

2009 CORPORATE SOCIAL RESPONSIBILITY REPORT

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2009 CSR Report
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CORPORATE PROFILE

Export Development Canada

Export Development Canada (EDC) is a Crown corporation established to support and develop Canada's export trade and Canadian capacity to engage in trade and respond to international opportunities. EDC operates on commercial principles; that is, EDC is financially self-sustaining, generating sufficient income to protect its assets, manage its exposure to credit and market risks, and maintain sufficient capital to meet future demand for its products and services. EDC is a recognized leader in financial reporting and economic analysis, and has been named one of Canada's Top 100 Employers for nine consecutive years.

EDC provides credit insurance, financing (including equity), contract insurance and bonding and political risk insurance. As a trusted partner to Canadian companies of all sizes, in 2009 EDC served a record 8,469 customers and facilitated exports and investments of \$82.8 billion in up to 200 markets worldwide. At the 2009 year end, EDC had assets of approximately \$32.9 billion and 1,107 permanent employees. In addition, in 2009, EDC provided \$2.5 billion in domestic support to 208 Canadian companies.

As detailed in its Corporate Plan, EDC is fully committed to the principles and practices of corporate social responsibility (CSR). Our various policies, procedures and due diligence requirements ensure that all projects and transactions in which EDC participates are financially sound, as well as environmentally and socially responsible. In fact, EDC's support connotes more than mere compliance with minimum legal standards, it represents the integration of values such as honesty, respect, fairness and integrity, and is recognized by customers, lenders, investors and governments. EDC's business focuses on the triple bottom line: social, environmental and economic performance. In cases where EDC is not satisfied on any of these three elements, it will decline participation.

The Corporation is based in Ottawa, with 17 regional offices across Canada and a growing network of 14 representations in important international business centres.

EDC reports to Parliament through the Minister of International Trade and is governed by the *Export Development Act* – which provides for regular legislative reviews of EDC's mandate and operations – and the *Financial Administration Act*, *Corruption of Foreign Public Officials Act*, *Public Servants Disclosure Protection Act*, and the *Federal Accountability Act*. As Canada's export credit agency, EDC supports Canadian business on terms that are consistent with and respectful of Canada's international trade obligations, including those under the Organisation for Economic Cooperation and Development (OECD), the World Trade Organization (WTO) and the Equator Principles.

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IN THIS REPORT

This report represents EDC's commitment to transparency about the broader impacts of its business operations. Forthright and transparent reporting builds stakeholder confidence in EDC's business operations and aims to achieve that with this report. The information contained herein covers all of EDC's operations, except where indicated.

Three changes have been incorporated into this year's report. First, it has been developed to reflect a classic triple bottom line platform: economic performance, environmental performance and social and human rights performance. A second change is to integrate more detail about the economic impacts of EDC's operations. Thirdly, we are providing a more sophisticated online report. A hard copy Summary Report is available upon request.

Feedback is always welcome and we encourage readers to tell us what you think and where we can improve. Comments can be sent to Yolanda Banks, Senior Corporate Social Responsibility Advisor, by e-mail at: CSRReportFeedback@edc.ca or by phone at (613) 598-2586 or 1-800-332-8224.

Global Reporting Initiative

The information contained in this report reflects stakeholder interests. In addition, the Global Reporting Initiative (GRI) guides our reporting. This year we have increased the number of GRI indicators used to provide more detail. Reporting achieved a level B+. This report is GRI checked.



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INDEPENDENT REVIEWERS' REPORT

To the Board of Directors and Management of Export Development Canada ("EDC")

We have reviewed selected quantitative performance indicators presented in EDC's Corporate Social Responsibility Report (the "Report") for the year ended December 31, 2009. We did not review all information included in the Report. EDC management is responsible for collection and presentation of the indicators and information set out in the Report. Our responsibility is to review the selected quantitative performance indicators and assess whether anything comes to our attention that suggests that it has not been prepared in accordance with the relevant criteria. A review does not constitute an audit and consequently we do not express an audit opinion on the selected quantitative performance indicators.

Scope

We reviewed the following 2009 quantitative performance indicators set out in the Report:

- Percentage of employees applying for support under the Charitable Donations Policy
- Percentage of employees who completed the Annual Code of Conduct e-training case study tool
- Percentage of Category A projects publicly disclosed on EDC's website 30 days prior to transaction closing compared to total Category A projects eligible for disclosure
- Kilometres of business travel (flight and vehicle)

The selected quantitative performance indicators were chosen by EDC primarily on the basis of perceived external stakeholder interest. We did not review the narrative sections of the Report, except where they incorporated the selected quantitative performance indicators.

Methodology

We conducted our review in accordance with the International Standard on Assurance Engagements (ISAE) 3000 developed by the International Federation of Accountants. As such, we planned and performed our work in order to provide limited assurance with respect to the selected quantitative performance indicators that we reviewed. Our review criteria were based on the Global Reporting Initiative Sustainability Reporting Guidelines, relevant regulations, EDC management definitions as set out in the Report and accepted industry standards. Our procedures included obtaining and evaluating evidence related to the selected quantitative performance indicators.

2009 CSR Report**OVERVIEW – INDEPENDENT REVIEWERS' REPORT** CONTINUED**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the selected quantitative performance indicators listed above are not, in all material respects, reported in accordance with the relevant criteria.

PricewaterhouseCoopers LLP
Toronto, Ontario, Canada
May 5, 2010

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MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

There is no question the credit crunch of 2009 wrought havoc on the global economy. But while Canada fared better than most, some of the hardest hit countries were also some of the poorest and most vulnerable in the world, which made economic growth and development in those countries more important than ever. Recognizing this, EDC remained steadfast in its commitment to facilitating Canada's international trade in a socially responsible manner, as well as supporting our customers and partners in doing likewise.

Last year, the Government of Canada asked us to undertake a two-year expanded mandate to increase the availability of credit to Canadian businesses to help them get through the downturn. By working closely with Canada's private sector financial institutions, we added \$2.5 billion in credit to the Canadian domestic market at a time when it was needed most. We supported \$82.8 billion in business volume in a year when Canadian exports were down 24 per cent. We also helped more companies than ever and supported business in 143 emerging markets. Because trade matters; and responsible trade matters more than ever.

CSR is a key component to realizing our goal as a trusted partner to our financial services peers and customers. We do this not just by promoting international trade and investment, but by promoting *responsible* international trade and investment.

But we understand that CSR is a journey, not a destination. In 2009, we continued to evolve our practices and focused on developing a new strategic framework for our CSR initiatives, which included examining our performance on the environment and human rights.

Increasingly, corporations are dealing with issues arising from the intersection of business and human rights. One of the issues that EDC has been focusing on this year is the implication of draft legislation (Bill C-300) before the House of Commons. EDC continues to help stakeholders understand the potential impact of this proposed legislation on customers in the extractive sector.

EDC participates in and supports the ongoing work of Harvard Professor Dr. John Ruggie, Special Representative of the United Nations Secretary General on Business and Human Rights. Dr. Ruggie's work is serving to clarify the responsibilities of states and corporations, how they are shared, and to focus on the need for accessible legal remedies. EDC will continue to support international practices that further the rights of individuals in the markets and communities where we conduct business. The next big step in our own CSR journey at EDC is to develop and apply a more complete and nuanced understanding of the human rights impacts of Canadian companies' international business activities.

In the same way that EDC will continue to support international practices that further the rights of individuals in the markets and communities where we conduct business, we've taken great strides over the years to evolve our practices with respect to the environment. In 2009, the Auditor General of Canada

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OVERVIEW – MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER CONTINUED



PHOTO: MARTIN LIPMAN

ERIC SIEGEL

conducted a review of our Environmental Review Directive. While the report recommended that we improve our external performance measures and reporting, it also indicated that our environmental processes reflect international practices and that our policies and procedures are suitably designed. It also noted that our practices form a sound framework to manage our CSR commitments.

It is this very framework that gives us both a competitive advantage and the ability to provide a positive impact. There are excellent opportunities for Canadian companies to export to foreign markets and EDC can influence how these Canadian companies operate. We try to lead in the assessment of environmental and social impacts of projects by adopting the *IFC Performance Standards* as well as the Equator Principles, a financial industry benchmark for managing environmental risk, with substantial consideration of the social impacts of projects in emerging markets. We do so because the public demands it, because it's good for

business and, most importantly, it's the right thing to do.

I'm particularly proud of our efforts to engage with local communities in emerging markets where Canadian companies are doing more business. In 2009, EDC and CARE Canada set up a joint, four-year Global Community Investment Initiative and in the spring we sent our first two volunteers to Peru to work with local small businesses, primarily farmers and agricultural co-operatives. For four months their job was to coach these companies on how to develop their businesses, capitalize on opportunities and increase profitability.

We believe that by participating in these projects we are contributing to local prosperity and the alleviation of poverty. Forming a partnership with CARE Canada has proven to be a great way to deliver valuable and needed support to their partners in Peru – providing real expertise to help solve business problems faced on the ground. As the program develops, we hope to support their partners in many more of these markets.

At its core, effective CSR means a comprehensive understanding of the environmental, economic and social impacts that arise from international trade and investment. It takes an honest and clearheaded determination to mitigate those impacts in a way that is consistent with international standards and business interests. It's how we help deliver the greatest benefit to the greatest number of stakeholders.

We are intimately aware of the complex challenges facing some of our customers and we will continue to respond with solutions that help them thrive and grow their business in a responsible manner.

Eric D. Siegel
President and Chief Executive Officer

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2009 BUSINESS HIGHLIGHTS

- Canadian exports maintain one out of five jobs in Canada and generate nearly 25% of national income
- The business EDC facilitated during 2009 helped generate \$61 billion of Canadian GDP, about 4.9% of GDP, and supported an estimated 642,000 jobs
- Canada’s total exports of goods and services reached \$403 billion in 2009, a 24% drop from 2008
- EDC served a record 8,469 customers
- EDC served an additional 208 customers under the Government of Canada’s Business Credit Availability Program
- EDC facilitated
 - \$82.8 billion in exports, investments and domestic support in 187 markets
 - \$18.7 billion in 143 emerging markets
 - \$4.2 billion in Canadian direct investment abroad
 - \$16.9 billion done in partnership with financial institutions
- EDC provided \$2.5 billion in domestic support for 208 Canadian companies

2009 Business Performance Measures

Measure	2009	2008
Number of customers served	8,469	8,312
Total business volume (\$B)	\$82.8	\$85.8
Total in emerging markets (\$B)	\$18.7	\$22
Volume of foreign investments (\$B)	\$4.2	\$4.7
Number of investment transactions	494	383
Net income (\$M)	\$208	\$206

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2009 CSR SCORECARD: ACHIEVEMENTS AND WORK TO BE DONE

Key Initiatives	Outcomes and Impacts	Work To Be Done
CSR Strategic Priorities	Executive decision to focus on three priorities over the medium-term (18 months): <ul style="list-style-type: none"> • climate change • transparency • human rights 	<p><i>Climate change</i> – need to define a strategy and related Action Plan for this strategic priority in 2010</p> <p><i>Transparency</i> – proposed changes to increase disclosure requirements are under review</p> <p><i>Human Rights</i> – integration of assessment methodology into business analysis</p>
Office of the Auditor General of Canada (OAG) Special Examination of CSR Practices	Successful outcome. No material deficiencies.	<p>Area for improvement identified: improved CSR performance measurement</p> <p>Adoption of GRI reporting framework</p>
Stakeholder Engagement	<p>Preparation of information reports and expert appearances before Parliamentary Committees as required</p> <p>Engagement sessions with customers and other stakeholders centred on: the application of IFC Performance Standards in environmental assessment; the dialogue arising from the work in human rights assessment by expert Dr. John Ruggie; and on climate change impacts and challenges for international business</p>	<p>Continue to provide information about potential impact on EDC services/customers of proposed legislation as required</p> <p>Continue to identify and address emerging priority stakeholder issues through selected dialogue forums and partnerships</p>
Human Rights	Enhancement of process to ensure relevant transactions receive human rights analysis	Continue improvements to human rights analysis process
Environmental Policy	Completed environmental policy review, including stakeholder commentary to inform the considerations	Approval of updated policy by spring 2010
EDC's Operational Footprint	Continued efforts to offset operational footprint with purchase of carbon offsets for business travel	Performance targets to be developed
Community Investment International	New four-year EDC-CARE Canada partnership, <i>Beyond Exports</i> , implemented to better align community investment to EDC competencies and customer markets	Continue annual short-term EDC volunteer employee placements in micro-financing and small enterprise development in emerging markets. Enhance performance measurement to assess impacts

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CSR STRATEGY AND COMMITMENT

Corporate social responsibility (CSR) is an integral and essential part of Export Development Canada's fabric; it's not something extra or added on. It's how we fulfill our mandate of providing financial support for Canadian exports and enabling Canadian companies to participate in and respond to international business opportunities. To bring public good, that is EDC's goal.

In 2009, EDC's executive committee took a step back to review where we are positioned on CSR. Have we correctly calibrated where we want to be positioned given our mandate, what are the CSR challenges ahead and where do other companies stand? Following an executive retreat held in January 2009, it was determined that our approach to CSR reflects current trends. In the medium term, we would focus on three priorities that reflect general societal and stakeholder concerns about EDC:

- **climate change**
- **transparency**
- **human rights**

Further perspective on CSR strategies and priorities is provided to the Corporation by its CSR Advisory Council, an independent, external third party which is comprised of members with demonstrated expertise and experience in CSR and related disciplines.

Randy Gossen is Vice President, Global Business Relations at Nexen Inc. Dr. Gossen has had a long career in the energy sector and currently serves as President of the World Petroleum Council as well as Special Advisor to the United Nations Global Compact.

Maureen O'Neil (Advisory Council Chair) is President and CEO of the Canadian Health Services Research Foundation. Ms. O'Neil is also a member of the International Board of Governors of the Centre for International Governance Innovation and has been Chair of the Board of the International Centre for Human Rights and Democratic Development, Chair of the Board of Governors of Carleton University and President of The North-South Institute.

Deanna Rosenswig, a Partner of Vantage Concepts, is a board director of Empire Life and The Dominion of Canada General Insurance Company. She was the Founding President of The MasterCard Foundation and Executive Vice President, Bank of Montreal and co-authored the bestseller *Dreams Have No Expiry Date*. A former board member of Women's World Banking, she is an advocate for microfinance institutions to help low income people become economically self-sustaining.

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MANAGEMENT OF CSR – CSR STRATEGY AND COMMITMENT CONTINUED

Jean-Louis Roy, President of Partenariat International and visiting scholar at the Université de Montréal, is the former president and CEO of the International Centre for Human Rights and Democratic Development (Rights and Democracy). He serves on several boards of directors, including the Centre de la francophonie des Amériques, CRC Sogema, la Fondation des parlementaires québécois and the Montreal Council on Foreign Relations.

David Runnalls is President and CEO of the International Institute for Sustainable Development. He is also a member of the Advisory Committee on Partnerships to the Minister for International Cooperation, and a member of the Environment Canada Cross-Cutting Issues table. Among his many other appointments, Mr. Runnalls serves on the board of the Institute of Advanced Studies of the United Nations University.

Hargurdeep (Deep) Saini is the Dean of the Faculty of Environment at the University of Waterloo. An experienced administrator and accomplished leader, he has an impressive record of scholarly achievement, and is known for his keen appreciation of contemporary environmental issues, from climate change to urban sprawl to sustainability.

Jean-Claude Villiard is retired following a distinguished career as a public servant. He currently serves as an Associate Professor at the École nationale d'administration publique (Université du Québec). Mr. Villiard was a Senior Advisor at the Privy Council Office having previously held senior positions in government, as well as industry, including Deputy Minister of Industry Canada, President and CEO of Canada Mortgage and Housing Corporation and SNC-Lavalin.

Ed Waitzer serves as a partner at the law firm Stikeman Elliott LLP. Previously the Chair of Stikeman Elliott LLP, Mr. Waitzer has also served as Vice President of the Toronto Stock Exchange and Chair of the Ontario Securities Commission. In July 2007, he was appointed the Jarislowsky Dimma Mooney Chair in Corporate Governance at York University's Osgoode Hall Law School and the Schulich School of Business.

David Zussman is the first recipient of the Jarislowsky Chair in Public Sector Management at the University of Ottawa. Mr. Zussman is the former President of the Public Policy Forum and a former Dean of the University of Ottawa School of Management. In June 2004, he was confirmed as a part-time Commissioner for the Public Service Commission of Canada. He has held various senior positions in the federal government.

Semi-annual meetings were held in June and December 2009 with topics focused on CSR priorities, EDC's Environmental Policy review and climate change to provide a foundation for the Council's observations and advice to EDC senior management. The Council had the benefit of a discussion on climate change with Dr. Dan Scott, the Canada Research Chair in Global Change and Tourism and member of the Interdisciplinary Centre for Climate Change, University of Waterloo.

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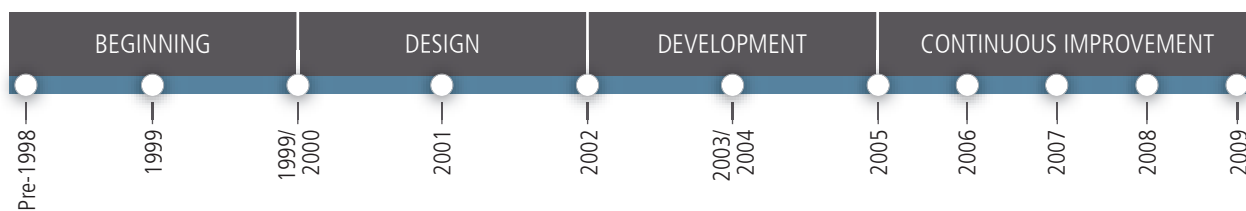
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EVOLUTION OF CSR AT EDC

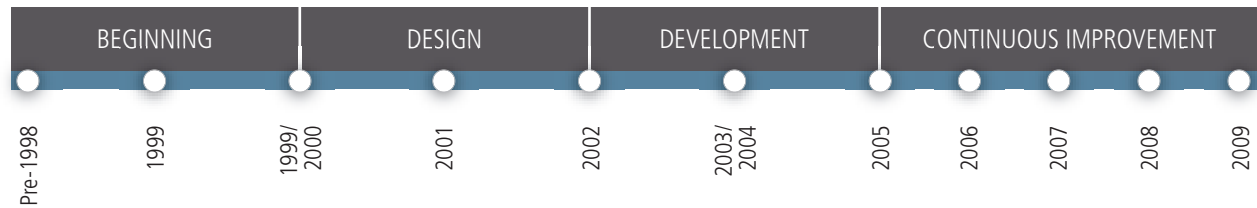
EDC continues to progressively add to the building blocks of CSR. CSR at EDC continues to evolve as indicated in the table below.



Pre-1998	<ul style="list-style-type: none"> • Conflict of Interest Policy • Code of Conduct • Code of Business Ethics
1999	<ul style="list-style-type: none"> • Environmental Review Framework
1999/2000	<ul style="list-style-type: none"> • OECD Action Statement on Bribery • Education and Youth Employment (EYE) Strategy signs first agreement • Launch of CSR strategy
2001	<ul style="list-style-type: none"> • Launch of Compliance Program • Office of the Auditor General of Canada (OAG) Environmental Audit • First Disclosure Policy • Creation of CSR Advisory Council • Appointment of Chief Environmental Advisor • EnviroExports Initiative • Environmental Review Directive
2002	<ul style="list-style-type: none"> • OECD Common Approaches • Anti-corruption Program • Human Rights Agreement signed with DFAIT
2003/2004	<ul style="list-style-type: none"> • Office of the Auditor General of Canada (OAG) Special Examination of CSR • Release of 1st CSR Report • 1st Chief Environmental Advisor's report • Revisions to OECD Common Approaches, version 2 • Community Donations Policy established • CSR framework established

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MANAGEMENT OF CSR – EVOLUTION OF CSR AT EDC CONTINUED



- 2005**
 - 2nd CSR Report
 - 2nd Chief Environmental Advisor's Report
 - CSR course launched
 - First Environmental Policy

- 2006**
 - Revisions to Charitable Donations Policy
 - Scholarship Program expanded
 - Market and sector-specific multi-stakeholder consultations
 - Integration of environment and sustainability into EYE Investment Goals
 - Revisions to Disclosure Policy, version 2
 - Adoption of Equator Principles
 - 3rd CSR Report

- 2007**
 - 4th CSR Report/Assured
 - Introduced Disclosure of Wrongdoings Policy
 - Established baseline indicators for measurement of operational footprint
 - Online Code of Conduct training

- 2008**
 - CSR Strategic Review
 - Creation of Chief CSR Advisor Role and team
 - Statement on Human Rights
 - Decision to adopt LEED gold standard for new HQ building
 - Expanded disclosure practices
 - Environmental Finance Chair created at University of Waterloo
 - EDC-CARE Canada partnership
 - Development of Employment Value Proposition

- 2009**
 - EDC's CSR strategic priorities set: climate change; human rights; transparency
 - OAG Special Examination of CSR, and of environmental and social review practices
 - EDC/IFC Environmental and Social Assessment Standards client workshop introduced
 - Membership of CSR Advisory Council expanded
 - Introduced Ethics Experts Best Practices workshop
 - EDC's reputation risk assessment practices and processes benchmarked
 - 6th CSR Annual Report/assured/GRI rated/published only online
 - Biannual employee opinion survey conducted

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HOW EDC'S BUSINESS OBJECTIVES AND STRATEGIES REFLECT CSR

Through CSR, EDC's strategic business objectives are leveraged to help Canadian businesses to succeed in a way that matters, both in Canada and abroad, and in a way that we think is particularly relevant given these challenging economic times.

EDC's CSR Statement of Commitment embodies five components through which CSR is aligned with the Corporation's business objectives and strategies:

Business ethics – *We conduct our business with honesty, integrity and fairness, and we expect the same from our customers.*

Environment – *We are conscientious about the environmental impacts of our business.*

Transparency – *We strive for balance between public accountability and respect for customer confidentiality.*

Employee engagement – *We are committed to providing a climate that stimulates and supports employee performance and development.*

Community investment – *We invest in and encourage our employees to be active in our community.*

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CSR ACCOUNTABILITIES

CSR is an integral and essential part of EDC’s fabric. It’s how we work.

As indicated on the chart on page 17, accountability for CSR initiatives begins with the Board of Directors through its Risk Management Committee. Internal management of CSR at EDC originates with the President, and it is implemented and increasingly operationalized through the senior executive, management and front-line levels of the organization. Further accountability is provided by Senior Management through the Environmental Review Advisory Committee (ERAC).



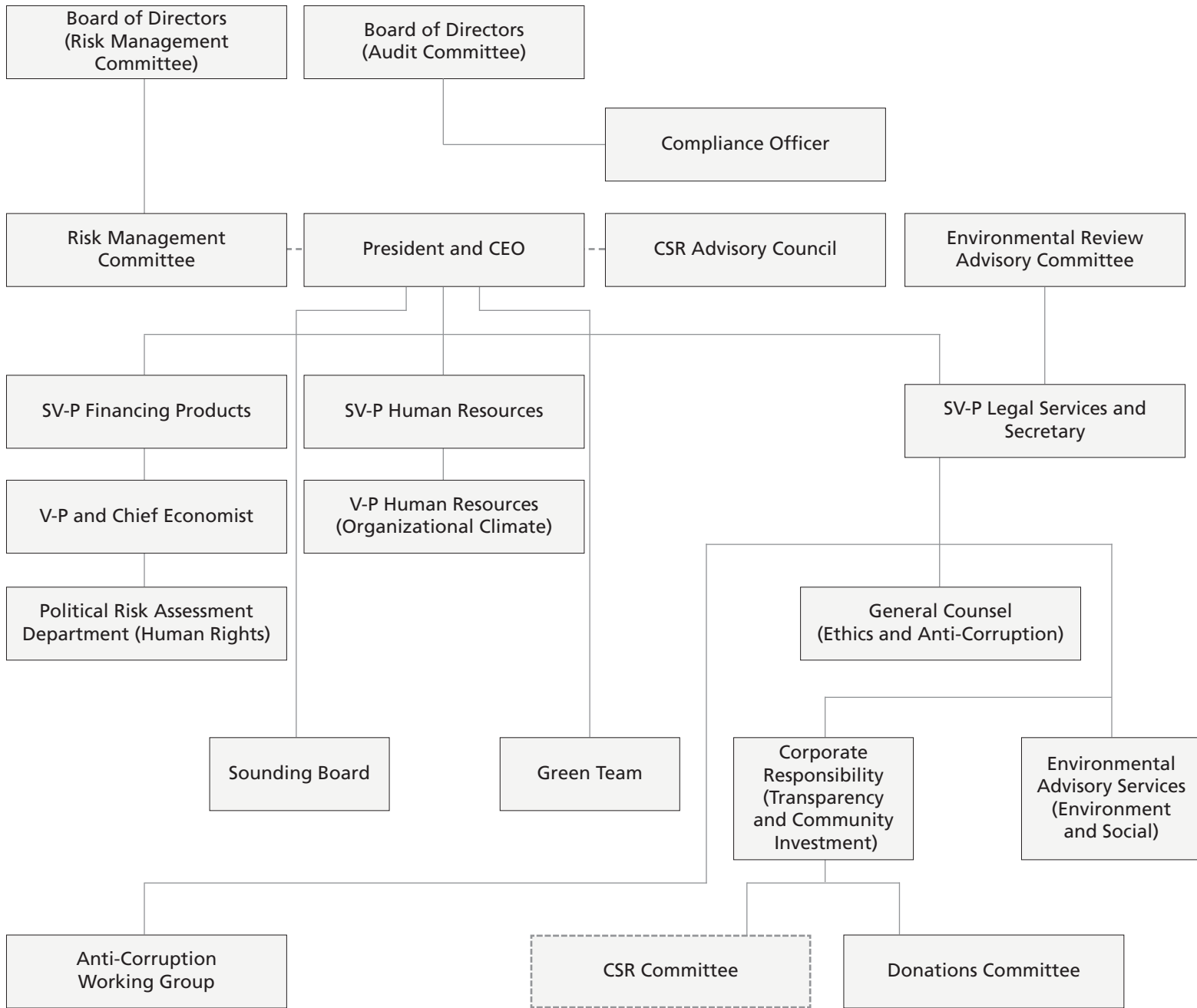
CSR accountabilities – An Executive speaks

“I am pleased to have been given the Executive responsibility for leadership of CSR at EDC. It’s an area in which I have been intimately involved since 1998 when I co-authored EDC’s initial Code of Business Ethics and Code of Conduct. I also experienced the evolution of CSR as it relates to project financing while working on many such transactions at EDC. I look forward to working with various teams in EDC to continue to implement our CSR priorities.”

– Jim McArdle, Senior Vice-President, Legal Services and Secretary

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MANAGEMENT OF CSR – CSR ACCOUNTABILITIES CONTINUED



Assessing CSR risk

To ensure that the business EDC supports consistently reflects its commitment to corporate social responsibility and to maintain the confidence of all its stakeholders, the Corporation conducts a comprehensive analysis of potential CSR risk for all transactions. CSR is embedded in the Enterprise Risk Management Framework as a fundamental risk factor for assessment.

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AUDITOR GENERAL'S SPECIAL EXAMINATION

EDC uses independent, external verification to gauge the effectiveness of its CSR practices. The Auditor General of Canada performs this function for EDC through a special examination, conducted at least once every 10 years.

The report also provided recommendations for ongoing improvements, such as further refining of reporting and integrating performance measures in EDC's strategic planning. EDC agreed to continue to review its performance measures, operational risks and information technology resources, and to adapt them as needed.

The special examination of EDC's CSR practices completed in 2009 concluded:

"We found that the Corporation's CSR framework is consistent with those established at other international export credit agencies. Policies and processes are in place for environmental reviews, disclosure and anti-corruption programs, and ethics awareness.... All of these practices form a sound framework within which the Corporation manages its CSR commitments."

"Recommendation. Export Development Canada (EDC) should enhance its public reporting to better describe how its corporate social responsibility (CSR) activities align with its business strategy. EDC should also continue to develop its CSR performance measures to better demonstrate what it does in the CSR area." Office of the Auditor General of Canada

The Auditor General also examined EDC's legislated requirements for environmental review. This is discussed in more detail in the section on Environmental Performance.

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CSR STAKEHOLDER ENGAGEMENT

Stakeholder engagement is essential for business success. As a financial Crown corporation mandated to support the export activities of Canadian business, EDC’s operations are subject to widespread and incisive public scrutiny. Accordingly, we recognize a wide variety of stakeholders as having an interest in our dealings, both internally and externally, and our organization benefits from their critical input. It is therefore in the Corporation’s best interests to ensure that its reputation for conducting business in a fair, open and responsible manner is maintained and enhanced.

EDC’s stakeholders include the Government of Canada, our sole shareholder – including Ministers and Members of Parliament and departments of government as well as:

- **customers and potential customers**
- **non-governmental organizations (NGOs) concerned with the impacts of international trade and investment projects**
- **industry peers, including other financial Crown corporations and financial partners such as banks and insurers**
- **EDC employees**
- **EDC suppliers**
- **the media**

The following table below summarizes the key interests of principal stakeholder groups in the past year and action taken. Discussion of the private members’ bill (Bill C-300) *An Act Respecting Corporate Accountability for the Activities of Mining, Oil or Gas in Developing Countries*, formed a platform for stakeholder engagement in 2009.

EDC-IFC Workshop at the PDAC international convention

67% of participants felt their objectives were met in attending the workshop 90% rated the overall quality of the presenters as excellent.

Selected feedback provided the following comments:

“Good information about the review and possible changes and where priorities are changing.”

“Excellent session.”

“Most examples are for senior companies, would benefit from some junior examples.”

“The workshop generally confirmed that the performance guidelines are robust, but the way risk is identified and guidelines interpreted is not fully clear.”

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MANAGEMENT OF CSR – CSR STAKEHOLDER ENGAGEMENT CONTINUED

Key Stakeholder	Strategic Issues	EDC Action
Customers	<p>Economic downturn meant less credit available – customers sought to ensure continued access to financing</p> <p>Extractive sector clients were anxious about the implications of Bill C-300</p> <p>Customers participated actively in the review of EDC’s Environmental Policy and related disclosure of information</p>	<p>The Government of Canada expanded EDC’s powers to enable it to support domestic business</p> <p>Explanations to questions provided on request</p> <p>Customers’ observations used as considerations in Policy revisions for 2010</p>
Government, including Members of Parliament and Senators	<p>Parliamentary representatives raised questions regarding EDC support for environmental exports in comparison to support for traditional fossil fuels and EDC’s process for assessing human rights</p> <p>Parliamentarians engaged fully with EDC on the implications of Bill C-300</p>	<p>EDC continued its support to environmental exports. Comparative analysis was provided reflecting the fact that EDC support mirrors the structure of the Canadian economy</p> <p>Extensive discussions were held on EDC’s assessment of environmental, social and human rights impacts in business it supports</p>
Non-governmental Organizations	<p>NGOs expressed concerns regarding EDC’s assessment of human rights in the business it supports</p> <p>NGOs supported the intent of Bill C-300</p> <p>NGOs participated actively in the review of EDC’s Environmental Policy and related disclosure of information</p>	<p>Explanations were provided and the stakeholder dialogue continues on this issue</p> <p>EDC appeared before the Foreign Affairs and International Development Committee outlining its concerns with the Bill. EDC’s position was also made public on its external website</p> <p>NGOs’ observations used as considerations in Policy revisions for 2010</p>
Business & Sector Associations	<p>Associations such as the Mining Association of Canada and the Prospectors and Developers Association of Canada (PDAC) voiced concerns about the implications of Bill C-300</p> <p>On behalf of members Associations sought to ensure continued access to financing</p>	<p>EDC met with stakeholder associations to discuss the potential impact of the legislation on EDC’s customers in the extractive sector</p> <p>EDC was able to provide financing to creditworthy Canadian companies who found it difficult to access credit during the market downturn</p>

EDC engages with stakeholders on a regular basis to discuss issues of concern. The Corporation holds public and industry consultations to solicit the views and suggestions of informed stakeholders on proposed changes in EDC policies. In 2009, in partnership with the International Finance Corporation (IFC), EDC organized a Corporate Social Responsibility workshop with the mining industry, including “Managing Environmental and Social Performance – Attracting Financing,” at the 2009 Prospectors and Developers Association of Canada (PDAC) international convention in Toronto, in February. Presentations from the session are available online at: http://www.edc.ca/english/social_16538.htm.

Outcome: Our workshop raised awareness of the importance of conducting environmental and social impact assessments prior to applying for EDC financial support. In addition, we provided mining industry personnel with the basic tools to advance such assessments and thereby reduce the cycle times of their applications.

EDC held its Annual Public Meeting in Mississauga, Ontario, in May 2009 with simultaneous Internet broadcast. The meeting included reviews of the Corporation’s business and financial performance and provided a public forum for interested parties to ask questions.

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**MANAGEMENT
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KEY CSR FRAMEWORKS

Legislation

- Export Development Act
(R.S., 1985, c. E-20, as amended)
- Corruption of Foreign Public Officials Act
(1998, c.34 as amended)
- Public Servants Disclosure Protection Act
(2005, c.46 as amended)
- Federal Accountability Act
(2006, c.9 as amended)

Agreements

- Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
(1997 – Government of Canada)
- OECD Recommendation on Bribery and Officially Supported Export Credit
(adopted 2001, most recently revised 2006)
- OECD Guidelines for Multinational Enterprises
(2000 – Government of Canada)
- United Nations Environment Program (UNEP) Statement by Financial Institutions on the Environment & Sustainable Development
(1999)
- World Trade Organization Agreement on Subsidies and Countervailing Measures Agreement
(1995 – Government of Canada)
- OECD Revised Council Recommendation on Common Approaches on the Environment and Officially Supported Export Credits
(adopted 2001, most recently revised 2007 — the “Common Approaches”)
- Equator Principles
(2007)
- Extractive Industries Transparency Initiatives
(2007 – Government of Canada)
- OECD Sustainable Lending Principles
(2008)

- OECD Principles and Guidelines to Promote Sustainable Lending Practices in the Provision of Official Export Credits to Low Income Countries
(2008)
- Voluntary Principles on Security and Human Rights
(March 2009)

Memberships

- Berne Union
- OECD Working Party on Export Credits and Credit Guarantees
(Government of Canada)
- Canadian Business Ethics Research Network (2007)
- Canadian Business for Social Responsibility (2003)
- EthicsCentre (2003)
- Conference Board Corporate Ethics Management Council (2003)
- Conference Board Corporate Community Investment Council (2001)
- United Nations Environment Program – Financial Institutions Initiative (UNEP-FII) (1999)
- Multilateral Financial Institutions Working Group on Environment (MFI-WGE)
- Transparency International (2008)

Internal Guidance

- Code of Business Ethics (1998)
- Code of Conduct (1998)
- Anti-Corruption Guidelines and Procedures (2000)
- Environmental Review Directive (2001)
- Disclosure Policy (2001)
- Statement of Commitment to Corporate Social Responsibility (2003)
- Environmental Policy (2005)
- Statement on Human Rights (2008)

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**ETHICS AND
 TRANSPARENCY**

SAFEGUARDING BUSINESS INTEGRITY

The business conduct of EDC’s Board, officers and executives, managers and employees is guided by a formal Code of Conduct, which spells out the fundamental principles and expectations of ethical business conduct as well as our policies and procedures governing conflicts of interest (arising from hospitality and gifts, outside employment and ownership of assets and liabilities), confidential information, insider trading and related matters.

Ethics Week 2009, which launched our annual Code of Conduct Review Exercise, included a panel session with two distinguished business leaders and an ethics breakfast session with an executive. The 2009 Code of Conduct Review Exercise required the completion of a statement of compliance by all employees and all members of EDC’s Board of Directors. Furthermore, as part of the exercise, employees completed an on-line Code Refresher – a multiple choice test intended to remind them of key provisions of the Code. The Code Refresher was completed by 99.6% of all employees. Finally, to conclude the year, EDC’s Legal Services and Corporate Responsibility teams conducted interactive *Code of Conduct* workshops for leaders of our eight groups. Participation level for this target group was 88%.

In October 2009, a directive pursuant to the *Financial Administration Act* was given to certain parent Crown corporations involved in commercial lending, requesting that due consideration be given to the personal integrity of persons dealing with such Crown corporations. EDC undertook a full review of its policies and programs, conducted a benchmarking exercise among the other Crown corporations and consulted with a legal expert regarding best-in-class “Know-your-customer” (KYC) policies and programs. The review confirmed that EDC’s policies and programs were fully sufficient to ensure that due consideration is given to the personal integrity of persons seeking support from EDC, as well as to the reputational implications related to those transactions in which we may participate. We continue to consider ways and means to enhance our policies and programs.

Outcome: In very practical terms, the annual Code of Conduct Review Exercise helps raise awareness of ethical business conduct and ensures that each member of the EDC team knows and understands what is expected. There will be a continued focus on Code training in 2010.

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Responsive**ETHICS AND
TRANSPARENCY****FIGHTING CORRUPTION**

Our anti-corruption program builds awareness of Canadian laws and international conventions. This program can include requirements for customers to submit anti-corruption declarations and accept covenants in documentation to ensure that EDC does not support any transaction involving the offer or acceptance of a bribe by a foreign public official. This includes informing all new EDC customers of the reach of Canadian laws regarding bribery of foreign public officials, as well as the risks and negative impacts of bribery and corruption in international business. In 2009 on the occasion of UN Anti-Corruption Day, EDC launched an innovative online knowledge self-assessment, *Take the Quiz*, to provide public education on anti-corruption measures.

Outcome: Enhanced awareness among key stakeholders of the complexities and reach of Canadian laws and international agreements, as well as hazards to the continuing conduct of international trade and development.

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**ETHICS AND
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TRANSPARENCY AND DISCLOSURE

EDC is committed to conducting its business in a transparent manner. EDC’s disclosure of information related to business that it supports, both on an aggregate level and on individual transactions is guided by its Disclosure Policy. The policy strikes a balance between sharing information that enhances EDC’s public accountability, while protecting the commercially confidential information entrusted to EDC by its clients.

In 2009, as part of the review of its Environmental Policy, EDC sought comments from stakeholders, including its customers, on recommended changes to enhance the disclosure of information related to environmental review transactions. Feedback was mixed. For example, non-governmental organizations indicated they would like more information about monitoring requirements for projects, whereas EDC customers were concerned that such reports may contain commercial information that they would prefer remain confidential. EDC will review the findings and the revised Environmental Policy and Disclosure Policy will be released in 2010.

Compliance

EDC’s Compliance Officer – a role that operates independently from EDC management – receives and deals with external complaints pertaining to EDC’s compliance with its CSR policies dealing with the environment, transparency, human rights and business ethics. The Compliance Officer reports to the Audit Committee of the Corporation’s Board of Directors.

In 2009, six external complaints were received under the Compliance Officer Program. Two were considered to be outside the Compliance Officer’s mandate. Four complaints were accepted for review and compliance audits were completed for each complaint. At the completion of the audits, the Compliance Officer communicated her opinion to the complainants. In both cases no issues were found.

Consistent with the *Public Servants Disclosure Protection Act* (PSDPA), the Compliance Officer also manages internal disclosures of potential wrongdoings. Under EDC’s Disclosure of Wrongdoings Policy, employees have a duty to report potential wrongdoings in good faith, without fear of reprisal. Each year, a report is submitted to the Office of the Chief Human Resources Officer within Treasury Board on activities relating to disclosures made under the PSDPA.

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ETHICS AND TRANSPARENCY – TRANSPARENCY AND DISCLOSURE CONTINUED

Public Inquiries and Access to Information Requests

In the normal course of its business, EDC receives many requests for information, both informally, as well as on a more formal basis, under the *Access to Information Act*, a federal statute giving individuals and corporations access to any record of certain institutions of the federal government, subject to exemption or exclusion and the provisions of the *Privacy Act*. Public inquiries and Access to Information (ATI) requests are also referable to the Compliance Officer.

EDC received 51 ATI requests in 2009. Requests were received by EDC from customers, the public, the media and other government institutions. Topics of interest related to minutes of Board of Directors meetings, executive salaries and benefits, and job classification. EDC received two complaints in 2009 pertaining to exemptions that were invoked (non-disclosure of information). As of the end of 2009, the investigation into these complaints had not yet been initiated.

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**ETHICS AND
 TRANSPARENCY**
TRANSACTIONS AT A GLANCE
Transactions by Region

Country/Region	No. of Transactions Disclosed 2009	No. of Transactions Disclosed 2008	No. of Transactions Disclosed 2007
Canada	278	213	141
USA	123	163	143
Latin America (including Mexico and the Caribbean)	69	100	103
Asia	28	34	39
Europe (including Turkey, Russia & the Commonwealth of Independent States)	52	58	36
Africa & Middle East (includes Turkey for 2007)	15	27	22
Australia and New Zealand	7	5	5
Various Countries	99	102	93
Total No. of transactions	671	702	582

 For data on EDC support by Industry Sub-sector, see www.edc.ca/disclosuresubsectors.

2009 CSR Report

ETHICS AND TRANSPARENCY – TRANSACTIONS AT A GLANCE CONTINUED

Transactions by Product

Type of Product	No. of Transactions Disclosed 2009	No. of Transactions Disclosed 2008	No. of Transactions Disclosed 2007
Equity	18	14	12
Financing	208	201	188
Guarantee	445	486	381
PRI	0	1	1
Total No. of transactions	671	702	582

Transactions by Dollar Value

Type of Product	No. of Transactions Disclosed 2009	No. of Transactions Disclosed 2008	No. of Transactions Disclosed 2007
>1 billion	4		
500 million–1 billion	0	1	2
250–500 million	4	9	9
100–250 million	28	28	20
50–100 million	29	41	29
25–50 million	37	34	32
15–25 million	26	28	29
5–15 million	57	49	45
1–5 million	143	128	94
<1 million	343	384	322
Total No. of transactions	671	702	582

For data on EDC support by Industry Sub-sector, see www.edc.ca/disclosuresubsectors.

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**ECONOMIC
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MEASURING EDC'S ECONOMIC IMPACT IN 2009

Exports Key to Canada's Economy

BUSINESS VOLUME BY INDUSTRY SECTOR (\$ IN MILLIONS)



BUSINESS VOLUME BY GEOGRAPHIC MARKET (\$ IN MILLIONS)



BUSINESS VOLUME (\$ IN MILLIONS)



* Includes activity pursuant to the softwood lumber deposit refund mechanism transactions.

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ECONOMIC PERFORMANCE – MEASURING EDC'S ECONOMIC IMPACT IN 2009 CONTINUED

Trade is absolutely critical to the health of the Canadian economy. Total trade, both imports and exports, is responsible for about 70 per cent of Canada's gross domestic product (GDP), the measurement of Canada's wealth and prosperity. Today, exports account for one in five Canadian jobs and generate nearly 25 per cent of national income.

EDC's solutions played an important role in helping Canadian exporters and investors manage through the economic downturn. Throughout 2009, EDC saw an increase in demand for its services across all sectors despite a 24 per cent drop in Canadian exports.

EDC measures its economic performance against targets set out in our Corporate Plan. In 2009, EDC met most of these targets, particularly those most critical to the Canadian economy. Our combined financing and insurance volumes reached \$82.8 billion, for a record volume of 8,469 customers, including 2,270 customers who were new to EDC or had not used our services recently.

One critical performance measure is the number of transactions and volume generated in partnership with private financial institutions. We exceeded our targets for 2009 in this area, with business volume growing to \$16.9 billion from \$14.1 billion in 2008, and the number of partnership transactions growing to 4,920 from 4,450.

Despite our focus on helping Canadian exporters diversify into emerging markets, our business volume of \$18.7 billion in these markets was below our target, given the effects of the global recession. However, we are now well-positioned in these markets as the recovery begins to take hold because we continued to support exporters seeking opportunities in these higher-risk markets throughout the downturn.

Overall, demand increased from companies in all sectors and of all sizes and was strongest in our credit insurance programs. In the auto sector alone, we provided more than \$4.5 billion in critical support to hundreds of Canadian suppliers, including \$3.2 billion in accounts receivable insurance. EDC's business volumes were most concentrated in the resources sector at \$19.6 billion, the infrastructure and environment sector at \$19.2 billion and the extractive sector at \$18.2 billion.

Given today's economic realities, our focus on being a trusted partner – to our customers, partnering financial institutions, foreign buyers and our shareholder, the Government of Canada – is more important than ever. In an environment of heightened risk and tightened capacity, we are providing valuable solutions, market intelligence and timely service.

Decline in Canadian exports:

- **Decline in nominal exports:** 24%
- **Customers served:** 8,469 (8,312 in 2008)

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**ECONOMIC
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EDC'S ROLE IN CANADA'S ECONOMIC ACTION PLAN

To help the Canadian economy through the recent downturn, the Government of Canada introduced measures to reduce the impact of the credit crunch through Budget 2009: *Canada's Economic Action Plan*. As part of this plan, the Government authorized EDC to do more for Canadian companies at home through a two-year temporary expansion of our mandate to support domestic business. We were tasked with putting more credit into Canada's financial system to help viable but struggling, trade-related Canadian companies.

Working closely with Canadian banks, credit insurers and sureties in a complementary manner, we were able to increase their capacity to serve Canadian businesses during the downturn. EDC negotiated general reinsurance agreements with six of Canada's private credit insurers, whereby EDC shares the risk 50:50. We also partnered with major surety companies to provide re-insurance for surety bonds.

In addition, through the Business Credit Availability Program (BCAP), EDC and the Business Development Bank of Canada (BDC) committed to providing at least \$5 billion in additional loans and other forms of credit support to Canadian companies with viable business models whose access to financing would otherwise be restricted.

In total, through our temporary domestic powers EDC provided \$2.5 billion in support for 208 Canadian companies in 2009, 179 of which were small or medium-sized businesses. Of this total, \$1.7 billion was in direct financing for Canadian companies.

This included support for Canadian companies in some of the hardest hit sectors of the economy. In addition to the \$165 million in domestic support provided to companies in the auto sector, \$1.27 billion went to forestry, extractive and resources companies and \$525 million went to construction and infrastructure companies.

As an illustration, EDC completed its first domestic financing transaction for Winnipeg-based New Flyer Industries, one of North America's leading bus manufacturers. The company had a strong business model, but was having difficulty finding credit. EDC committed up to US\$40 million as part of a syndicated loan, along with the Bank of Nova Scotia and the Bank of Montreal.

The loan was structured as a three-year term, but when the economic landscape improved, other lenders became interested and EDC was able to sell its share of the loan to a private lender in January 2010. In this case, EDC was able to complement the private sector by adding credit where necessary, then step away when it was no longer needed, all without impinging on the position of the private sector.

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**HUMAN RIGHTS
 PERFORMANCE**

EDC PROGRESS IN ASSESSING HUMAN RIGHTS PERFORMANCE

EDC recognizes that transactions and projects it supports may have potentially significant impacts on the human rights of individuals – particularly those transactions and projects undertaken by customers in extractive industries, such as mining and oil and natural gas, or in regions and countries without well-established government or judicial institutions.

EDC therefore recognizes its responsibility to assess potentially adverse human rights outcomes for individuals and communities directly affected by such projects and to take such considerations into account in determining whether to support a transaction or project. EDC issued a formal statement on its position on human rights in 2008. Stakeholders, including non-governmental organizations concerned with human rights, responded and urged further formalization and transparency in the Corporation’s approach to more detailed human rights assessments.

In 2009, EDC’s Political Risk Assessment Department (PRAD) completed the development and implementation of such a standardized process. EDC’s human rights assessments employ a range of recognized and accepted international indicators, including the World Bank’s Country Governance Indicators, Minorities 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.

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HUMAN RIGHTS PERFORMANCE – EDC PROGRESS IN ASSESSING HUMAN RIGHTS PERFORMANCE CONTINUED

Human Rights – Determining the Assessment Required

Country Examples			
3	2	1	0
Afghanistan Iraq Chad Equatorial Guinea	Bangladesh China Pakistan Sri Lanka Cuba Syria Yemen	East Timor Indonesia Jamaica Kenya Zambia	Hong Kong South Korea Estonia Chile Botswana Malawi

Accepted international indicators – How many of the following indicators does the country meet?

- [Freedom House Freedom of the Press](#) score between 60 and 100;
- [Political Terror Scale](#) ratings of 3, 4 or 5 for both components;
- [World Bank Rule of Law](#) score of less than -1.0.

Although there is as yet no single, clear internationally accepted benchmark on assessing human rights issues, human rights violations are typically a symptom of systemic country issues, such as the persecution of a minority group, or localized dynamics, such as a land conflict, and can have a negative impact on EDC’s assessment of a transaction. Typically, human rights violations will reflect a repressive regime with serious problems with respect to due process and the rule of law. Such regime characteristics make for an unpredictable and difficult investment environment.

One outcome of EDC’s increasingly structured approach to assessing potential human rights impacts has been the completion and introduction of an easy-to-use human rights impacts assessment tool for the Corporation’s business development, financing managers and underwriting personnel. This tool presents a clear and objective way for EDC to determine the depth of human rights assessment required for their projects and transactions, based on the nature of the work and the country where it will occur.

At the same time, EDC recognizes that international standards for human rights assessments continue to evolve and there is, as noted above, no single recognized benchmark related to corporate behaviour regarding human rights in international operations. To advance the development of such a widely recognized measure, EDC supports and participates in the work of Harvard Professor Dr. John Ruggie,

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HUMAN RIGHTS PERFORMANCE – EDC PROGRESS IN ASSESSING HUMAN RIGHTS PERFORMANCE CONTINUED

Special Representative of the United Nations Secretary General on the issue of human rights and transnational corporations and other business enterprises.

Dr. Ruggie was appointed in 2005 to identify and clarify standards of corporate responsibility and accountability regarding human rights, including the role of states. Following extensive global consultation, Ruggie proposed the Protect, Respect and Remedy framework in June 2008, which was unanimously welcomed by the UN Human Rights Council.

The Ruggie framework rests on three differentiated but complementary pillars: “the state duty to protect” against human rights abuses by third parties, including businesses, through appropriate policies, regulation and adjudication; “the corporate responsibility to respect” human rights through due diligence to avoid infringing on the rights of others; and greater “access to remedy,” judicial and non-judicial, for victims of abuses. Ruggie is to provide practical recommendations and concrete guidance on implementing the framework by June 2011.

As an active participant in Ruggie’s work, EDC sponsored a meeting of experts on the use of corporate and securities law in fostering corporate cultures respectful of human rights, at York University’s Osgoode Hall Law School in Toronto, in November 2009. The event brought together 16 leading international law firms, as well as academics, regulators, industry representatives and civil society and focused on more than 40 jurisdictions.

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**HUMAN RIGHTS
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BILL C-300 AND CANADIAN BUSINESSES OPERATING INTERNATIONALLY

At the time of writing, Canada’s Parliament is considering a private member’s bill, C-300, An Act Respecting Corporate Accountability for Mining, Oil and Gas Corporations in Developing Countries. Briefly, this bill would amend the *Export Development Act* to require EDC to terminate support (including accelerating repayment of loans) for any Canadian extractive sector company found to have violated Canadian or international human rights standards in their operations in developing countries.

While EDC supports the intent of having Canadian companies operate in a socially responsible manner – regardless of where they are working – the Corporation believes that C-300 becoming law would place Canadian companies at a serious disadvantage, compared to their international competitors, and, further, would prevent EDC from working with customers to improve both their environmental and social/human rights performance.

At present, EDC is able to engage with companies to provide a balanced approach to CSR: to help build their CSR capacity and ensure they meet the internationally recognized standards that EDC applies, while providing the financing and insurance solutions companies need to succeed on the international stage.

EDC believes that the requirements of Bill C-300 would not be acceptable to Canadian companies, to our co-lenders who regularly partner with EDC in providing financial support for projects, or to host country governments. Passage of Bill C-300 would effectively sideline EDC, forcing Canadian companies to turn to other funding sources – sources which may not exert the same positive influences as EDC. Additionally, the measures contemplated in Bill C-300 would pre-empt the final report of Dr. John Ruggie, which will provide necessary practical recommendations and concrete guidance to the international business community on this issue. In considering Bill C-300, Canada would be embarking on a process that is not currently embraced anywhere else.

The extractive sector represents a vital part of the Canadian economy. In 2009, mining and oil and gas extraction accounted for 4 per cent of GDP and 179,982 jobs in Canada. Overall exports of related industrial products, including energy, ores and metals manufacturing, amounted to \$129 billion last year. Rather than cutting off financial support from this important economic activity, EDC’s CSR screening mechanisms, pre-signing due diligence and ongoing project monitoring help ensure that Canadian companies conduct their international operations to universally acceptable standards.

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HUMAN RIGHTS PERFORMANCE – BILL C-300 AND CANADIAN BUSINESSES OPERATING INTERNATIONALLY CONTINUED

As noted above, the completion of Ruggie's work is expected to run until mid-2011, at which time it is expected to extend the human rights dialogue beyond the proposals contained in Bill C-300, thus providing a widely accepted and internationally recognized foundation for the human rights responsibilities of corporations operating in less developed countries.

Outlook: Following Dr. John Ruggie's final report and in view of the continuing and rapid evolution in developing international standards for assessing human rights impacts, the Corporation will review its present human rights risk assessment practices and adjust them, taking into account the new gains in this emergent field.

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**ENVIRONMENTAL
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ENVIRONMENTAL POLICY REVIEW

Export Development Canada’s greatest environmental impact is expressed through the operations and environmental practices of the businesses, projects and transactions the Corporation supports. Accordingly, EDC conducts environmental reviews and analysis of transactions proposed for EDC support, prior to offering any commitment. In-depth reviews are conducted for those transactions that might have significant adverse environmental and social impacts. Environmental review is an area where EDC aims to be among leaders in the financial community.

EDC’s Environmental Policy serves as an umbrella for all environmental review practices. The Policy also expresses corporate commitments to monitor changes in internationally accepted environmental and disclosure practices and to advocate the adoption of international best practices by other international financial institutions, customers and other partners. The Policy, in place since 2005, undergoes periodic review to ensure it reflects current practice and stakeholder expectations.

A policy review process, initiated in late 2008, continued throughout 2009. A policy review discussion paper outlined the key issues and formed the backbone of stakeholder discussion on proposed changes. Stakeholder discussion took place through four EDC-hosted meetings held in different locations across Canada with a total of 32 stakeholder groups. In all, these meetings covered 14 hours of discussions and were complemented by written submissions from additional stakeholders. A variety of proposed changes to EDC’s Environmental Policy resulted, including a re-naming of the Policy to reflect EDC’s commitment to encompass social issues in EDC’s environmental and social review process.

Other key considerations relate to elements such as greater harmonization of benchmarking standards, particularly the IFC Performance Standards, more definition of requirements related to community engagement and monitoring requirements, and a strategy to address climate change.

Looking ahead, EDC recognizes that in striking a balance between supporting Canadian international trade and meeting stakeholder expectations, the Corporation needs to ensure that its environmental and social review processes clearly include a dimension related to the climate change risk related to projects being considered for financial support.

Outcome: EDC has committed to introduce an updated Environmental and Social Policy that reflects current stakeholder concerns and expectations.

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**ENVIRONMENTAL
PERFORMANCE**

**ENHANCING EDC'S ENVIRONMENTAL
REVIEW PRACTICES**

EDC's environmental review performance is subject to independent assessment by the Office of the Auditor General of Canada.

This periodic audit of EDC's environmental review processes was conducted in 2009 by Scott Vaughan, Canada's Commissioner of the Environment and Sustainable Development. The results of the audit can be viewed at http://www.edc.ca/english/social_9496.htm.

The Commissioner concluded that EDC's environmental review practices were in line with international practices, although he identified areas for further consideration.

To understand how EDC conducts reviews of environmental and social impacts of the business it supports, it is useful to review the structures that govern EDC's environmental and social review processes.

The point of departure is EDC's Environmental Policy, an overarching commitment that establishes the principles to be followed when assessing the environmental risks of transactions that EDC is asked to support. All EDC business is screened for environmental impacts.

In addition and more specifically, EDC's environmental and social review process includes three separate frameworks: the Environmental Review Directive, the Organisation for Economic Co-operation and Development (OECD) *Common Approaches on Environment and Officially Supported Export Credits* and the Equator Principles. Together, these create a robust due diligence process. The table below provides an overview of the key requirements of the frameworks.

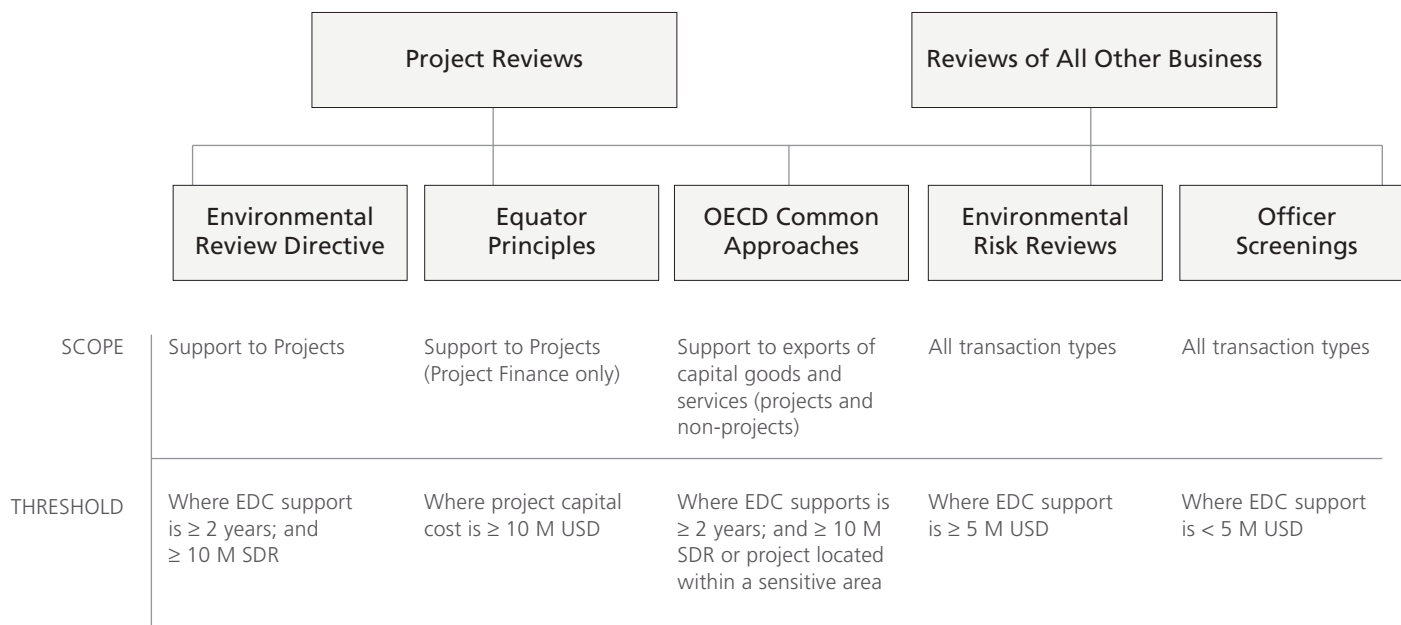
"EDC's environmental review processes are generally in line with international practices. We encourage EDC to consider emerging practices being adopted by other G7 countries, such as tracking greenhouse gas emissions from projects it has financed. We are satisfied that EDC has reviewed the suitability of its environmental review processes and has implemented these processes as designed."

Scott Vaughan, Commissioner of the Environment and Sustainable Development, Office of the Auditor General of Canada

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ENVIRONMENTAL PERFORMANCE – ENHANCING EDC'S ENVIRONMENTAL REVIEW PRACTICES CONTINUED

Environmental Policy



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ENVIRONMENTAL PERFORMANCE – ENHANCING EDC'S ENVIRONMENTAL REVIEW PRACTICES CONTINUED

The Environmental Review Directive is incorporated in EDC's enabling legislation and requires the Corporation – before entering into a transaction – to categorize projects under consideration according to their potential adverse environmental effects and to determine whether a project is likely to have adverse environmental impacts despite implementation of mitigation measures and whether EDC's participation is justified. The Directive also determines which projects must be reviewed and which environmental information will be required for review.

OECD Common Approaches are aligned with the requirements of EDC's Environmental Review Directive, including the process to categorize projects on the basis of their potential environmental impacts:

Category A – potentially significant adverse environmental impacts that may affect an area broader than the sites or facilities. Includes projects in or near sensitive areas.

Category B – potential environmental impacts are less adverse than those of Category A, typically site-specific, and few if any, are irreversible; mitigation measures more readily available.

Category C – likely to have minimal or no adverse environmental impacts.

The Equator Principles (EPs) were established in 2003 to create a common set of voluntary project environmental review, monitoring and loan covenant guidelines for use by financial institutions that provide project finance for international projects. EDC adopted the EPs in 2007. The EPs provide a "level playing field" for financial institutions that seek to support responsible environmental and social project development. The EPs commit lenders to using the *IFC Performance Standards on Social and Environmental Sustainability*, and as such, borrowers do not have to meet multiple standards for environmental and social impact assessments.

The EPs oblige financial institutions, such as EDC, to require an environmental and social assessment for Category A and B projects and an environmental and social management plan, which addresses key environmental and social impacts, including socioeconomic impacts, pollution prevention, indigenous rights, involuntary resettlement and labour. They also set guidelines for covenants pertaining to project monitoring in loan documentation.

IFC Performance Standards on Social and Environmental Sustainability created in 2006 by International Finance Corporation (IFC), the private sector lending arm of the World Bank Group, are a set of eight standards to help companies manage and improve their social and environmental performance through an outcomes-based approach. The *IFC Performance Standards* are currently under review, with updated standards expected in January 2011.

The following customer profiles illustrate how EDC applies these environmental review guidelines, including key environmental issues and mitigating measures to address potentially adverse environmental and social impacts.

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PROFILE: CATEGORY A & B PROJECT – PETROTERMINAL EXPANSION PROJECT, PANAMA

Expanding Terminal Capacity in Panama (Category A and B)

Petroterminal de Panamá (PTP) is a cooperative venture between the government of Panama and private industry that operates deep-water ports, petroleum handling and storage facilities on the Atlantic and Pacific coasts, and a 131-km pipeline connecting the storage terminals.

To promote the delivery of oil from the Atlantic basin to refineries and customers on the Pacific coast, in 2008, PTP undertook to reverse the pipeline's original flow to an Atlantic-to-Pacific configuration, and added additional petroleum storage capacity at both the Atlantic and Pacific terminals. A second phase of the project in 2009 provided additional storage capacity at the Atlantic and Pacific terminals.

Export Development Canada participated in two phases of a US\$375 million, 8.5-year project finance credit facility led by HSBC, together with Banco General, BNP Paribas and Banco Nacional de Panamá accounting for two thirds of the credit with 12 local and regional banks providing the remainder.

The project was required to complete an Environmental Impact Assessment (EIA) in accordance with Panamanian environmental requirements, and for which approval was granted in 2008. The EIA covered key environmental and social effects such as air quality, spill containment, emergency response and biodiversity. Mitigation measures to address these effects included, respectively: (i) use of floating roofs on petroleum storage tanks to minimize emissions of volatile organic compounds; (ii) use of secondary containment around storage tanks, and the implementation of PTP's Spill Prevention and Containment Plan; and (iii) implementation of a natural resources management plan. EDC undertook a Category A environmental review of the project prior to its participation in the financing of the initial phase. Potential effects of the project's second phase were considered by EDC to be less adverse and more site-specific than those for the first phase. EDC therefore completed a Category B review of the second phase, which also required additional environmental documentation from the sponsor.

The project was developed and managed by Northville Industries, an independent petroleum storage company based in Melville, Long Island, New York – a partner in PTP. Peter Ripp, Northville's Chief Financial Officer said: "Our company has a long history of working in Panama and our relationships with the communities near the pipeline and the terminals are strong. Most of our employees not only live in the community but were born and raised there – we're neighbours, not "The Company." We had to build our own access roads, transport heavy equipment and remain mindful of both the natural environment and the local communities."

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ENVIRONMENTAL PERFORMANCE – PROFILE: PETROTERMINAL EXPANSION PROJECT, PANAMA CONTINUED

Export Development Canada's participation was critical to its success. "Meeting the environmental and social standards set by the World Bank and Equator Principles is essential but, by themselves, no guarantee of achieving workable financing. Having EDC's imprimatur on this project definitely attracted other banks to the transaction and, as a result, we were oversubscribed."

Darren Poole, Senior Environmental Advisor at EDC, said: "EDC was greatly encouraged by PTP's commitment to develop both phases of the project in a responsible manner. The company demonstrated that successful management of environmental and social risks go hand-in-hand with economic considerations. This allowed the project to secure financial partners such as EDC, as well as other commercial lenders."

Ripp added: "EDC's participation also benefitted the growing number of Canadian companies doing business in Panama by showing the government that Canada is committed to being a responsible long-term business partner."

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**PROFILE: CATEGORY B PROJECT –
GEOTHERMAL POWER PROJECT, NICARAGUA**

Toward Energy Self-Sufficiency in Nicaragua
(Category B)

Polaris Geothermal Energy, S.A. (PENSA) is a wholly owned subsidiary of Ram Power Corp., a publicly traded (TSX:RPG) independent power producer focused on clean, renewable geothermal power, with a portfolio of projects in operation or under development in the western United States, Central and South America.

Since acquiring PENSA’s western Nicaraguan project in 2009, Ram Power has been working to increase San Jacinto-Tizate’s electrical power output from its current 10 MW to 72 MW. The permits are in place for the installation of two 36 MW high efficiency, state-of-the-art, condensing turbines.

Christy Morris, Ram Power’s Vice President of Land and Permitting, explained that the project is strategically important to Nicaragua’s energy self-sufficiency, as delivering more power to the national grid will assist with the country’s continuing economic development, while reducing its 77 per cent reliance on imported energy, most of that from hydrocarbon fuels.

Export Development Canada is a member of the financing team, participating in a US\$77 million credit facility, with the Central American Bank for Economic Integration (CABEI), Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO), and Cordiant Capital (“Cordiant”).

2009 CSR Report**ENVIRONMENTAL PERFORMANCE – PROFILE: GEOTHERMAL POWER PROJECT, NICARAGUA** CONTINUED

The project was classified as a Category B as this project phase is an expansion to PENSA's current geothermal power production in the eastern sector of their concession. In collaboration with the Lead Environmental Bank, EDC conducted a Category B environmental review of the Project. PENSA is committed to developing appropriate environmental and social management plans, policies, and procedures. These commitments are being tracked through the Project's Environmental and Social Action Plan. Debra Zanewich, Environmental Advisor at EDC, felt the collaboration with the Lead Environmental Bank and PENSA strengthened the Company's overall approach to environmental and social management. Environmental and social performance of the Project will be monitored during EDC's participation.

Said Ram Power's Morris, "The international bank financing of the Jacinto-Tizate Phase I expansion was a new venture for our company. Although the anticipated environmental and social impacts were minimal for this phase – there are no endangered species, the land has long been used for cattle grazing and local farms were protected by fences – we work directly with local communities on re-forestation and other programs to lighten the project's already small environmental footprint."

"EDC's participation in the financing contributed significantly to moving this important project ahead. The increased power from San Jacinto-Tizate – and others which can now capitalize on the success of this project – will make an important difference to the responsible economic development of Nicaragua and the growing prosperity of its people."

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THE IMPACT OF EDC'S ENVIRONMENTAL REVIEW

EDC's financial support for a project or transaction is widely viewed as an added value, beyond the dollar amount of the support – customers and other lenders recognize that EDC participation reliably denotes a project in which environmental and social risks will be managed according to international standards. As such, projects are subject to rigorous review processes against international standards. Projects need to demonstrate appropriate Environmental Health and Safety (EH&S) capacity to manage risks and impacts – ultimately leading to better-managed projects. EDC requirements are aligned with international environmental review frameworks for both export credit agencies and commercial banks. This results in more streamlined and common practices across financial institutions which is helpful to project sponsors.

A summary of EDC's reviews of transactions is outlined in the table below.

Projects Reviewed and Signed under the Environmental Review Directive and Equator Principles, 2009

CATEGORY	TOTAL NO. REVIEWED	TOTAL NO. SIGNED	NO. REVIEWED UNDER EP	INDUSTRY SECTOR	REGION
Category A	6	6	4	Extractive (3); Infrastructure (3)	North America (2); Middle East (2); Central America (1); South America (1)
Category B	10	7	5	Energy (5); Infrastructure (5)	North America (4); Central America (2); Caribbean (1); Middle East (1); Europe (1); Africa (1)
Category C	5	1	0	Telecom (4); Infrastructure (1)	North America (1); Europe (2); Africa (1); Caribbean (1)
Total	21	14	9		

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ENVIRONMENTAL PERFORMANCE – THE IMPACT OF EDC'S ENVIRONMENTAL REVIEW CONTINUED

Category A projects signed in 2009:	Equator Principles Review
Keystone Pipeline Project & Keystone Gulf Coast Expansion Project (USA)	
Deep Panuke Project (Canada)	Y
Al-Dur Independent Water and Power Project (Bahrain)	Y
Faras & Riyadh Power Plant Expansion; Qurayyah Power Plant Development (Saudi Arabia)	
Esperanza Copper Mine (Chile)	Y
Petroterminal de Panamá – Storage Expansion and Pipeline Reversal Project (Panama)	Y

Category B projects signed in 2009:	Equator Principles Review
San Jacinto-Tizate Geothermal Expansion Project – Phase I Modular Condensing Turbine (Nicaragua)	Y
1-4/Lee Roy Selmon Expressway Connector Interchange (USA)	
Takoradi Thermal Power Plant Expansion (Ghana)	
Taweelah-Fujairah Pipeline Project (United Arab Emirates)	Y
Astoria Energy II Power Project (USA)	Y
Petroterminal de Panamá – Storage Expansion and Pipeline Reversal Project (Panamá)	Y
Nassau Airport Expansion Project Expansion (Bahamas)	Y

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ENVIRONMENTAL PERFORMANCE – THE IMPACT OF EDC’S ENVIRONMENTAL REVIEW CONTINUED

Stakeholders often ask about the differences between the various environmental review frameworks that EDC applies: ERD, Equator Principles and the OECD Common Approaches. Although minor differences exist between these frameworks, EDC ensures that its processes are aligned with all of its international commitments. In meeting these commitments, EDC applies the most stringent criteria.

	EDC’s Environmental Review Directive	Equator Principles	OECD
Legally binding	Yes	International obligation, but not legally binding	International obligation, but not legally binding
Applicable only to certain types of financial products	No	Project Finance only	No
Covenants		Provides specific guidance	
Require minimum thresholds to apply	Where EDC support is ≥ 2 years; and ≥ 10 M SDR	Where project capital cost is ≥ 10 M USD	Where EDC support is ≥ 2 years; and ≥ 10 M SDR OR project located within a sensitive area
Disclosure requirements?	Yes	No	Yes
Requirement for benchmarking standards	Options offered	Aligned with the IFC Performance Standards	Options offered

While EDC’s mandate is to support Canadian export trade, over the past several years, EDC has in fact, declined participation in selected mining, oil and gas and power projects, in virtually every region of the globe. Typically, EDC declines support as early in the process as feasible where there are high risks or other indicators that the project will not meet acceptable standards for environmental and social performance. EDC values transparency in its environmental and social review process and identifies projects under review on its website for public information.

EDC’s environmental and social review processes may identify aspects of a project that need to be improved before providing support, thus enhancing the environmental performance of business activities which might have found financial support from other sources. EDC seeks to ensure that this improved performance is maintained during the life of the project through EDC’s ongoing environmental monitoring and the enforcement of related covenants which may be in the loan documentation.

Finally, EDC’s environmental review commitments and processes are reviewed by the Auditor General of Canada at regular intervals.

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GROWING GREEN BUSINESS INITIATIVES

EDC supports Canadian companies specializing in environmentally friendly technologies, products and services, through its EnviroExport Program. These include waste-to-energy conversion, air pollution controls, renewable energy projects and water treatment projects, among others.

One such company which has relied on EDC support is Greenlite, a Montreal-based energy efficiency company, which has grown from \$300,000 in annual sales at start-up to \$30 million today, more than 90 per cent of which is exported. Greenlite serves selected niche markets, such as replacing conventional incandescent light bulbs with compact fluorescent lamps (CFLs). As part of its plan to grow to \$100 million in annual sales, Greenlite has invested in solar panel production in India, thanks to financing, supported in part by EDC, in late 2008, leading to first product shipments in the fall of 2009.

Through its Equity Program, EDC continues to support environmentally oriented private equity funds both domestically and internationally, such as Yaletown Ventures I and II, as well as the China Environmental Fund III LP, which helps China meet its environmental challenges. In 2009, these funds in turn continued to invest in cleantech companies; 12 per cent of EDC's private equity investments were dedicated to green technologies.

In 2009, EDC made a direct equity investment in an environmental company, EnviroTower.

Focus on Support for Environmental Exporters

EDC also follows the emergent carbon market, which is expected to have major implications for Canadian companies. EDC has identified potential credit and insurance gaps and is assessing demand for carbon transaction support and how it can meet demand and fill gaps in the carbon market.

Over the years, EDC's support for the environmental/cleantech industry has been progressively growing. Last year, in spite of the financial turmoil, EDC support for the sector remained relatively stable as compared to 2008.

As the environmental industry continues to innovate and meet the challenges of tomorrow, we expect that Canada will position itself well in emerging markets where demand is increasing as an outcome of the push to low carbon development. In this regard, collaboration with other government partners will facilitate understanding of Canadian cleantech capabilities and introduction to new opportunities.

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ENVIRONMENTAL PERFORMANCE – GROWING GREEN BUSINESS INITIATIVES CONTINUED

In 2009, EDC provided support for research organized by Sustainable Development Technology Canada on national cleantech capabilities, showcasing 168 Canadian companies. EDC is also participating in the Department of Foreign Affairs and International Trade's (DFAIT) new Advisory Board on cleantech which has a mandate to consider, review and approve the strategy being developed by the cleantech practice at DFAIT. The strategy is intended to be an information resource for Canadian government representations abroad, regional offices and other branches in the Department by detailing the strengths of the Canadian environmental industry and underlining its areas of capability, interest and growth vis-à-vis the global marketplace. The strategy will be continuously updated to correspond with the rapidly changing and highly competitive nature of global markets.

Support for Environmental Exporters and Investors

Support for Environmental Exporters and Investors	2007	2008	2009
Companies Involved in the Sector (no.)	135	215	200
EDC Business Volume (C\$ million)	\$379	\$468	\$439
Equity Investments (C\$ million)	\$23	\$61	\$75
Investee Companies (no.)	17	39	53

At \$439 million in 2009, EDC support for Canadian environmental exports and services represented approximately 29 per cent of the sector's total export output – a proportion which is expected to increase as Canadian companies offering environmental goods and services increase their penetration of the global marketplace.

Outlook: In 2010, EDC will continue efforts to provide tools and solutions for customers looking for its support in responding to the demands of an emerging “green” economy.

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PROFILE: ENVIROTOWER (EQUITY INVESTMENT)

Supporting Canadian Environmental Companies – Equity Investment

EnviroTower Inc., is a Toronto-based water treatment company with an affordable and environmentally superior solution to the challenges of using water in the cooling towers of offices and other buildings.

The company's technology typically delivers savings of 20 per cent in water consumption, 15 per cent in chiller system electricity consumption and 50 per cent in the use of chemical treatment. Indirect benefits include longer equipment life, decreased maintenance costs and reduced wastewater discharge of hazardous chemicals. EnviroTower's solution has been proven in use in hotels, hospitals and office buildings, and retail store locations.

Paul Wickberg, EnviroTower's CEO, explained that in warm climates where water costs are high – such as the southwestern United States – payback on the EnviroTower solution can be as little as two years.

"In many parts of the world, water is scarce and ultimately will be recognized for its value," said Wickberg. "That presents an attractive opportunity to take our water management systems expertise and develop a world-scale centre of excellence here in Southern Ontario."

Export Development Canada (EDC) recognized the international business potential of EnviroTower's technology – as well as the company's alignment with sound environmental principles – and first invested through EDC's equity program in 2008, increasing its stake in 2009.

Stephen Wilhelm (Lead Investment Manager) said, "Much of the appeal of EnviroTower's technology is that it can be retro-fitted into established cooling systems. That opens a huge potential marketplace."

"Beyond offices and similar buildings, EnviroTower's solution is also applicable in industrial facilities and shopping centres, so there is a very significant worldwide market for this technology," he added.

Said Wickberg, "The developed world is now waking up to the benefits of the active management of water as a sustainable and attractive financial activity."

"In addition to the financial benefit of EDC's investment, we were excited by the extensive international connections EDC could make available to our company, including potential suppliers and customers all over the world."

"In this way, EDC is helping not just to develop our technology but to build a new generation of Canadian environmental technology exporters."

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REDUCING EDC'S OPERATIONAL FOOTPRINT

In addition to assessing and monitoring the environmental performance of the companies in the transactions and projects in which it participates, EDC is also aware of the environmental performance of its own operations.

Raising environmental awareness among employees is an important objective. Responsibility for this objective falls to senior management supported by a cross-corporate environmental advocacy group known as the Green Team. This all-volunteer employee group looks at ways to reduce EDC's environmental footprint. The Green Team provides a forum to develop new ideas and allow employees to bring to the table their creativity and passion to bear on environmental recommendations.

In 2009, the Green Team continued to develop and promote environmental initiatives and heightened awareness of opportunities to enhance the Corporation's environmental performance. Highlights of this work include:

Waste reduction and recycling – The annual audit of EDC's solid, non-hazardous waste conducted in 2009 indicated that the quantity of waste generated increased over 2008 – perhaps due to the increase in personnel and transaction volumes – but 6 per cent more was diverted into recycling. Performance data is summarized in the table below.

Waste Reduction and Recycling – Performance Data	2009	2008
Waste Generated (tonnes)	267	240
Waste Diverted into Recycling	70%	64%
Recyclable Solid Waste	72%	69%

Water – To raise employee awareness of conservation, EDC hosted an online discussion on March 22, World Water Day.

Energy – Continued to reduce non-essential lighting during summer and raise employee awareness through campaigns such as the replacement of conventional incandescent lamps with compact fluorescent lamps (CFLs), 700 of which were provided by EDC customer Greenlite.

In the spring of 2011, EDC moves to a new leased headquarters building in downtown Ottawa, designed to the Leadership in Energy and Environmental Design (LEED) Gold standard.

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ENVIRONMENTAL PERFORMANCE – REDUCING EDC’S OPERATIONAL FOOTPRINT CONTINUED

EDC’s Operational Footprint – 2009

Operational Footprint Component (EDC Headquarters)	Unit	2009 Measure	2008 Measure	% Change per FTE
Paper Consumption	tonnes	43.6	42.5	-2%
	kg/FTE	35.0	35.7	
Paper Recycled	tonnes	25	27	8%
	kg/FTE	20	23	
Mixed Paper Recycled	tonnes	183	n/a	
	kg/FTE	147	n/a	
Electricity Consumption	kWh	14,018,225	12,955,600	8%
	kWh/m ²	382.8	354	
	kWh/FTE	11,251	10,878	
Natural Gas Consumption	m ³	407,101	387,520	0.9%
	m ³ /FTE	327	325	
Building Water Consumption	L	23,956,200	23,852,000	-4%
	L/FTE	19,226	20,027	
Kilometers of Business Travel (flight and vehicle)	km (flight)	15,280,000	15,270,500	n/a
	km (vehicle)	614,000	532,000	

Assumptions Used for Measurable Footprint Components:

- **Paper Consumption:** includes plain paper usage in the serveries and printshop.
- **Paper Recycled:** includes confidential shredding bins and bulk shredding.
- **Mixed Paper Recycled:** includes common mixed paper and cardboard recycling centres and individual mixed paper recycling bins. This calculation is based on the weight of each collection bin that was picked up by the haulers.
- **Electricity Consumption, Natural Gas Consumption, and Building Water Consumption:** pro-rated based on leased EDC office space.
- **Kilometers of Business Travel (flight and vehicle):** includes air travel purchased/tracked through Ottawa travel department, and vehicle travel associated with EDC’s car allowance program.
- **FTE:** full-time equivalent employees.

Offsetting Travel

A significant achievement was the finalization of the EDC Business Travel Offsets Initiative. In 2009, the Corporation purchased carbon credits to offset 2008 business travel and will be purchasing carbon credits to offset travel for 2009.

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ENGAGED EMPLOYEES MATTER

To maintain its competitive advantage, achieve business objectives and enhance customer success, EDC needs to continue to attract, hire, develop and reward good employees. Corporate social responsibility (including high standards of environmental performance) is one of the components of EDC's Employment Value Proposition (EVP) which identifies five key attributes valued by both current and potential employees. The other attributes are development opportunities, job impact, respect and co-worker quality. Implementation of the EVP is at the heart of employee program development and is being used to strengthen recruitment activities.

The Corporation's success in fostering a challenging and productive workplace is reflected in the 2009 employee opinion survey, which had a favourable response rate of 87 per cent, up 3 per cent from 2007. The survey again positions EDC as a leader among comparable organizations across North America:

- **Overall EDC employee engagement is now 10% more favourable than the North American norm and 6% better than the 2007 survey; only one area of employment saw a decline.**
- **Areas of the greatest improvement include:**
 - **Allowing remote work (+19%)**
 - **Reducing approval levels (+18%)**
 - **Better accountability for poor performance (+17%)**
- **Relative improvement areas include:**
 - **Alignment of pay and performance**
 - **Decision-making processes**
 - **Job stress levels and work/life balance**

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SOCIAL PERFORMANCE – ENGAGED EMPLOYEES MATTER CONTINUED

The expanded powers to support Canadian domestic transactions, which came into effect in March 2009 for a two-year period, placed extraordinary pressures on EDC to ensure continuity of high standards of service, both for our customers and within the organization. And, although the total volume of business completed by EDC in 2009 was down from the 2008 high water mark, the Corporation served more individual corporate customers and processed more applications and transactions during the year. To accommodate this increased activity, EDC added 50 new staff and re-deployed many employees to high demand areas. In response to increased demand for orientation training, a new online express learning curriculum was developed to meet the needs of these employees.

To maintain strong levels of retention and engagement, EDC developed a future-of-work strategy to support EDC employees of all generations and to provide a more flexible and efficient work environment. Additionally, a business case for diversity positions EDC for continued success in the future as both a partner and an employer of choice. 2009 data shows achievements in raising representation over 2008 in the four designated groups.

EDC Employee Segmentation (at Dec. 31, 2009)

Four designated groups:

- **Women – 50.14%**
- **Visible minorities – 11.34%**
- **Aboriginal people – 0.54%**
- **Persons with disabilities – 3.33%**

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PERFORMANCE****BUILDING SKILLS AND CAREERS**

To ensure the availability of experienced, high-caliber employees for succession purposes in the management ranks, EDC takes a pro-active approach to the management and development of talent through training and career advancement programs. A well-developed learning curriculum with a focus on development of key skills and competencies is also available to employees.

Training was provided to more participants (an 11 per cent increase and setting a new corporate mark) in fewer person-days in 2009 than the previous year. This reflects an updated strategy designed to streamline critical program areas and delivery approaches and ensure our learning and development services are relevant, agile, in line with employees' preferred methods of learning, and more closely aligned to business needs.

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PANDEMIC PLANNING

Employees at all levels demonstrated additional resilience in an important business continuity exercise in September 2009, when the Corporation assessed its ability to conduct business remotely during a one-day H1N1 influenza pandemic simulation.

All employees at the Ottawa headquarters were randomly assigned real-life scenarios to test their ability to work remotely and with reduced team support at the office. One in five employees was at home, sick with the flu and totally unavailable for work. Fully 65 per cent of employees were working full time, either remotely or at Head Office. Despite a 20 per cent reduction in the workforce, all transactions were completed. This exercise raised awareness around the business issues caused by high levels of absenteeism and the need for up-to-date business continuity plans. More than 500 employees successfully logged into their online resources remotely, thus confirming EDC's ability to maintain a high degree of function during otherwise disruptive large-scale events and public health crises. One unexpected result of the exercise was that the Corporation was asked by more than 30 government departments and agencies for information on how to run their own exercise.

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COMMUNITY INVESTMENT AND EMPLOYEE VOLUNTEERISM

At EDC, we invest in the communities where we live and work, and we continue to deepen our engagement with our communities through active partnerships.

EDC focuses all corporate and employee giving and supports United Way/Centraide as its chosen community charity. In 2009, the Corporation's donations to United Way/Centraide totaled more than \$225,000, which substantially surpassed the \$200,000 target. EDC further strengthened the value of its contributions to the United Way by seconding two senior staff members to the campaign for a four-month period.

Recognizing that the nature of employee volunteerism is changing, EDC is helping to deepen employees' community involvement. Under the community service leave program, employees receive two days of company-paid time to dedicate to the charity of their choice. EDC backs local causes with financial support, through an employee Charitable Donations Program, and employee time to make a significant contribution. Employees are encouraged to request support by preparing and submitting a "business case" proposal detailing the mission of their chosen charity, how the funding will be applied, the costs and the estimated benefits to be gained. Approved proposals are backed with donations averaging \$1,000. A list of charities supported can be found on EDC's website.

Outcomes: In 2009, EDC employees participated in several community service projects, although overall participation in EDC's community service leave program did not reach expectations. In 2010, EDC will examine the reasons for this shortfall and determine a course of action.

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PARTNERING WITH CARE CANADA – BEYOND EXPORTS

To realign its community investment to include commitments in emerging markets where EDC customers are active, and to put to work the core competencies of its own employees, EDC began a four-year partnership with CARE Canada, *Beyond Exports*.

For its first initiative, EDC volunteers Tim Steed and Marie-Eve Varin-Lacasse spent four months in Peru lending their entrepreneurial expertise to small agricultural businesses.

Throughout the summer, Steed and Varin-Lacasse were matched with local agronomists, who provided the scientific knowledge, while the EDC volunteers provided the business acumen.

The Canadian pair worked with farmers and agricultural co-operatives, vegetable and seed growers, small livestock producers and dairy farmers. Their objective was to coach these companies on how to develop their businesses, capitalize on opportunities and increase profitability. Together, they helped the Peruvian entrepreneurs learn skills such as business management, understanding financial statements, managing accounts receivable and payable, meeting regulatory requirements and assessing the feasibility of entrepreneurial opportunities.

Outcomes: Successful strategic realignment of community investment at EDC; enhanced employee engagement, assisting an NGO to deliver effective development programs and helping local producers transition from subsistence to economic productivity.

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TRADE EDUCATION AND SCHOLARSHIP

As part of the realignment of EDC’s community investment strategy in 2009, EDC’s Youth Education Program, formerly the Education and Youth Employment Program, began to shift from direct sponsorship of on-campus events promoting international trade and development careers to initiatives designed to help reduce the gaps in the post-secondary international trade and development curriculum at Canadian universities. EDC explored opportunities to invest in the development of new case studies highlighting emerging issues and challenges facing Canadian companies engaged in international trade and investment.

In keeping with the learning and media preferences of today’s students, EDC is exploring potential development in non-print formats, including video and rich interactive digital media. Case studies are researched and written by business scholars and published and promoted by EDC in cooperation with the lead researcher’s institution. Three were produced and made available in 2009.

Every year, EDC offers 30 international business scholarships for undergraduate Canadian students. Five of these are for students pursuing business and environment studies. In 2009, we received 221 applications from eligible students. While this was an increase over 2008, the number was below our target of 300 due mainly to less effective on-campus promotion than in previous years.

Objective	2009			2008		
	TARGET	ACTUAL	INCREASE	TARGET	ACTUAL	INCREASE
Number of applications submitted from eligible students	300	221	3%	250	215	—
Number of scholarships awarded	30	30	—	30	30	—
Diversity focus: Scholarship winners who self-identify as aboriginal/visible minority and/or disabled	25%	37%	3.3%	225%	30%	—

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PHOTO: COURTESY OF RICHARD DUFAULT, EDC

2009 CSR REPORT

**TRUSTED
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**SOCIAL
PERFORMANCE**

NEW EDC CHAIR IN ENVIRONMENTAL FINANCE BEGINS WORK

Working with the Faculty of the Environment at University of Waterloo (UW) since 2007, EDC endowed a new Chair in Environmental Finance based in UW's School of Environment, Enterprise and Development (SEED). The position is designed to identify financial products and practices that will help companies engage in business practices such as the integration of social and environmental performance measures into the financing of their business activities.

Dr. Olaf Weber, a Switzerland-based risk and decision-making consultant, was appointed to the new Chair in November 2009. In his new role, Dr. Weber will conduct research and teach in the field of environmental and sustainable finance, putting a strong emphasis on the interaction between business and sustainable development. As a result of the EDC support, the university also hired an additional professor in a related field to further expand its environment and business faculty. Funding the Chair is part of EDC's commitment to facilitating environmental leadership by Canadian firms.

Also in 2009, EDC collaborated with UW to recruit a recognized international expert who has made strong contributions to studies in environment, business and finance.

Outcomes: Strategic realignment to focus on trade basics and excellence in internal business curriculum.

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KEY PERFORMANCE MEASURES

2009 Business Ethics

Objective	Measure	Target	Result
Raise Awareness of Code of Conduct	Brief Executive team, Board members on Code standards and compliance	100% participation	100% of Board members and Executive team were briefed on the Code standards and compliance
	Presentation to a targeted team regarding Code standards and compliance	Reporting indicator only	Completed
	Design and deliver workshops for leaders on Code of Conduct	100% participation	Delivered with 88% participation of the targeted leadership at EDC
	Annual completion by all employees and Board members of Statement of Compliance	100% participation	100% participation
	Annual completion of Code of Conduct e-training tool by employees	100% participation	99.6% of EDC's employees completed the Code of Conduct e-training tool

2010 Business Ethics

Objective	Measure	Target
Raise Awareness of Code of Conduct	Brief Executive team, Board members on Code standards and compliance	100% participation
	Presentation to targeted teams regarding Code standards and compliance	Reporting indicator only
	Annual completion by all employees and Board members of Statement of Compliance, including EDC's policy on internet and e-mail use	100% participation

2009 CSR Report

KEY PERFORMANCE MEASURES CONTINUED

2009 Combating Corruption

Objective	Measure	Target	Result
Raise customer awareness of risk of bribery in international business transactions	As part of EDC's Anti-Corruption Program, develop online tool to raise customer awareness of risks and measures to detect and deter bribery	Tool designed and available on EDC's website	Tool was designed and launched on UN Anti-Corruption Day. Ranked as one of the most popular headlines on www.edc.ca for the year.

2010 Combating Corruption

Objective	Measure	Target
Raise customer awareness of risk of bribery in international business transactions	Broader dissemination of online anti-corruption tool to EDC customers via industry associations	Publication by at least 8 industry associations via their online vehicle

2009 Human Rights

Objective	Measure	Target	Result
Strengthen Human Rights assessment process	Standardize process for Human Rights assessment	Process implemented and reviewed	Completed as planned. Report contains more detailed information.

2010 Human Rights

Objective	Measure	Target
Strengthen Human Rights assessment process	Training for target EDC employees on process for Human Rights assessment	75% participation by target groups

2009 CSR Report

KEY PERFORMANCE MEASURES CONTINUED

2009 Climate Change Management

Objective	Measure	Target	Result
Support for environmental technologies	Monitor support for companies identified in the alternative fuels, renewable energy and environment supply chains and transactions identified as environmental exports	Reporting indicator on number of Canadian exporters supported	200 environmental exporters were supported in 2009. Explanatory text is contained in the body of the report.
Measure greenhouse gas (GHG) emissions of EDC's project portfolio	Identify methodology to measure greenhouse gas emissions of EDC's GHG-intensive portfolio	Reliable methodology identified and adopted	This was a focal point in stakeholder discussions to understand reporting methodologies and best practices. EDC's Environmental Policy will be revised to address EDC's climate change strategy. Scheduled for release in 2010.

2010 Climate Change Management

Objective	Measure	Target
Support for environmental technologies	Monitor support for companies identified in the alternative fuels, renewable energy and environment supply chains and transactions identified as environmental exports	Reporting indicator on number of Canadian exporters supported
Provide greater transparency on climate change information related to EDC's project portfolio	Ensure public availability of Environmental Impact Assessments (EIAs) for Category A projects noting those cases where estimated greenhouse gas emissions (GHG) for first year of operations exceed 100,000 MT	100% of all Category A projects with estimated GHGs exceeding 100,000 MT provide data through EIA on these emissions

2009 CSR Report

KEY PERFORMANCE MEASURES CONTINUED

2009 Corporate Environmental Measures

Objective	Measure	Target	Result
Continuous improvement of environmental review practices	Review and revise Environmental Policy and update Environmental Review Directive (ERD)	Submit final drafts for Board approval	Stakeholder consultations were completed, including strategic guidance from EDC Senior Management on policy proposals. Final drafts to be submitted for Board approval in 2010.
Raise employee awareness of EDC's corporate environmental commitments	Voluntary completion of awareness tool related to the principles of the corporate environmental commitment and processes	75% – all employees 90% – targeted employee groups with direct responsibility for transactions are subject to environmental reviews	Delayed to allow for focused training on revised environmental policies and commitments.

2010 Corporate Environmental Measures

Objective	Measure	Target
Continuous improvement of environmental review practices	Review and revise Environmental Policy and update Environmental Review Directive (ERD)	Submit final drafts for Board approval
Raise employee awareness of EDC's corporate environmental commitments	Voluntary completion of awareness tool related to the principles of the corporate environmental commitment and processes	75% – all employees 90% – targeted employee groups with direct responsibility for transactions are subject to environmental reviews

2009 CSR Report

KEY PERFORMANCE MEASURES CONTINUED

2009 Transparency

Objective	Measure	Target	Result
Maintain public awareness of support for projects with environmental implications	Percentage of Category A projects publicly disclosed on EDC's website 30 days prior to transaction closing compared to total Category A projects eligible for disclosure	Reporting indicator only	100% of signed Category A transactions were pre-notified to the public via the EDC website for a minimum of the requisite 30 days.

2010 Transparency

Objective	Measure	Target
Maintain public awareness of support for projects with environmental implications	Improve internal processes related to disclosure of the duration of pre-notification periods for Category A projects	Minimal requirement for corrections to disclosure data.

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KEY PERFORMANCE MEASURES CONTINUED

2009 Organizational Climate / Employee Engagement

Objective	Measure	Target	Result
Stimulate employee engagement	Performance against key drivers of employee engagement as measured by responses to Employee Opinion Survey (Value-of-Work Contribution; Career Development; Collaboration)	Rank above the North American norm among the High Quality Organizations (top 10%) as determined by responses to Employee Opinion Survey (EOS) question: "I would recommend EDC as a good place to work."	91% of employees responded favourably, a 6% increase over 2007 survey results
Retain talent and skilled employees	Employee retention rate	Exceed the employee retention benchmark rate as per Conference Board standard for financial institutions (%)	92.69% retention rate Conference Board data for financial institutions suggests a rate of 90.4%
Improve performance through learning	Revise the learning measurement model to align with learning strategy and best practices	New measure(s) identified and adopted	Completed strategic review of learning and development function

2010 Organizational Climate / Employee Engagement

Objective	Measure	Target
Retain talent and skilled employees	Employee retention rate	Exceed the employee retention benchmark rate as per Conference Board standard for financial institutions (%)
Improve performance through learning	Implement renewed learning and development strategy with focus on effectiveness, efficiency and alignment to business	Strategy initiatives implemented or underway (i.e. Learning Management System)

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KEY PERFORMANCE MEASURES CONTINUED

2009 Operational Footprint

Objective	Measure	Target	Result
Measure and reduce EDC's operational footprint	Data collection	Refresh footprint data annually	Annual data provided in this report
	Implement initiatives to reduce operational footprint	Enhance engagement in green practices, e.g. recycling, waste reduction	Activities undertaken to engage employees are outlined in this report
Enhance awareness of key areas of EDC's operations that contribute to footprint	Measure participation rates of employees in environmental initiatives	Reduced operational footprint	A baseline was established for participation rates as measured according to attendance at events and queries to the Green Team.
			The footprint was reduced in key areas of paper use and an increase in paper recycled. Uses per FTE against other measures all increased. This is attributable to EDC's expanded mandate in 2009 which resulted in an increase in hiring by over 50 persons. To support that additional capacity, resulting in increased power use.

2010 Operational Footprint

Objective	Measure	Target
Measure and manage EDC's operational footprint	Develop strategy to reduce paper use	Set reduction targets for paper use
	Enhance employee awareness and engagement in environmental initiatives	Increased participation rates in environmental initiatives

2009 CSR Report

KEY PERFORMANCE MEASURES CONTINUED

2009 Community Investment – Education and Youth Employment (EYE)

Objective	Measure	Target	Result
Open undergraduate scholarship program to increase accessibility among Canadian students	Annual increase in awareness of EDC’s scholarship offer and the number of applications generated	350 scholarship applicants Corrected target: 300	221
	Annual increase in the number and breadth of universities represented across Canada	45 universities	51 universities
Increase focus on fewer EYE priorities and activities and realign program activity to better fit with strategic mandate	Number of completions of International Business case studies	5 case studies	2 completed and approved for use at the university level 2 completed and pending approval for use at the university level Note: longer time horizon to develop cases than anticipated
	Number of requests by EDC, EDC clients or partners for Chair to advise, guide, evaluate	Establish baseline reporting indicator	University of Waterloo Chair in Environmental Finance was appointed in November 2009. See 2010 Performance Measures for revised target.

2010 Community Investment – Trade Education

Objective	Measure	Target
Open undergraduate scholarship program to increase accessibility among Canadian students	Annual increase in EDC’s scholarships	350 eligible scholarship applicants
	Annual increase in the number and breadth of universities represented across Canada	59 universities
Increase focus on fewer EYE priorities and activities and realign program activity to better fit with strategic mandate	Number of completions of International Business case studies	3 case studies
	Optimize use of University of Waterloo Chair in Environmental Finance	Design & deliver financial workshop for EDC partners

2009 CSR Report

KEY PERFORMANCE MEASURES CONTINUED

2009 Community Investment – Employee Volunteerism

Objective	Measure	Target	Result
Support for local and international community investment through employee volunteerism	Percentage of employees applying for support under the Charitable Donations Policy	2% of employee base successfully accessing the program	2.2% of employees applied for support
	EDC employee volunteerism rate	Establish baseline reporting indicator for rate of employee usage of 2 days leave for volunteerism	Baseline established – 4 days were recorded as volunteer community leave Efforts will be made to clarify use of this leave option and to ensure correct recording of the data.
	Placement of EDC employee volunteers in international enterprise development projects in emerging markets through CARE Canada	Minimum 3 EDC employee volunteer placements, one of which assigned in CARE Canada Ottawa operation	3 overall placements: 2 to Peru (May – August), one to CARE’s Ottawa operation (began January 2010)
	Annual charitable contribution to United Way through Employee Fundraising Drive	Meet annual target	\$225,495 raised against a target of \$200,000

2009 CSR Report

KEY PERFORMANCE MEASURES CONTINUED

2010 Community Investment – Employee Volunteerism

Objective	Measure	Target
Support for local and international community investment through employee volunteerism	Percentage of employees applying for support under the Charitable Donations Policy	2% of employee base successfully accessing the program
	EDC employee volunteerism rate	Improve employee awareness of Community Leave provisions and ensure correct recording of the data
	Placement of EDC employee volunteers in international enterprise development projects in emerging markets through CARE Canada	Minimum 3 EDC employee volunteer placements, one of which assigned in CARE Canada Ottawa operation
	Annual charitable contribution to United Way through Employee Fundraising Drive	Meet annual target

2009 CSR Report**GRI****Global Reporting Initiative (GRI) Index**

CSR – 2009 CSR Report (where possible, the specific section of the report is indicated)

AR – 2009 Annual Report (where possible, the specific section of the report is indicated)

www – EDC website (where possible, the specific section of the website is indicated)

DMA – Disclosure on Management Approach

STANDARD DISCLOSURES – PROFILE**Strategy and Analysis**

No.	GRI Indicator	Location	Notes
1.1	CEO Statement	CSR – Message from the President and CEO	
1.2	Description of key impacts, risks and opportunities	AR – Corporate Social Responsibility	

2009 CSR Report

GRI CONTINUED

STANDARD DISCLOSURES – PROFILE
Organizational Profile

No.	GRI Indicator	Location	Notes
2.1	Name of organization	AR CSR – Corporate Profile www	
2.2	Primary brands, products or services	AR, CSR – Corporate Profile www – Our Services	
2.3	Operational structure of the organization	AR www – Management & Governance – Executive Management Team	
2.4	Headquarters location	AR – Corporate Representation CSR – Corporate Profile www – Corporate Fact Sheet	
2.5	Countries of operation	AR – Corporate Representation CSR – Corporate Profile www – Corporate Fact Sheet	
2.6	Nature of ownership	AR CSR – Corporate Profile www – About EDC – Corporate Information	100% owned by the Government of Canada
2.7	Markets served	AR CSR – Corporate Profile www – Corporate Information	
2.8	Scale of the reporting organization	AR CSR – Corporate Profile	
2.9	Significant changes during the reporting period	None	
2.10	Awards Received in Reporting Period	CSR – Corporate Profile	

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GRI CONTINUED

STANDARD DISCLOSURES – PROFILE
Report Parameters

No.	GRI Indicator	Location	Notes
3.1	Reporting period	CSR Report – In this report	
3.2	Date of most recent previous report	www	We report annually; previous report was 2008 and is available online
3.3	Reporting cycle	AR CSR	annual
3.4	Contact point for questions	CSR Report – In this report www – CSR Section and Contact Us	Phone and e-mail provided
3.5	Process for defining report content	CSR Report – In this report	
3.6	Boundary of the report	CSR Report – In this report	Report covers all EDC's operations, except where indicated
3.7	Limitations on report scope	None	
3.8	Basis for reporting on joint ventures, subsidiaries, et cetera	No major changes	
3.9	Data measurement techniques	CSR – Assurance Statement, Operational Footprint	
3.10	Explanation of effect of any re-statements	None	
3.11	Significant changes from previous reporting periods	None	
3.12	GRI Index	CSR – GRI Index	
3.13	Policy and current practice with regard to seeking external assurance for the report	CSR – In this report, External assurance statement	

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GRI CONTINUED

STANDARD DISCLOSURES – PROFILE
Governance, Commitments and Engagement
Governance

No.	GRI Indicator	Location	Notes
4.1	Governance structure	AR – Corporate Governance Practices www – See Mandate and Governance	
4.2	Indicate whether Chair of the highest governance body is also an executive officer	AR www – See Mandate and Governance	
4.3	Independent and/or non-executive board members	AR www – See Mandate and Governance	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the Board	AR CSR – CSR Stakeholder Engagement	
4.5	Linkage between compensation for Board members, senior management and executives and the organization's performance	AR – Senior Management Evaluation and Succession; Director Remuneration	Board member compensation is not linked to the Corporation's performance
4.6	Processes for Board to ensure conflicts of interest are avoided	AR – Corporate Governance Practices at EDC – Accountability and Operations CSR – Safeguarding business integrity www – Code of Conduct	
4.7	Process for determining the qualifications and expertise of Board members for guiding the organization's strategy on economic, environmental and social topics	AR – Board Education and Evaluation	

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GRI CONTINUED

STANDARD DISCLOSURES – PROFILE
Governance

No.	GRI Indicator	Location	Notes
4.8	Statements of mission, values, codes of conduct and principles relevant to economic, environmental and social topics	AR CSR – CSR Statement of Commitment, Environmental Performance www – About EDC – Corporate Information; also Corporate Social Responsibility – Business Ethics – Code of Business Ethics	
4.9	Procedures for the Board to oversee the organization's identification and management of economic, environmental and social performance, and adherence or compliance with international standards, codes of conduct and principles	AR – Risk Management	
4.10	Process for evaluating the Board's own performance, particularly with respect to economic, environmental and social performance	AR – Board Education and Evaluation	

Commitments to External Initiatives

No.	GRI Indicator	Location	Notes
4.11	Explanation of whether and how the precautionary approach is addressed in the organization	AR – Risk Management CSR – Environmental Performance	
4.12	Endorsement of externally developed economic, environmental and social charters, principles or other initiatives	CSR – Enhancing EDC's environmental review practices	
4.13	External memberships	CSR – Key frameworks	

2009 CSR Report

GRI CONTINUED

STANDARD DISCLOSURES – PROFILE**Stakeholder Engagement**

No.	GRI Indicator	Location	Notes
4.14	List of stakeholder groups	CSR – Stakeholder engagement	
4.15	Basis for identification and selection of stakeholder groups	CSR – Stakeholder engagement	
4.16	Approaches to stakeholder engagement	CSR – Stakeholder engagement	
4.17	Stakeholder issues and concerns	CSR – Stakeholder engagement	

2009 CSR Report

GRI CONTINUED

STANDARD DISCLOSURES – PERFORMANCE INDICATORS
Environmental

No.	GRI Indicator	Location	Notes
DMA	Disclosure on Management Approach	AR CSR – Environmental Performance	
EN1	Materials used by weight and volume	CSR – Reducing EDC’s operational footprint	
EN3	Direct energy consumption by primary energy source	CSR – Reducing EDC’s operational footprint	
EN5	Energy saved due to conservation and efficiency improvements	CSR – Reducing EDC’s operational footprint	In spite of awareness and efficiency measures, energy consumption increased. This is likely attributable to additional overtime hours worked to deliver EDC’s expanded mandate
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements	CSR – Growing green business initiatives	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	CSR – Reducing EDC’s operational footprint	
EN8	Total water withdrawal by source	CSR – Reducing EDC’s operational footprint	EDC’s headquarters water supply is sourced from the City of Ottawa
EN22	Total weight of waste by type and disposal method	CSR – Reducing EDC’s operational footprint	

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GRI CONTINUED

STANDARD DISCLOSURES – PERFORMANCE INDICATORS
Human Rights

No.	GRI Indicator	Location	Notes
DMA	Disclosure on Management Approach	CSR – Human Rights Performance	
HR1	Number of significant investment agreements that have undergone human rights screening	CSR – Human Rights Performance Environmental Performance (Projects reviewed and signed under the Environmental Review Directive and Equator Principles, 2009)	Category A & B projects represent our significant investments. Those Category A & B projects in developing country markets undergo human rights assessment and further due diligence according to EDC's human rights methodology. Of 12 Category A & B projects supported in 2009, all were screened for human rights impacts. Of these, 1 transaction received a higher level of human rights due diligence.

Labour Practices and Decent Work

No.	GRI Indicator	Location	Notes
DMA	Disclosure on Management Approach	AR – Leveraging the Organization CSR – Engaged employees matter	
LA2	Total number and rate of employee turnover by age group, gender and region	CSR – Employee Segmentation, 2009 Performance Measures (Organizational Climate – Employee Engagement)	Information on employee age is confidential.
LA4	Percentage of employees covered by collective bargaining agreements	AR – Leveraging the Organization	EDC is not covered by a collective bargaining agreement.
LA10	Average hours of training per year per employee	CSR – Building skills and careers	
LA13	Composition of governance bodies and breakdown of employees	AR – Board of Directors CSR – Employee segmentation data	

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GRI CONTINUED

STANDARD DISCLOSURES – PERFORMANCE INDICATORS
Society

No.	GRI Indicator	Location	Notes
DMA	Disclosure on Management Approach	AR – Corporate Social Responsibility CSR – Safeguarding business integrity, Fighting corruption	
SO1	Programs and practices that assess and manage the impacts of operations on communities	CSR – Progress on assessing human rights performance CSR – Enhancing EDC's environmental practices; The impact of EDC's environmental review	
SO4	Actions taken in response to incidents of corruption	CSR – Safeguarding business integrity, Fighting corruption	
SO5	Public policy positions and participation in public policy development and lobbying	CSR – Bill C-300 and Canadian businesses operating internationally	

Product Responsibility

No.	GRI Indicator	Location	Notes
DMA	Disclosure on Management Approach	AR – Respecting international agreements	
PR5	Practices related to customer satisfaction	AR – Connecting with exporters and investors; Measuring Success – customer related measures	
PR8	Complaints	CSR – Compliance, Access to Information Requests	

2009 CSR Report

GRI CONTINUED

STANDARD DISCLOSURES – PERFORMANCE INDICATORS
Economic

No.	GRI Indicator	Location	Notes
DMA	Disclosure on Management Approach	AR – EDC’s temporary domestic mandate; Matching Canadian supply with foreign demand; Connecting with exporters and investors; Facilitating integrative trade CSR – Corporate Profile, Economic Performance	
EC1	Direct economic value generated and distributed	AR – 2009 Performance Highlights CSR – Measuring EDC’s economic impact in 2009	
EC2	Financial implications and other risks and opportunities associated with climate change	CSR – 2009 CSR Scorecard, CSR strategy and commitment, Growing green business initiatives	Report addresses issue identification and strategy development
EC3	Coverage of the organization’s defined benefit plan obligations	AR – Employee future benefits	
EC4	Significant financial support received from the government CSR – EDC’s Role in Canada’s Economic Action	CSR – EDC’s Role in Canada’s Economic Action Plan	
EC9	Significant indirect economic impacts	AR – 2009 Performance highlights CSR – Exports key to Canada’s Economy	

2009 CSR Report

GRI CONTINUED

DISCLOSURES – FINANCIAL SECTOR SUPPLEMENT

No.	GRI Indicator	Location	Notes
FS1	Policies with specific environmental and social components applied to business lines	CSR – Environmental Policy review, Human Rights Performance www – Environmental review practices	
FS2	Procedures for assessing and screening environmental and social risks in business lines	CSR – Enhancing EDC's environmental review practices, Human Rights Performance	
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	CSR – The impact of EDC's environmental review	
FS5	Interactions with clients regarding environmental and social risks and opportunities	CSR – Environmental Performance	Refer to Profiles for examples of EDC-client interface on environmental issues
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector	AR – Concentration of Exposure by Geographical Market CSR – Transactions at a glance	
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	CSR – Growing green business initiatives	
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	CSR – Environmental Performance	All business is screened for environmental impacts to a greater or lesser degree depending on potential environmental and social impacts