related to the action of exiting. Our decision-making process is governed by EDC's senior leadership group.

d) MONITOR TRANSACTIONS ASSOCIATED WITH SEVERE HUMAN RIGHTS IMPACTS

When actual and/or potential Severe Human Rights Impacts are identified in a transaction, EDC tracks and monitors the Human Rights performance of the relevant Customers as well as how those impacts are being managed. This is important to ensure that we can act when impacts are not effectively managed.

e) ENABLE REMEDY FOR SEVERE HUMAN RIGHTS IMPACTS

When Severe Human Rights Impacts occur, EDC expects that Affected Stakeholders have access to effective Remedy. Our approach to Remedy is based on our determination of how EDC may be connected to the impacts through our Customer relationships. In alignment with the *UNGPs*, EDC plays an appropriate role in enabling Remedy for those rights-holders that have been harmed. We recognize that in most cases this means using our Leverage to encourage responsible parties to provide appropriate forms of Remedy.

When an issue involving one of our Customers is brought forward to [Canada's National Contact Point \(NCP\)](#) or the [Canadian Ombudsperson for Responsible Enterprise \(CORE\)](#), EDC will take reasonable steps to cooperate in these processes and will also encourage our Customers to do so.

COMMITMENT 2: COMMUNICATING WITH STAKEHOLDERS IN GOOD FAITH

EDC recognizes the importance of communicating with our policy-level stakeholders (e.g. EDC's shareholder, non-governmental organizations, civil society organizations, industry associations, etc.) and commits to doing so in good faith through constructive dialogue. We approach this collaboration as an opportunity to hear, understand and respond to their interests and concerns. We also look to our network of expert stakeholders to assist in strengthening our process to identify and address Human Rights challenges and, in some instances, to better understand the concerns of stakeholders potentially affected by our Customers' activities.

COMMITMENT 3: TRACKING AND REPORTING ON OUR HUMAN RIGHTS PROCEDURES, PRACTICES AND PERFORMANCE

EDC discloses information on our processes that demonstrates how we are meeting our commitment to respect Human Rights. In addition, we track our performance related to our Human Rights Due Diligence process in order to evaluate how we are doing and report externally on our findings. Most of our reporting is done through our ***Integrated Annual Report*** and stand-alone ***Human Rights Disclosure Report***.

COMMITMENT 4: TAKING AN ACTIVE ROLE IN ADVANCING BEST PRACTICES

EDC recognizes the evolutionary nature of Human Rights practices and actively monitors the international and national Human Rights discourse to track emerging best practices and Human Rights issues to improve upon our own approach. We bring to the attention of our Customers, particularly those who may be exposed to higher risk contexts, best practices in the field of Human Rights and we work with them to build their capacity around responsible business conduct, when appropriate. We also recognize that we are more effective at managing risks when our financial industry peers apply similar approaches and commitments. To that effect, we continue to play an active role in industry and standard-setting bodies as part of our ongoing commitment to level the playing field and strengthen best practices, including through the *OECD Environmental and Social Practitioners* and the *Equator Principles* fora. EDC uses its Leverage to continue to promote alignment of these frameworks with leading practices and the expectations of the *UNGPs*.

3. ROLES AND RESPONSIBILITIES

3.1. GOVERNING ROLES

The ***Human Rights Policy*** is approved by the Board of Directors.

The Chief Corporate Sustainability Officer and Senior Vice-President, Sustainable Business & Enablement is the Policy Owner of this ***Human Rights Policy*** and is responsible for its development, implementation and maintenance. The Chief Corporate Sustainability Officer and Senior Vice-President, Sustainable Business & Enablement is also accountable for its execution and effectiveness.

The Vice-President, ESG Policy is the Policy Monitor. The Policy Monitor may delegate 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***.

3.2. OPERATIONAL ROLES

Ownership, management and monitoring of risks, including E&S Risks, fall under the purview of the business development and underwriting teams. They are responsible for flagging potential or actual E&S Risks to the ESG Customer Success team.

The ESG Customer Success team is responsible for identifying, analyzing, assessing and monitoring E&S Risks. When escalation is needed, the ESG Customer Success team will engage with the Relationship and Transaction Committee for a decision.

The Relationship and Transaction Committee is responsible for overseeing, directing and challenging risk assessments and recommendations objectively and effectively.

Risk ratings are overseen and approved by the Risk Management Office.

4. REPORTING REQUIREMENTS

The table below sets out the minimum reporting requirements for the ***Human Rights Policy***.

Table 1: Reporting Requirements

Report	Frequency	Description	Distribution
Various	Biennially	Provide a summary of any relevant updates regarding the implementation of EDC's Environmental and Social Risk Management (ESRM) Policy Framework, which includes the <i>Human Rights Policy</i>	<p>Distributed by: Chief Corporate Sustainability Officer and Senior Vice-President, Sustainable Business & Enablement</p> <p>Distributed to: Board of Directors Senior Management</p>
Report on EDC's performance related to EDC's Human Rights Due Diligence process	Annually	In EDC's <i>Integrated Annual Report</i> , as well as in EDC's <i>Human Rights Disclosure Report</i> , provide an overview of EDC's performance related to its Human Rights Due Diligence process	<p>Distributed by: Chief Corporate Sustainability Officer and Senior Vice-President, Sustainable Business & Enablement</p> <p>Distributed to: Disclosed externally in EDC's <i>Integrated Annual Report</i> and <i>Human Rights Disclosure Report</i></p>

5. REVIEWS AND REVISIONS

The **Human Rights Policy** is reviewed and approved 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 **Human Rights 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 **Human Rights Policy** are described in the table below.

Any minor off-cycle adjustments to this **Human Rights Policy** may be made in adherence with and as set out in the **Policy of Policies**.

Table 2: Reviews and Revisions

Document	Review & Recommend for Approval, Revision (or Rescinding)	Approval	Approval Cycle
Human Rights Policy	Chief Corporate Sustainability Officer and Senior Vice-President, Sustainable Business & Enablement and endorsed by an Executive-level committee	Board of Directors	At least every three years, unless deemed otherwise by the Board of Directors

6. ESCALATION AND EXCEPTIONS

All exceptions or instances of non-compliance to this ***Human Rights 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. Policy exceptions will be disclosed.

7. RELATED DOCUMENTS

7.1. DOCUMENT HIERARCHY

The following documents stem from the *Human Rights Policy*:

- *Due Diligence Framework: Human Rights*
- *Principles on Leverage and Remedy*

7.2. OTHER RELATED DOCUMENTS

- *Climate Change Policy*
- *ESRD*
- *ESRM Policy*
- *Environmental and Social Risk Management Review Guideline*
- *Internal Audit Charter*
- *Policy of Policies*
- *Transparency and Disclosure Policy*
- *Equator Principles*
- *IFC Performance Standards*
- *OECD Common Approaches*
- *OECD Guidelines for Multinational Enterprises*
- *United Nations Guiding Principles on Business and Human Rights*

8. EFFECTIVE DATE

This revised version of the *Human Rights Policy* is effective October 13, 2022.

9. 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
Adverse Human Rights Impacts	Occurs when an action removes or reduces the ability of an individual to enjoy their Human Rights.
Affected Stakeholder	An individual whose Human Rights have been affected by an enterprise's operations, products or services, and may include internal stakeholders (e.g., employees and contract workers), as well as external stakeholders (e.g., supply chain workers, members of communities, consumers and end users of products).
Board of Directors (Board)	EDC's board of directors.
Canada Account Transactions	Transactions supported by the Government of Canada under Section 23 of the Export Development Act, 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.
Customer	In the context of this Policy, an EDC Customer—prospective or existing—is an entity subject to EDC's environmental and social due diligence process, as part of onboarding or a transaction.
E&S Risks	Any actual or potential adverse impacts on the environment (including climate, biodiversity, ecosystems and natural resources); human rights; labour and working conditions; community rights and wellbeing, health, safety and security; land acquisition and involuntary resettlement; and Indigenous Peoples that may be associated with EDC's business.
<i>Equator Principles</i>	A risk management framework, adopted by financial institutions, for determining, assessing and managing E&S 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.
Executive	The cadre of managers that provides the most senior level of review, guidance and decision-making.

Framework	A broad overview of interlinked items that support a particular approach by EDC to a specific objective.
Free Prior and Informed Consent (FPIC)	Free, Prior and Informed Consent (FPIC) is a specific right that pertains to Indigenous Peoples and is recognised in the <i>United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)</i> . It allows them to give or withhold consent to a project that may affect them or their territories.
Guideline	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.
Human Rights	The basic rights and freedoms that belong to every human in the world regardless of race, sex, nationality, ethnicity, location, language, religion, ethnic origin, or any other status, which are described in the <i>International Bill of Human Rights</i> .
Human Rights Due Diligence	An ongoing risk-management process that a reasonable and prudent entity needs to follow in order to identify, Prevent, Mitigate and account for how it addresses its Adverse Human Rights Impacts. It includes four key steps: assessing actual and potential Adverse Human Rights Impacts; integrating and acting on the findings; tracking responses; and communicating about how impacts are addressed.
Human Rights Risk	A business enterprise’s human rights risks relate to its potential human rights impacts and are any risks that its operations may lead to one or more Adverse Human Rights Impacts.
<i>IFC Performance Standards</i>	The <i>International Finance Corporation’s Performance Standards on Social and Environmental Sustainability</i> , as amended from time to time.
Independent Assurance	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.
Indigenous Peoples	There is no universally accepted definition of “Indigenous Peoples”. Indigenous Peoples may be referred to in different countries by such terms as “Indigenous ethnic minorities”, “aboriginals”, “hill tribes”, “minority nationalities”, “scheduled tribes”, “first nations”, or “tribal groups”. As in <i>IFC Performance Standard 7</i> , the term “Indigenous Peoples” is used here in a generic sense to refer to a distinct social and cultural group possessing the following characteristics in varying degrees: <ul style="list-style-type: none"> - Self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;

	<ul style="list-style-type: none"> - Collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; - Customary cultural, economic, social, or political institutions that are separate from those of the mainstream society or culture; or - A distinct language or dialect, often different from the official language or languages of the country or region in which they reside.
<i>International Bill of Human Rights</i>	The <i>International Bill of Human Rights</i> consists of the <i>Universal Declaration of Human Rights</i> , the <i>International Covenant on Civil and Political Rights</i> and the <i>International Covenant on Economic, Social and Cultural Rights</i> .
Just Transition	A transition to a Net Zero economy which maximizes benefits for workers, communities and Indigenous Peoples.
Leverage	The ability of an organization to effect change in or influence the practices of its customers, whose practices are causing or contributing to an Adverse Human Rights Impact.
Mitigation (or Mitigate)	Actions taken to reduce the likelihood of a certain Adverse Human Rights Impact occurring, with any residual Adverse Human Rights Impact then requiring Remediation.
Net Zero	Achieving net zero emissions means the economy either emits no greenhouse gas emissions or offsets its emissions, for example, through actions such as tree planting or employing technologies that can capture carbon before it is released into the air.
OECD Common Approaches	The <i>Organization of 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> is 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.
OECD Guidelines for Multinational Enterprises	The <i>Organization of Economic Co-operation and Development Guidelines for Multinational Enterprises</i> are recommendations addressed by governments to multinational enterprises operating in or from adhering countries. They provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognised standards. The Guidelines are the only multilaterally agreed and comprehensive code of responsible business conduct that governments have committed to promoting.

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.
Portfolio	A set of programs, projects or products managed as a group to achieve business and corporate strategic objectives.
Prevention (or Prevent)	The prevention of an Adverse Human Rights Impact refers to actions taken to ensure such impact does not occur.
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.
Relationship and Transaction Committee (RTC)	A Vice-President level management and working group that is responsible for providing guidance and direction to virtual teams on proposed business solutions, strategic account direction as well as approval of onboarding and escalated non-credit issues.
Remediation (or Remedy or Remediate)	Refers to both the process of providing remedy for an Adverse Human Rights Impact and the substantive outcomes that can counteract, or make good, the Adverse Human Rights Impact. These outcomes may take a range of forms such as apologies, restitution, rehabilitation, financial or non-financial compensation and punitive sanctions (whether criminal or administrative, such as fines), as well as the Prevention of harm through, for example, injunctions or guarantees of non-repetition.
Risk Appetite	The degree and types of risk EDC is prepared to accept in pursuit of its objectives.
Risk Management Committee	An Executive-level committee that is responsible for reviewing and recommending transactions for Board approval, reviewing and overseeing the management of enterprise governance, risk and

	control activities, and understanding significant existing and emerging risks and their impact on EDC’s risk profile.
Risk Management Office	The team that is responsible for optimizing EDC’s capacity and appetite for assuming risk in support of customers consistent with EDC’s business plans and objectives.
Severe Human Rights Impacts	Adverse Human Rights Impacts that are particularly grave in nature (e.g. threats to life, child/forced labor and human trafficking), widespread in scope (e.g. large-scale resettlement and working conditions across a sector) or cannot be Remediated (e.g. torture, loss of health and destruction of Indigenous Peoples’ lands).
Standards	Requirements that are mandatory, prescriptive and intended to be binding on EDC’s employees.
<i>United Nations Guiding Principles on Business and Human Rights (UNGPs)</i>	A set of 31 principles that set out the respective roles of states and companies in ensuring that companies respect human rights in their business activities and through their business relationships. The UNGPs were endorsed by the UN Human Rights Council in 2011.

AUTHORITY SIGNATURES

Approved by: Martine Irman - Chair, Board of Directors	13/10/2022
Recommended by: Rahul Chandran, Vice-President, ESG Policy	26/09/2022

CONTROL SHEET

Policy Name:	Human Rights Policy
Policy Owner:	Chief Corporate Sustainability Officer and Senior Vice-President, Sustainable Business & Enablement
Policy Monitor:	Vice-President, ESG Policy
Version:	2.0
Recommended by:	Rahul Chandran, Vice-President, ESG Policy
Endorsed by (if applicable):	N/A
Approved by:	Board of Directors
Approval date:	October 13, 2022
Effective date (of this version):	October 13, 2022
Inaugural effective date:	May 1, 2019
Next Review Date:	October 13, 2025

REVISION HISTORY

Version	Approved / Reviewed / Revised / Rescinded	Date	Comments
1.0	Approved by the Board	February 28, 2019	Inaugural
1.1	Minor revision	November 22, 2019	Revised to indicate a new Policy Owner, resulting from a corporate restructuring. **No other changes made**
2.0	Approved by the Board	October 13, 2022	Revised as part of Environmental and Social Risk Management (ESRM) Policy Framework Review

APPENDIX A: FURTHER DETAILS ON GROUPS AT HEIGHTENED RISK OF VULNERABILITY OR MARGINALIZATION

Human rights defenders (HRDs): Human rights defenders (HRDs) play an important role in the promotion and protection of Human Rights by highlighting Adverse Human Rights Impacts by different actors, including businesses. We recognize that HRDs can be at risk and that those from groups at heightened risk of vulnerability or marginalization, including women, 2SLGBT+ persons and Indigenous Peoples, may face greater and different challenges and threats. As part of our due diligence process, we assess if HRDs could be at greater risk in connection to our Customers' business activities.

Indigenous Peoples: Indigenous Peoples possess individual and collective rights and share a unique historical treatment. Their languages, beliefs and cultural values are connected to geographic areas, territories and resources, which places them at disproportionate risk of being impacted by the business activities of our Customers. EDC's approach to addressing these risks 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).

2SLGBTQ+ persons: Members of the 2SLGBTQ+³ community may also experience business-related Adverse Human Rights Impacts in unique ways, due to discrimination based on sexual orientation, gender identity, and gender expression. EDC is mindful of this and is committed to continuously improving our efforts to ensure that the Adverse Human Rights Impacts faced particularly by 2SLGBTQ+ persons are taken into account as part of our due diligence process.

Workers at heightened risk: Based on our practices, we have recognized certain groups of workers as being more likely to suffer Adverse Human Rights Impacts in certain contexts. These include artisanal miners, children, migrant workers, persons with disabilities and women. Corporate sourcing practices and supply-chains can, in particular, be associated with Adverse Human Rights Impacts on supply chain workers in vulnerable situations. In this case, EDC's due diligence approach looks at significant supply-chain related risks based on our understanding of certain sectors and geographies where there is a high prevalence of risk indicators, such as forced labour and child labour.

Women and girls: Despite much progress in securing women's and girls' rights globally, millions of women and girls continue to experience discrimination and gender-based violence. In the context of business-related activities, they may experience Adverse Human Rights Impacts in distinct ways and therefore can be affected disproportionately. EDC looks towards the gender

³ The "+" in "2SLGBTQ+" signifies a number of other identities, such as non-binary, pansexual, asexual and intersex, and it is included to keep the abbreviation brief when written out. We use the plus sign because the language is always evolving, and we want to be as inclusive as possible.

equality standards in certain documents, such as Canada's *Feminist International Assistance Policy* and the *Convention on the Elimination of All Forms of Discrimination against Women*, as we continue to strengthen our approach to address gender-specific risks in our due diligence processes. In project-related transactions, our approach to addressing gender-related risks is guided by international best practices developed by the *International Financial Corporation (IFC)* and others on this topic. We are also mindful that while gender-based discrimination and gender inequalities disproportionately impact this group, gender-specific issues are not limited to those faced by women and girls.