



10 YEARS ON – THE STORY BEHIND THE NUMBERS



2014 CSR REPORT

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2014 CSR Highlights

7,432
customers served  **4%**

 **\$98.9 billion**
total business facilitated  **4%**

 **\$300 million**
in **Green Bond** financing

7 transactions reviewed under
the **Equator Principles**  **40%**

58 transactions underwent
enhanced anti-corruption
due diligence  **2%**

977
transactions disclosed  **6%**

 **60** Canadian educational
institutions represented
among scholarship
applicants  **15%**

13 metric tonnes
of paper consumed  **48%** 

G4-10

 **1,176** full-time, permanent employees





Measuring Our Success

CSR Scorecard 2014

The table below summarizes our performance against goals we had set for 2014, and our future plans for 2015.

Key Areas	Key 2014 Plans	2014 Results	2015 Plans
Strategic Management of CSR at EDC	Scan suite of EDC's CSR Policies and Statements and consider consolidation.	Completed.	
Environmental and Social Risk Management	Continue development of common CSR risk rating methodology.	Project discontinued.	
	Continue EDC's active involvement on the Equator Principles Steering Committee and support of various working groups.	EDC was re-elected to the Steering Committee of the Equator Principles Association.	Maintain EDC's active involvement on the Equator Principles Steering Committee and support of various working groups.
	Liaise with Office of the Auditor General of Canada on the results of its environmental audit of EDC, and implement the recommendations provided in the OAG report.	Office of the Auditor General of Canada concluded its audit of EDC's environmental and social policies and processes. Implementation of recommendations is in process.	Continue to implement the recommendations.
	Continue with the internal review of the EDC Environmental and Social Risk Management Policy and EDC Environmental and Social Review Directive initiated in 2013. Determine changes, if any, that are required and schedule update process.	Delayed until 2015.	
Human Rights	Conduct training for key transaction personnel on EDC's environmental and social review practices, including updates to the Equator Principles.	Completed.	
	Address process issue to ensure all transactions reviewed under EDC's Environmental Review Directive (ERD) undergo human rights risk assessments.	The human rights risk assessment processes were clarified to ensure staff understand requirements for assessments.	
Climate Change		Conducted diagnostic of EDC's Human Rights Methodologies against the UN Guiding Principles on Business and Human Rights.	Develop implementation strategy based on UN Guiding Principles on Business and Human Rights.
	Implement any recommendations arising from report by the Office of the Auditor General (OAG) of Canada.	Implemented procedural changes addressing the OAG's audit recommendations around the consistent provisioning of greenhouse gas (GHG) emissions estimates and alternatives analyses by project sponsors.	Continue to execute EDC's new procedures to ensure better quality of GHG data collected from projects.
			Strengthen corporate capacity by undertaking specialized training on GHG emissions estimates and methodologies to ensure that the project-specific estimates being provided to EDC are reasonable.



Key Areas	Key 2014 Plans	2014 Results	2015 Plans
Environmental Technologies G4-EC2	Enhance transparency and reporting related to our Green Bond. Continue building portfolio of financing transactions to support EDC's Green Bond program through staff training to facilitate identification of transactions that meet the eligibility requirements.	Maintained a schedule of quarterly updates to the Green Bond portfolio. Conducted internal staff training on the Green Bond program, to increase awareness of the program and to stimulate future growth. Followed trends with other bond issuers on impact reporting and developed format for inaugural investor report for release in Q1 2015.	Ensure the Green Bond proceeds are appropriately segregated. Continue to develop internal benchstrength to facilitate improved identification of new transactions eligible for the Green Bond, and related training of front-line staff. Enhance the allocation of the segregated proceeds to the identified 'green' projects. Continue to monitor developments on impact reporting practices of other green bond issuers. Respond to investor feedback on EDC's 2015 Green Bond report.
Operational Footprint	Derived from baseline established, set reduction targets going forward. Implement a full-fledged composting program at EDC head office.	Delayed until 2015. Composting program implemented.	Explore ways to reduce or offset our impacts and/or energy use.
Business Ethics	Maintain performance.	100% participation in the annual mandatory completion of online training and certification.	Maintain performance. Increase awareness of the <i>Code of Conduct</i> through quarterly awareness communications to employees.
Combatting Corruption	Complete update to anti-corruption program to reflect amendments to the <i>Corruption of Foreign Public Officials Act</i> (CFPOA). Begin review of some "Know Your Customer" (KYC) processes to identify areas for possible enhancement.	Implementation pending outcome of anti-corruption program review by external supplier. Completed initial review of KYC processes.	Implement EDC's management response to recommendations provided in external review report.
Community Investment	Continue placing EDC experts in emerging market, small enterprise projects through CARE's offices in Africa, Asia and Latin America.	Successfully placed four employees who shared their business expertise to advance CARE's programming in India, Zambia and Ottawa.	Review current programs to identify new opportunities that will strengthen our community investments.
Transparency & Disclosure	Work with internal partners to ensure accuracy of details between the various systems used for all Political Risk Insurance, Equity, Financing and Guarantee products. For Category A Project Review Summaries, aim to post these in a timely manner, within 90 days of signing the transaction.	Improved processes to ensure accuracy of all disclosed transactions. All Category A Project Review Summaries were posted to edc.ca within 90 days of signing the transaction.	Continue to increase accuracy and comparability of information disclosed by consolidating processes and by developing improved guidance to staff.



In This Report

Theme of This Report

We are pleased to present our 10th Corporate Social Responsibility (CSR) report. Our CSR journey has been much longer, but 10 years of reporting publicly is a milestone we wanted to recognize. In that regard, this report reflects back on our accomplishments and challenges throughout the past 10 years, while also looking at where we have improved and where we still have work to do. [G4-3](#) [G4-29](#)

[G4-33](#)

Often, data does not convey the effort behind accomplishing the work, so the goal of this report is to provide 'the story behind the numbers' — to provide insight into the effort invested in meeting our CSR commitments. This year, we also tried to **tell the story through more videos**, which we hope will give our stakeholders better insight into our CSR performance.

Our CSR report content is intricately linked with our **Annual Report**, and other resources from our **web site** and **Corporate Plan**.

This report further reflects the link between CSR and our business strategies and activities. Areas that link directly with our business strategy are indicated by the symbol: ⚙️.

Reporting Scope and Boundary

This annual report covers EDC's business activities for the calendar year 2014 at all our operations across Canada and around the world. However, our **operational footprint data** pertains to our Ottawa head office only, where over 90 per cent of EDC's physical operations, as measured in terms of square footage, are concentrated. [G4-2](#) [G4-18](#) [G4-19](#) [G4-20](#) [G4-28](#) [G4-30](#)

Materiality Matters

This report was developed using guidance from a number of sources including a feedback group of corporate peers organized by the **United Nations Global Compact Canada Network**, and our internal subject matter experts. We are also informed by feedback from our stakeholders throughout the year.

The structure of the report reflects our key CSR issues as identified by our stakeholders. We have extended our **materiality matrix** to reflect these issues. [G4-18](#) [G4-19](#) [G4-20](#) [G4-21](#) [G4-25](#) [G4-37](#) [G4-LA12](#)

Global Reporting Initiative Index (GRI)

The content of this report is driven by the requirements of the GRI. The GRI provides a structure for CSR Reporting and makes reports comparable across companies. This report is prepared using the GRI Content Index Service of the **G4 Sustainability Reporting Guidelines**. We have developed the report according to the "in accordance" — Core option. Indicators are marked within the report by this symbol: [GRI Indicator](#)

The GRI Index can be found **here**. [G4-32](#) [G4-33](#)

Assurance

Engaging an independent third party to assure data points is best practice in CSR reporting. Our anti-corruption measures occupied a significant amount of time and attention in 2014, and are considered a material issue. This year, we have again assured our data on anti-corruption enhanced due diligence. Enhanced due diligence is explained in greater detail in the section **Combatting Corruption**. [G4-S03](#)

We combined a number of environmental measures and requested our assurer, Ernst & Young, to look at our compliance with the **Equator Principles**. This is a key feature of our CSR performance and we seek to ensure that we are meeting expectations and are compliant with that standard. This indicator focuses on how we identify projects that are subject to the Equator Principles and how we categorize these according to their degree of environmental and social impacts and risks. [G4-33](#)

Data that has been assured is marked by this symbol: ✓.

The statement from our assurer can be found **here**.

We Want to Hear from You

As always, we welcome your feedback, whether via [Twitter](#), [Facebook](#), [LinkedIn](#) or directly to csr-rse@edc.ca. [G4-31](#)

Message From the President

Reaching for Our Export Potential

Certainly, the last 12 months have been good for Canadian exporters and investors. With an upsurge in demand from the U.S., at a time when commodity prices were holding steady, exports grew by more than 10 per cent in 2014. But with only 4 per cent of Canadian companies exporting right now, we know we still have some work to do.

Overall, it was a successful year for EDC and our customers. We set some high targets for ourselves, and we managed to meet them all. The exports and investments that we facilitated for our 7,400 customers reached close to \$100 billion, 4 per cent growth over 2013. We also helped more small- and medium-sized businesses this year, 6,088, representing 82 per cent of our customer base.

Equally encouraging, we saw 14 per cent growth in our customers' Canadian direct investments abroad and a 6 per cent increase in business volumes in emerging markets — both very positive signs of better times ahead. A comeback in the U.S. is great news for Canadian exporters, but a true selfsustaining recovery means more companies exporting to these high-growth regions of the world.

It's hard to believe that it's only been a little over a year since I was appointed President and CEO. It feels like much longer, but in a good way! I spent a great deal of time this year visiting with Canadian companies across the country. I never miss the chance to talk directly with the people who are running Canada's businesses because I always learn something new about their challenges, and what we need to do to be even more relevant moving forward.

For one, I heard loud and clear that we need to work harder to help them capitalize on more opportunities, particularly smaller Canadian companies. Even still, we need to encourage more Canadian companies to take the leap into exporting in the first place, so we need to work harder at spreading awareness of the benefits of exporting and how EDC can help.

Of course, that means we have to do more for them, particularly when it comes to stretching our view on the kinds of risk we're willing to take on. To that effect, last year we evolved our export guarantee program to take on 100 per cent of the risk rather than 75 per cent, because that's what our customers, both banks and exporters, needed in this environment. We also broke new ground by beginning to offer cash flow financing against assets such as intellectual property, a critical product for Canada's life science sector if it is to break out of its domestic focus and begin to penetrate international markets.

And we completed some pretty significant corporate initiatives; all aimed at making it easier for our customers to do business with us, including some large scale technological transformations to our credit insurance program to broaden our service offering to small businesses, and make their experience faster, more efficient and more predictable.

As always, our work throughout the year was guided by two principles: working in partnership whenever we can and conducting our business in a responsible manner. We continued to partner with the private sector to combine our expertise and risk capacity to support more Canadian companies, and this year our partnership transactions led to almost \$27 billion in new business for our customers, up from \$22.8 billion in 2013.

The exports and investments
that we facilitated for our 7,400
customers reached close to
\$100 billion.



We also worked hard to support the policy objectives of our shareholder, particularly with respect to the Government Market Action Plan (GMAP). GMAP places a priority on helping Canadian SMEs increase their international presence, particularly in emerging markets. To that effect, we participated, and will continue to do so this year, in DFATD's 'Go Global' workshops, that are helping to provide SMEs with the tools, information and support that they need to take advantage of international business opportunities. We also undertook several initiatives aimed specifically at helping more SMEs, outlined later in this report.

On the Corporate Social Responsibility front, we engaged third-party suppliers to improve our understanding of the intersection between human rights and our support for business and to review our anti-corruption practices to identify areas for possible enhancement.

I'm proud to say that we were recently awarded *Best Trade Finance Multi-Lateral Institution or Export Credit Agency* by *Global Finance* magazine, some good affirmation that we're doing something right! I'm especially proud that we were able to achieve just the right balance between meeting our responsibilities for Canadian exporters and staying financially stable.

I'd like to take this opportunity to thank our Board of Directors for their guidance and insights throughout the year. I'd also like to thank Pierre Gignac for filling in as Interim-President up until I was appointed to the position in February. He did a great job steering the ship and making sure our customers were well-served.

Finally I'd like to thank all of EDC's employees; here in Ottawa, throughout the country and around the world. As always, their dedication and commitment led to another successful year for Canadian exporters and investors.

A handwritten signature in blue ink, consisting of a stylized 'B' and 'D' followed by a horizontal line.

Benoit Daignault
President and CEO

Message From the Vice-President, CSR

Welcome to our 10th CSR Annual Report. It's quite a milestone for us.

On reading our first report from 10 years ago, I'm struck by how much our CSR program at EDC has evolved. It certainly has been a journey; and one that we're proud of. Each year we seem to push the yardsticks a bit more. Taken individually, they might seem like small steps, but as I sit back and reflect on the past 10 years, I'm reminded just how far we've come in our CSR performance.

Whether in the area of environmental and social reviews, raising awareness of corruption, our own level of transparency or our contributions to the communities where we live and work, I'm particularly pleased with how CSR has become embedded into our daily business decisions.

That business, of course, is to support and develop Canadian trade, which accounts for 60 per cent of our GDP. And we all take pride in the role we play to bring the benefits of trade home to Canada. To give you some perspective, last year, through our services 7,400 business conducted almost \$100 billion in exports and investments, in about 190 countries. More than 6,100 of these companies were Canadian SMEs and \$28 billion was conducted in high-growth emerging markets like China and India.

But what goes on behind the scenes to ensure that every transaction is conducted responsibly? A lot.

As a Crown corporation accountable to the Minister of International Trade, EDC needs to ensure that all of our business is conducted with fairness, integrity and respect for the law, the environment and the people impacted. So there's a much bigger story to every transaction we're involved in ... the story behind the numbers.

That's what we're trying to convey in this year's CSR Annual Report. And what better way to tell that story than **through video**. This year, we've featured videos from our senior executives, customers and various employees, as they walk you through the story behind the numbers. For example, some of **EDC's longest-serving executives** give their perspectives on how CSR has evolved over their years at EDC, and how it has impacted how we do business; our **Senior Vice-President for Human Resources** also speaks about how CSR has become a valuable tool to recruit and retain 'the best and the brightest,' and you'll hear about our **partnership with CARE Canada** directly from the volunteers who have taken part, in Zambia, Peru and India.

Of course, there were some challenges. Each year, we find ourselves answering more probing questions about potential corruption issues, and last year was no exception.

But as our CSR program continues to evolve, it looks like we're doing something right. In 2014, we were pleased to learn that we had been ranked among the Corporate Knights **Future 40 Responsible Corporate Leaders in Canada**, which recognizes organizations with revenues of less than \$2 billion, or fewer than 2,000 employees. There were 213 organizations considered for the category. The sustainability of each organization is determined based on publicly available data on various performance indicators, such as greenhouse gas emissions, health and safety, pay equity, leadership diversity and innovation.

After 10 years, we've learned that when you report, you create accountability and ownership. Moving forward, we will continue to move the yardsticks.

As always, we welcome your feedback. You'll see in the report that you can now tweet your comments or questions and we encourage you to do so. We hope you enjoy this report.



A handwritten signature in blue ink, reading 'Signi'.

Signi Schneider
Vice-President, CSR

A portrait of Signi Schneider, Vice-President of CSR, smiling. She has reddish-brown hair and is wearing a dark blazer.

Message From the Vice-President, CSR

EDC published its first CSR annual Report in 2004. Hear from Signi Schneider on how we've progressed since that time; reflecting on the evolution of what our stakeholders want to hear about, what is material to our business and what we want the public to learn.

[Click here to watch video online](#) 

A portrait of a man with glasses and a light blue shirt, speaking. This is part of the 'Executive Reflections on CSR' video.

Executive Reflections on CSR

Hear from three of EDC's Senior Vice-Presidents on how our CSR program has evolved over the years and how it drives our culture today.

[Click here to watch video online](#) 

Who We Are and How We Operate

EDC is Canada's export credit agency. Our job is to support and develop Canada's export trade by helping Canadian companies respond to international business opportunities. We are a self-financing Crown corporation that operates at arm's length from the Government of Canada. EDC does not receive annual parliamentary appropriations. [G4-7](#) [G4-EC4](#) [G4-SO6](#)

What Do We Do? [G4-4](#)

EDC provides financial services that allow Canadian exporters and investors to manage the risks they face while doing business internationally. To achieve our mandate, we provide **financing, insurance** and **bonding and guarantee** products to Canadian exporters and investors and, in some cases, to their international buyers. We serve both large Canadian corporations with operations around the globe, as well as small business entrepreneurs, and companies of all sizes in between. While their needs are different, our goal remains the same: to provide a financial service that will help them export. We also support Canadian direct investment abroad and investment into Canada. Much of our business is done in partnership with other financial institutions and through collaboration with the Government of Canada.

EDC Products

EDC's financing and insurance solutions are provided on commercial terms and intended to add capacity to the market where and when it is needed. Our current product groupings are listed below. For a complete description of each product, see our **Corporate Plan, 2015-2019** (pages 18-20). [G4-4](#) [G4-PR5](#)

Financing: To meet the needs of Canadian companies in competitive global markets, we have products that will ensure companies have financing readily available to fulfill orders, open a foreign branch, or even to provide financing for their customers.

Bonding and Guarantee Solutions: Posting bonds and guarantees is a necessary part of exporting that can tie up a company's cash flow. We have a range of bonding and guarantee solutions, offered in partnership with financial institutions, which can help companies free up working capital they need.

Insurance Solutions: EDC has a range of insurance solutions to help companies protect their international business, whether they have one contract, one customer or want support for their entire book of business. Our insurance can help companies access the working capital they need and protect their assets as they grow their international sales.

Key Financial Data [G4-9](#) [G4-17](#) [G4-EC1](#)

To help you better understand our financial context and the results of our business activities, the table below provides an overview of some of EDC's key financial data:

(in millions of Canadian dollars)	Dec. 31, 2014	Dec. 31, 2013
Financing business facilitated	21,576	18,348
Insurance business facilitated	77,294	77,064
Net income	1,129	817
Total revenue	1,576	1,504
Net revenue	1,534	1,316
Total administrative expenses	327	310
Total assets	49,004	41,516
Total liabilities	40,788	33,145
Total equity	8,216	8,371
Total supply of capital	9,973	10,209
Dividends paid	1,129	1,440



CSR Governance

Accountabilities

We have undertaken a broad commitment to CSR that touches various aspects of corporate operations. Executive accountability and operational responsibility for these commitments is reflected in the diagram found [here](#). **G4-36** **G4-38** **G4-48** **G4-LA12**

Advisory Council on CSR

EDC's Advisory Council on CSR, a nine-member body of eminent persons, was created to serve as a sounding board to provide advice to EDC's executives. The Council, which meets twice a year, provides advice to help EDC achieve best practice in CSR. In 2014, Council discussions focused on, among other things, anti-corruption trends two years following the creation of the Charbonneau Commission, and innovative financing instruments including EDC's **Green Bond**.

Information on the Council's membership, terms of reference and summaries of proceedings of recent meetings are found [here](#). **G4-24**

Integrating Business and Society

Each year we strive to achieve greater integration between our main lines of business and our CSR activities. That is accomplished through our support for **clean technologies (cleantech)** and environmental exports, and by issuing our first **Green Bond** in 2014 to support environmentally beneficial business.

Reflections on 10 Years – The Story Behind the Numbers

Over the past 10 years, we have had an evolution in our thinking. Like many businesses, we look for means to achieve a win-win situation, that is to say a means of using business to meet societal challenges like climate change. We have increasingly taken select approaches to find the balance between commercial activity and societal needs. Our business operations reflect that thinking in our support for small and medium-sized enterprises (SMEs), an engine of economic growth and employment in Canada, and in our support for cleantech business.

Challenges Ahead

A greater integration between business and society requires forethought and action. The challenge ahead will be to move beyond our support for small and medium-sized enterprises and the environmentally beneficial business sector, and continue to identify ways to achieve a greater integration of our business products and services with CSR. This will require innovative thinking to identify opportunities to combine our traditional product offerings of **financing** and **insurance**, and **raising capital**, with our CSR practices.



Supporting Small and Medium-Sized Enterprises G4-EC2

Canada's small and medium-sized (SMEs) make up about 98 per cent of Canada's businesses, account for 45 per cent of GDP and 60 per cent of all jobs. Their success, however, has been tempered by many challenges, such as the high dollar, which have made engaging in international trade more difficult. Of the more than 1 million SMEs operating in Canada, only 41,000 are currently exporting, with the majority of these exports going to the U.S. Now more than ever, these smaller businesses need support to help break into foreign supply chains, and establish a credible presence abroad.

EDC has made it a priority to **help Canadian SMEs grow internationally**, particularly in key emerging markets. Overall in 2014, we helped 6,088 SMEs, representing about 80 per cent of our customer base.

Some of our 2014 small business customer successes can be found in our **Annual Report**.



Cleantech

The Canadian clean technology sector (cleantech) is rapidly growing and focused on developing technologies that reduce negative environmental impacts and allow for a more efficient use of the earth's resources. Canada has an active cleantech sector with emerging capabilities in sub-sectors such as renewable power generation and storage, advanced water treatment and waste-to-energy technology. We continue to see many companies with innovative technologies that are in early commercialization and with strong investor support. However, moving past the development phase can be challenging for these small companies. In fact, accessing lending and insurance can be one of the biggest hurdles they face, even when their technology has been commercially proven.

Our cleantech strategy continued to focus on identifying promising Canadian companies whose technologies are in the early commercialization stage and offering our **financing** and **insurance solutions**, in partnership with the private sector, where possible. We also support high-growth companies on larger numbers and higher dollar-value transactions.

G4-EC2

In 2014 we were able to support more companies on more transactions than in the two years previously, combined.

	2012	2013	2014	2015 (target)
Transactions	10	33	54	60
Companies Served	8*	19	31	30

* Number adjusted; previously reported as 10 companies served.


The success of this cleantech strategy is due in large part to our strong partnerships with organizations such as Sustainable Development Technology Canada (SDTC), Écotech Québec and the Department of Foreign Affairs, Trade and Development (DFATD). Through information sharing, and joint events between our organizations, EDC has been able to better connect with cleantech companies that can benefit most from our financial solutions.

G4-2

For example, in 2014 we took part in our first cleantech mission to China, where 14 Canadian companies participated in matchmaking activities in Hong Kong and Beijing. During the mission, we also sponsored the IFC Climate Forum in Hong Kong that provided a showcase opportunity for Canadian cleantech companies. Other events included a matchmaking program putting Canadian exporters together with foreign buyers at Globe 2014 with our partners SDTC and DFATD, as well as a smart grid mission to Colombia.



Green Bonds

In 2014, we issued our first Green Bond, a fixed income security that allows investors to play a role in financing green business transactions worldwide. The impact of this has been to finance green investments and stimulate growth for businesses that provide cleantech solutions, to help preserve, protect or remediate air, water or soil, or help mitigate climate change. 

Investor interest in bonds supporting environmental responsibility is growing, as evidenced by the positive response to this transaction. As a result of this bond, EDC was awarded **Deal of the Year for the Americas by Trade Finance Magazine**, which recognizes innovation and achievement in trade finance. Announced at the **12th Annual Canadian Business for Social Responsibility Summit**, EDC was also honoured to receive the **Excellence in Corporate Responsibility Award** for product innovation and service because of its pioneering work on the Green Bond. More information on our Green Bond can be found in the **Investor Relations area of edc.ca** (requires registration).

Combating Corruption

Corruption and bribery, while not only illegal, also create an unlevel competitive playing field and as a consequence deliver unsatisfactory products and services at exaggerated prices. Global efforts to combat bribery and corruption are growing, including in Canada with the strengthening of Canada's **Corruption of Foreign Public Officials Act** and with the increase in investigations and prosecutions.

Reflections on 10 Years – The Story Behind the Numbers

EDC has been combatting corruption in international business transactions for more than a decade. Initially based on fulfillment of commitments made under the **Recommendation on Bribery and Officially Supported Export Credits** (originally called the *Action Statement on Bribery*) signed by export credit agencies at the Organisation for Economic Co-operation and Development (OECD) in 2000, our engagement has evolved from raising awareness with our customers to increasing our proactive anti-corruption due diligence.

Over the past decade, our due diligence into transactions has intensified. Our efforts to identify any indicators of potential bribery or corruption have increased. We codified this effort with an amendment to our **Code of Business Ethics**, thereby creating an obligation for EDC. Those changes to our *Code* not only require that we not support business involving bribery and corruption, but that we also take steps to avoid unknowingly supporting such business. **G4-DMA (Compliance)**

Further, EDC will not knowingly support a transaction that involves the offer or giving of a bribe, will exercise reasonable diligence and care not to unknowingly support such a transaction, and will exercise reasonable due diligence to ascertain and address situations where parties associated with certain transactions involving EDC support have been convicted of bribery.
– EDC Code of Business Ethics, What We Stand For

To complement our transaction reviews, we developed a training program that has become incorporated into the underwriting processes across all EDC products. This training ensures staff understand how to carry out their duties related to anti-corruption due diligence. **G4-LA9** **G4-SO4**

Over the past decade and more, we have raised awareness with the business community of the risks of bribery and corruption in international transactions, whether those corruption risks are financial or legal. This awareness is all the more important as anti-corruption enforcement has increased globally, including in Canada. In 2013, we took steps to measure the level of awareness. A CSR survey conducted with EDC's **research panel** reflected a general lack of awareness of the legal risks of bribery, with more than 50 per cent of respondents unaware of laws such as Canada's *Corruption of Foreign Public Officials Act*.

To combat this low level of awareness, we expanded our anti-corruption outreach and communications activities to include: **developing resource material** for exporters on protecting against corruption risk; a brochure mailed by EDC's president to all new customers with information on combatting corruption; and a mix of other communications tools like an online webinar, anti-corruption presentations, speeches, participation on panels at industry events in Canada and abroad and an advertising campaign.


Our Year in 2014

After growing our anti-corruption measures progressively for more than 10 years, we decided to undertake an external review of our efforts. Our anti-corruption program was reviewed by business law firm Bennett Jones, to assess and confirm that our practices are sound and appropriate, reflect emerging global best practices and to recommend improvements. Their final report is expected in 2015.

Underwriting staff undertake corruption screening on transactions. Further anti-corruption due diligence by a specialized team is required when screening results in information that reveals potential areas of concern, such as past incidents of commercial crime or allegations of bribery or acts of corruption.

Continuous improvements were made to streamline this corruption-related due diligence and improve staff training. Notably, business development and underwriting staff have clearer guidance on when to refer corruption cases. Enhanced due diligence refers to situations where EDC has encountered allegations of corruption or bribery involving an existing customer. In such cases, EDC gathers information about the allegations and reviews the company's anti-corruption risk management systems, undertaking additional due diligence and responding as necessary should the situation escalate to an investigation, charges, or ultimately, a bribery conviction.

G4-LA9

General legal or regulatory compliance and/or CSR-related reviews were completed on over 500 transactions in 2014. Of those, enhanced due diligence was completed on 58 transactions, or 12 per cent.  **G4-S03**

In some cases, changes in corporate governance, including recommendations for third-party audits, and continued monitoring of higher-risk business, were necessary conditions of EDC support. Ongoing corruption screening training was provided to business development and underwriting staff with over 10 corruption screening training sessions provided in 2014.

G4-DMA (Product and Service Labeling) **G4-LA9**

The Legal Compliance team was created in 2012 to ensure legal compliance risk is also assessed in transactions. That team works closely with the Corporate Responsibility team on transactions where corruption indicators may be present. Their work also includes a review of other potential anti-competitive practices such as bid rigging, securities violations and collusion. **G4-2**

During the year, improvements were made to our corruption screening due diligence, incorporating a new research tool that has helped us more quickly and precisely identify relevant CSR risks in a transaction or with a counterparty.

We also collaborated closely with government and quasi-governmental partners such as the Department of Foreign Affairs, Trade and Development, the Canadian Commercial Corporation, and Public Works and Government Services Canada to share information on respective practices such as reporting and the use of anti-corruption declarations.

Challenges Ahead

An ongoing effort is required by EDC to strengthen and increase awareness and understanding among Canadian businesses of corruption risks in international business.

To fulfill our duty and commitments, our anti-corruption policies, procedures and practices must remain fluid in order to adapt to evolving global best practices. The results of the ongoing review of our anti-corruption program will be finalized in 2015 and can be expected to recommend refinements and enhancements, such as more frequent and targeted training programs for its employees to be well positioned to detect risks, identifying options for standardization and centralization of enhanced due diligence, and clearer procedures for senior management review of higher-risk situations.

Employees Discuss the Story Behind the Numbers

EDC has been combatting corruption in international business transactions for more than a decade. Hear from three EDC employees about the due diligence that goes into reviewing transactions for corruption issues and our obligation to educate our customers on anti-corruption measures.

[Click here to watch video online](#) 



Being Transparent

EDC has progressively increased its disclosure of information to the public. While unusual for a financial institution, the experience has confirmed the benefits of greater transparency about our operations. [G4-24](#) [G4-27](#)

Reflections on 10 Years – The Story Behind the Disclosure Numbers

Disclosure for EDC has been a journey. Prior to 2001, we did not disclose customer-related information on business activities that we were financing. This practice reflected general industry practice then and now. In addition, we were not sure what the implications of greater disclosure would be.

In 2001, we developed rules to protect commercial confidentiality, while also ensuring stakeholders had better insight into what EDC was supporting. Our experience to date has been positive. Stakeholders are clear about the parameters for disclosure of information. Furthermore, the level of disclosure satisfies many appetites for information about what EDC is financing, and as a consequence has dispelled misperceptions while building confidence in how we conduct our business. As a result of our disclosure practices, we have fewer inquiries for basic transactional information, resulting in a more sophisticated dialogue with our stakeholders about our business practices. [G4-PR8](#)

These rules have since become embedded in our **Disclosure Policy**, launched in October 2001, and are complemented by rules established by the Organisation for Economic Co-operation and Development as embodied in the **Common Approaches on Environment**. [G4-16](#)

Under this policy framework, we **disclose information** on individual transactions that we are financing, and more specific environmental and social information on large projects. Since 2001, we have increasingly built upon our disclosure of information. We now disclose **summaries of large projects** that we have reviewed. These summaries provide insight into the environmental and social impacts of Category A projects, and how we determined the sponsor would manage the projects would meet international standards.

Over 10 years, we revised our Disclosure Policy twice and became subject to Canada's **Access to Information Act** in 2007. We also release our **internal audit reports** to address the public reporting requirements of the **Public Servants Disclosure Protection Act**. Finally, we began reporting on our CSR performance with our first CSR report covering 2004.

All of these measures combined have resulted in greater disclosure of information and insight into our operations.

Our Year in 2014

Our stakeholders are in contact with us throughout the year. Their inquiries and our discussions help us understand where we can improve our performance. In 2014, we responded to 96 CSR-related inquiries on a variety of topics such as inquiries about our financing to mining companies. [G4-24](#) [G4-26](#)

We, along with other financial institutions including other export credit agencies, were also queried by a coalition of non-governmental organizations (NGOs) about our support for the STAR Refinery project in Turkey. Stakeholders are concerned about this project's potential contribution to cumulative environmental impacts of coal-fired plants in this region, and legal matters concerning the project sponsor's title to the site. EDC, along with the other financial institutions involved, looked into the NGOs' concerns and provided a collective response. The elements of that response are here. [G4-27](#)

Excerpt From Joint Response From Financial Institutions Supporting the STAR Refinery Project, 29 May 2014:

...Addressing the points raised in your letters: 1. Coal-fired power plant: the Refinery and the power plant are two separate unrelated projects and the permitting of the two projects are (sic) not connected. Furthermore, the Refinery will not be reliant on the power plant for its electricity needs and we have been informed by the sponsors of the Refinery that the power plant will not be constructed to utilize petcoke from the Refinery as feedstock...

Finally, in 2014, we were the subject of a case study in a report produced by ECA Watch entitled **Export Credit and Human Rights: Failure to Protect**. EDC provided a **response** through the *Business and Human Rights Resource Centre* explaining how we integrate human rights considerations into our due diligence on transactions, below. [G4-27](#)

Extract of EDC Response to ECA Watch Report on Export Credit Agencies and Human Rights:

...corporate loans, are screened for their potential impact on the environment, communities and human rights, among other elements. Based on the results of that screening, the transaction may undergo further environmental, social and human rights due diligence. EDC has a dedicated in-house team that ensures both country- and transactional-level human rights impacts are examined.

For corporate loans such as that referred to in the ECA Watch report EDC case study, proceeds of the loan are not directed to any specific project, but are used for a variety of purposes, such as repayment of existing debt, or capital and operating expenditures. From an environmental, social and human rights perspective, our reviews of corporate loans take into account several factors such as the industry sector being supported, the countries in which the borrower operates, the borrower's environmental and social track record (including compliance with applicable regulations) and the borrower's corporate capacity to manage the environmental, social and human rights risks of its operations....

Challenges Ahead

Our improved disclosure practices have improved stakeholders' understanding of what we do, and how we analyze issues prior to deciding to support Canadian exporters and investors. Moving forward, we will continue to explain our processes and practices related to environmental, social and human rights practices, in order to provide the insight stakeholders are seeking.



Disclosure on Transactions G4-27

Transactions by Region*	2014
Africa and Middle East	59
Asia and Pacific	88
Europe and CIS	89
North America	664
South and Central America and the Caribbean	75
Various Countries	2
Total Number of Transactions	977

* Due to changes in regional groupings this table indicates 2014 only. Data on 2012 and 2013 is available upon request to csr-rse@edc.ca.

Transactions by Product	2014	2013	2012
Equity	12	17	16
Financing	210	186	182
Guarantee	754	713	648
PRI	1	3	3
Total Number of Transactions	977	919	849

Transactions by Dollar Value	2014	2013	2012
> 1 billion	0	0	0
500 million – 1 billion	5	4	3
250 – 500 million	8	12	10
100 – 250 million	38	33	20
50 – 100 million	38	39	33
25 – 50 million	43	34	43
15 – 25 million	32	20	25
5 – 15 million	54	42	45
1 – 5 million	247	229	204
< 1 million	512	506	466
Total Number of Transactions	977	919	849

Our Compliance Program

The **Compliance Officer** role was created to enhance our transparency and accountability regarding the public disclosure of information, internal disclosure of wrongdoing, environmental reviews, human rights practices and business ethics. Much like an ombudsman, the Officer operates independently from management, receiving and reviewing complaints from stakeholders and fielding inquiries about our CSR policies and initiatives. No complaints were received in 2014. [G4-30](#) [G4-41](#) [G4-49](#) [G4-EN34](#) [G4-LA16](#) [G4-HR3](#)

[G4-HR12](#) [G4-S07](#) [G4-S08](#) [G4-PR6](#) [G4-PR9](#) [G4-DMA \(Compliance\)](#)

To fill potential gaps and in line with developments in the financial sector, EDC has expanded its perspective of compliance by creating an internal Legal Compliance unit. This unit provides advice on compliance with a variety of legal issues such as potential corruption and money laundering. [G4-58](#)

Access to Information

As a Crown corporation, we are subject to both the **Access to Information Act (ATIA)** and the **Privacy Act (PA)**. Our Access to Information and Privacy (ATIP) Team is responsible for receiving and responding to all formal requests submitted to EDC under these Acts. In 2014, the ATIP Team responded to 11 inquiries under the ATIA with subjects ranging from purchase orders for equipment to the impact global events had on our operations. All requests were completed within statutory timeframes or extended timeframes where applicable.

The ATIP Team also leads the implementation of sound, streamlined practices and training initiatives to ensure we continue to meet our statutory obligations under both the ATIA and the PA. [G4-LA9](#)

Employees Discuss the Story Behind the Numbers

Hear from EDC employees on our international commitments to disclose information on the environmental and social due diligence we undertake.

[Click here to watch video online](#) 



Protecting the Environment and People

EDC has been reviewing environmental and social risks since the 1990s. Throughout the past 10 years, social risks have taken their place alongside environmental risks in our practice and our policies. Over this period, these practices have broadened and deepened, resulting in better standards for better projects. Moreover, we have improved how we integrate environmental and social risks into our business decision-making process.

Reflections on 10 Years – The Story Behind the Environmental Numbers

Advances in Our Environmental and Social Review Practices

Ten years ago, environmental reviews typically covered potential adverse impacts such as air, water and noise. Today, these reviews cover more complex ecosystem impacts such as biodiversity and climate change, as well as the interactions with social issues (e.g., how a community is impacted by changes in water supply or quality). [G4-EN1](#) [G4-EN2](#) [G4-EN26](#) [G4-DMA \(Biodiversity\)](#) [G4-DMA \(Materials\)](#)

[G4-DMA \(Overall\)](#)

In response, we have improved the policy environment to incorporate this evolution in standards. Our revised environmental and social review policies provide a more robust platform that formally incorporates an analysis of potential social risks and impacts, issues such as labour and working conditions, land acquisition, indigenous peoples, community health safety and security, cultural heritage and stakeholder engagement processes, along with environmental impacts. The outcome of these changes has been the creation of an improved framework for decision-making. [G4-EN27](#) [G4-EN29](#) [G4-SO1](#)

Over the decade, the review of human rights impacts of business has become a critical and challenging issue for international financial institutions, including EDC, the World Bank and the International Finance Corporation (IFC). At issue is how to define 'human rights' and how to identify the nexus between the [United Nations Guiding Principles on Business and Human Rights](#) and our existing set of processes, which have good coverage of human rights (see [Respecting Human Rights](#) for more). [G4-HR10](#) [G4-S09](#) [G4-SO11](#)

[G4-DMA \(Investments\)](#)

We have introduced procedural measures to ensure we deal with new customers and risk issues earlier in the deal process. For a summary of our process to review the environmental and social risks of projects, see our brochure [Understanding EDC's Project Review Process](#).

Advances in Standards

Ten years ago it was less clear which environmental and social review standards were most appropriate. Since that time, we have adopted the [IFC Performance Standards \(PS\)](#), revised in 2006 and again in 2012 — a key driver in advancing the practice of environmental and social risks for financial institutions and export credit agencies. Over the years, our practices have kept pace with changes in these standards. The PS have become the *de facto* standard that international financial institutions use when benchmarking projects and are referenced in the [Equator Principles](#) and the [OECD Common Approaches on Environment](#). The Equator Principles and the OECD Common Approaches have also been strengthened over the past 10 years and EDC was heavily involved in those processes. [G4-DMA \(Materials\)](#) [G4-DMA \(Biodiversity\)](#) [G4-DMA \(Overall\)](#) [G4-SO1](#)

Taken together, these strengthened standards have resulted in more informed decision-making.

Improved Results

Project developers and borrowers are now recognizing the importance of environmental and social issues when approaching lenders for support. Ten years later, the Equator Principles requirements are now well established and borrowers more frequently approach EDC with better environmental and social documentation and transparency.

Leadership and Engagement With Our Peers and Stakeholders

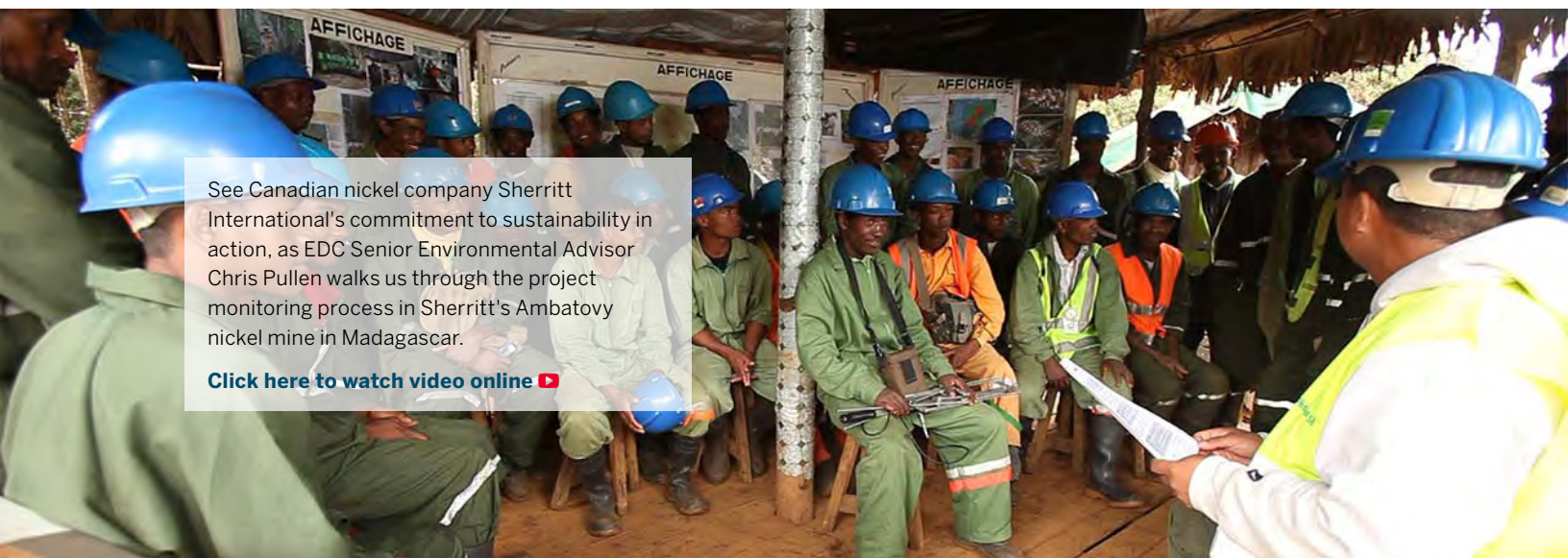
As environmental and social issues have become more complex, we have put greater effort into collaborating with other financial institutions and export credit agencies via the Equator Principles (EPs) and the OECD Export Credits Group/Environmental Practitioners, as we work to harmonize standards and advance their implementation. We continue to demonstrate leadership in these fora through our role on the [Steering Committee of the EPs](#) (re-elected in 2014) and by assuming the role of Chair of the Environmental Practitioners group at the OECD. We have also engaged proactively with clients, non-governmental organizations and academia through conferences such as CSR sessions at the Prospectors and Developers Association of Canada conventions, International Association of Impact Assessment conferences and many others. [G4-2](#) [G4-26](#)

Throughout this time, our team of environmental specialists has continued to complete detailed reviews of 5-15 projects a year in addition to 300-400 risk assessments of corporate loans and insurance transactions.



Monitoring Our Investments — Sherritt's Ambatovy Project

Our stakeholders often ask about how we monitor the environmental and social impacts of projects we support, once the initial due diligence is complete and the financial product, insurance or financing, has been put in place. The attached video helps to tell the story of our monitoring practices. Once we finance or insure, the story does not end there. We continue to monitor the project sponsor's implementation of its environmental and social commitments.



See Canadian nickel company Sherritt International's commitment to sustainability in action, as EDC Senior Environmental Advisor Chris Pullen walks us through the project monitoring process in Sherritt's Ambatovy nickel mine in Madagascar.

[Click here to watch video online](#) 



Our Year in 2014

Auditor General of Canada Releases Positive Result on Environmental Audit of EDC

In June 2014, the Office of the Auditor General of Canada (OAG) released its **fourth audit report** on its review of EDC's environmental review framework. The audit focused on the suitability of the design of EDC's **Environmental and Social Review Directive (ERD)** and other environmental and social review processes, and the implementation of the ERD and other environmental and social review processes, to determine whether these processes are being implemented as designed. **G4-44** **G4-46** **G4-47**

The audit found that our ERD and other elements of our **Environmental and Social Risk Management Framework** meet the requirements of the **OECD Common Approaches on Environment** and the **Equator Principles**. Essentially, this finding means we are implementing this and other guidance to protect the environment, as intended. The positive result from the OAG audit in 2014 reflects the strength of EDC's environmental and social review practices with continued efforts for improvement and opportunities for leadership.

Challenges Ahead **G4-44**

The OAG audit recommended improvements in four areas for which detailed workplans have been developed:

1. Post-Signing Monitoring – improvements to strengthen our systems to monitor projects once agreements have been signed to ensure timely follow-up and implementation of all conditions related to environmental and social matters
2. Greenhouse Gas (GHG) Emissions Calculations – improvements to strengthen our procedures for collection of GHG data
3. Risk Assessment Methodology – achieve more precise environmental and social risk ratings, and
4. Documenting Social Risks – improve procedures to analyze social concerns.

To date, we have made progress in meeting these recommendations: GHG procedures have been enhanced and a training program is underway for Q2 2015; we have undertaken a complete diagnostic of the post-signing monitoring process and enhanced the clarity of roles within our Credit Risk Management team; and we are undertaking changes to our risk assessment methodology and documentation protocols.

Keeping Pace

Reviewing the Environmental Impacts of Wind Power

We also completed our first review of an offshore wind farm project in 2014: Project Gemini. Spanning 64 square kilometres across the North Sea, off of the coast of the Netherlands, Project Gemini's wind turbines will provide enough clean energy to supply the needs of 1.5 million people annually, while reducing 1,250,000 tons of CO₂ emissions per year. At a cost of €2.8 billion, it is the largest ever project-financed offshore wind farm. This deal also supports EDC's **Green Bond** portfolio and **cleantech strategy**. (See also: **Northland Power ... From Waste to Wind in Project Gemini**).


Keeping Pace With Environmental and Social Issues on Transactions

We continue to engage with clients to understand and promote best practices in environmental and social risk management, including management of impacts on communities. [G4-44](#) [G4-DMA \(Child Labour\)](#) [G4-SOI](#)

In 2014, we conducted field visits in India, Africa, Mexico and Brazil to understand more about the conditions our customers face. Security concerns are among risks identified at certain project sites. EDC continues to work through these challenges and related risks, which in some cases have served as barriers to proceeding with a deal.

Equator Principles Reporting

The revised **Equator Principles (EPs)** framework, known as EP III, became fully effective in 2014. Although not a significant change for EDC, we worked actively with other Equator Principles Financial Institutions and ensured our procedures reflected new guidance on implementation in areas such as climate change and capturing more deals under the expanded scope of the EPs.

Seven transactions that reached financial close in 2014 were reviewed under the Equator Principles (version III, June 2013). The five Category A and two Category B transactions can be viewed on our [website](#). 

In addition to our role on the **Steering Committee of the Equator Principles**, in 2014 a member of EDC's Environmental Advisory Services team was elected to the OECD Export Credits and Credit Guarantees (ECG) Bureau and named the new Chair of the OECD's Environmental Practitioners Group. The goal of the Practitioners Group is to develop technical guidance, advance common practices and promote a level playing field.

Operational Footprint

Environmental management of our physical plant improved in 2014, as reflected in the data across a number of dimensions. Reporting on our operational footprint can be found [here](#). [G4-22](#) [G4-EN1](#) [G4-EN2](#) [G4-EN3](#) [G4-EN8](#) [G4-EN13](#) [G4-EN15](#) [G4-EN16](#) [G4-EN17](#) [G4-EN19](#) [G4-EN22](#) [G4-EN23](#) [G4-DMA \(Materials\)](#) [G4-DMA \(Overall\)](#)

In 2014, we significantly decreased paper consumption by approximately 48%, attributable to the deployment of more technology to facilitate collaboration; for example, staff are using electronic platforms for team collaboration.

We also decreased our electricity consumption by working closely with our landlord, ManuLife, to identify ways to achieve better approaches to building cooling and electricity use during off hours. Similarly, we saw decreases in building water consumption. Waste generated increased by around 25% at the EDC head office. This is attributable to a large project underway to transform EDC's insurance policy application process for customers to an online format. [G4-EN6](#)

Since 2011, our domestic vehicle travel has greatly decreased, aided by corporate support for the use of technology such as video conferencing to connect regional offices to head office, as well as employees to clients.

Challenges Ahead

Overall, business travel (air and vehicle) has increased. This may be an area for improvement, but we must balance any goals with the demands of doing business around the world. We continue to work on reducing our waste stream and identifying energy efficiencies. [G4-EN30](#)

In 2015, we will explore ways to reduce or offset the impact.





Respecting Human Rights

Looking back, we have seen the issue of human rights grow to become an important focus of our work.

Reflections on 10 Years – Human Rights

In the last 10 years, the issue of human rights has become a key topic of deliberation in the international policy environment. Our practices have been evolving to reflect these developments, from development of a **Statement on Human Rights** in 2008 to progressively developing internal procedures to ensure transactions are reviewed for potential human rights impacts.

G4-DMA (Child Labour) **G4-DMA (Forced and Compulsory Labour)** **G4-DMA (Supplier Human Rights Assessment)**

One of the key advances in the human rights field was the unanimous endorsement of John Ruggie's '**Protect, Respect and Remedy Framework**' by the UN Human Rights Council in 2011. EDC has been following these developments closely, and in 2014 we created a dedicated team to work on a strategy that would bring EDC into further alignment with the **UN Guiding Principles on Business and Human Rights (UNGPs)**, as well as make our practices more streamlined and efficient. The UNGP implementation strategy developed in 2014 will present many opportunities that we are excited to pursue in 2015; however, we are also cognizant of some challenges that may still lie ahead.

Our Year in 2014

To develop a UN Guiding Principles on Business and Human Rights (UNGPs) implementation strategy, our Corporate Social Responsibility team undertook, among other things, an analysis of EDC's existing human rights framework to identify gaps and inefficiencies. This analysis was presented to an external consultant to validate our findings and recommend a way forward. GLOBAL CSR, a Danish human rights consulting firm, was retained as the external consultant. GLOBAL CSR delivered a two-day training for select EDC teams most involved in assessing CSR risks and political and economic issues, to further broaden their expertise in human rights, as well as strengthen their understanding of the UNGP. Based on recommendations put forward by GLOBAL CSR, the project team developed an implementation strategy that will be rolled out in 2015. **G4-LA9** **G4-HR2** **G4-HR6** **G4-HR7**

G4-DMA (Forced and Compulsory Labour)

In 2014, we also continued to develop our expertise in human rights by regularly engaging with our peers and participating in various international fora. For example, EDC led a discussion with the environmental practitioners at the Organisation for Economic Co-operation and Development on its practical experience with human rights due diligence.

In 2014, we further integrated and embedded human rights into our business operations, we maintained the same level of transaction screening for potential impacts on human rights. Previously, we reported on the number of human rights assessments completed in a given year. Going forward with a strategy that is more aligned with the UNGPs, we will be further integrating human rights considerations into all of our other risk assessment processes, and will move away from a stand-alone human rights assessment approach. This integrated approach will also eliminate duplication that was occurring. **G4-HR1** **G4-HR5**

G4-DMA (Supplier Assessment for Impact on Society) **G4-DMA (Product and Service Labeling)**

Challenges Ahead

The lack of practical guidance on how to operationalize the UNGPs is a challenge that many businesses face, including EDC and our clients. We are mindful of the fact that the UNGPs have not yet crystalized into established market practice, and therefore, like many others, we are taking a pragmatic approach to our implementation strategy. We believe that this approach is grounded in John Ruggie's vision of 'principled pragmatism', and uses the UNGPs as a tool for change. With this, there is an expectation that the desired changes to respect human rights will be achieved.

The implementation of the UNGPs is still in its early days, and as we tackle many challenges surrounding their interpretation and implementation alongside others, we are looking forward to leveraging the experience of our peers and partners, exchanging lessons learned, as well as engaging with stakeholders. We will continue to report on our progress.

Maintaining High Ethical Standards

The legal, regulatory and market environment in which we work has been constantly evolving over the past 10 years. EDC has likewise made changes to reflect this evolving environment. [G4-15](#) [G4-56](#)

Reflections on 10 Years – The Story Behind the Ethics Numbers

Well over a decade ago, we started with a simple Conflicts of Interest Policy that we evolved into our **Code of Business Ethics and Code of Conduct**. In response to a changing ethical environment and societal expectations, we have periodically made improvements to our Codes. The most recent examples include: (i) the incorporation to EDC's *Code of Conduct* of the Government of Canada's **Values and Ethics Code for the Public Sector**; (ii) the introduction of a duty and an obligation for employees to report in good faith any violation or suspected violation of the *Code* of which they become aware; (iii) the introduction of a semi-annual reporting mechanism (gifts, hospitality, other benefits and outside activities) to the Executive team; and (iv) in our *Code of Business Ethics*, strengthening our commitment to undertake anti-corruption due diligence. [G4-57](#) [G4-58](#) [G4-S03](#) [G4-DMA \(Anti-Competitive Behaviour\)](#)

[G4-DMA \(Supplier Assessment for Impact on Society\)](#)

Our Year in 2014

This year's awareness-raising campaign, *Ethics Alive at EDC*, served to reinforce our employees' mandatory commitment to our *Code of Conduct*, What We Stand For. The 2014 campaign included speakers, messages from executives, an online training module on the *Code* and an automated process by which employees certify their commitment to adhere to the *Code*. We also undertook a qualitative assessment of EDC's *Code of Conduct* with focus group sessions convened with employees and managers, and moderated by an outside consultant. The aim of the focus groups was to gauge employees' opinions about the nature of the *Code* itself. Focus group members were asked to share their views as to whether the *Code* does a good job of explaining and outlining expectations for their conduct, and whether it serves as a useful reference for employees. The results of this consultation are expected to trigger modifications to our *Code* in 2015. [G4-57](#) [G4-DMA \(Anti-competitive Behaviour\)](#) [G4-DMA \(Supplier Assessment for Impact on Society\)](#)





Supporting Our Communities

Our contributions to the communities where we live and work has expanded over the years, as we increased our support and involvement.

Reflections on 10 Years – The Story Behind Our Support for the Community

A decade ago we started with simply supporting employees to contribute to the National Capital Region United Way campaign. We have progressively built upon that to include direct contributions to charities where our employees volunteer, to creating a scholarship program and deepening our relationships with educational institutions, and more recently by adding an international focus to our community efforts. Now, our community investment and involvement is framed to focus on three priorities: youth education, small enterprises in emerging markets and charitable giving. **G4-EC1**

Our support for youth education has moved from a scholarship program for business and economics students, to more in-depth collaboration with universities and colleges through partnerships with AIESEC Canada and the Schulich School of Business at York University, among others.

For our employees, we formalized our community investment commitment as part of the **CSR statement of commitment** and added a community service leave to our HR leave policy, granting two days a year per employee for charitable work.

Our Year in 2014

In 2014, our community investment included \$34,500 in donations to Canadian registered charities under the **Charitable Donations Program**. The focus of these donations was: 38 per cent to the community in general; 28 per cent to children and youth; 14 per cent to health and disabilities; 14 per cent to low income groups; 3 per cent to new immigrants, and 3 per cent to women. **G4-EC1**

In addition, we made a significant contribution to the community through our **International Business Scholarships** and a number of partnerships with organizations such as CARE Canada, AIESEC Canada and the Schulich School of Business at York University, among others.

Our community investment also included the time contribution of staff through EDC's community service leave and the placement of employees in CARE projects around the world, as well as the endorsement of the United Way Charitable Campaign as the only corporate-wide annual fundraising initiative.

Challenges Ahead

EDC's challenge in supporting the community will be to continually refresh and renew our repertoire of community initiatives, to engage our employees and meet their expectations for community involvement, while balancing what is appropriate in our role as a Crown corporation.

EDC-CARE Beyond Exports Partnership

EDC employees and CARE Canada's leadership share their perspectives on the CARE partnership.

[Click here to watch video online](#) 



Partnerships

We added a global dimension to our community investment strategy in 2009 with our partnership with CARE Canada, which sees EDC employees lending their business expertise to CARE offices around the world through four-month assignments.

In 2014, we added remote skills-based volunteering opportunities for EDC employees in a new partnership with Enablis, a Canadian non-profit organization established in 2003 that helps train and develop small business owners in emerging markets, primarily in Africa. Two experienced EDC professionals are matched and dedicate their time on a monthly basis to act as long-distance business mentors to small business owners abroad for a period of two years. To learn more about the work done by Enablis in Africa, [watch their promotional video on YouTube](#).

Engaging Our Employees

The work force has changed considerably over the past 10 years. Today, Canada's population is aging and with labour markets expected to tighten significantly in the coming years, highly skilled labour will be in short supply. In anticipation of this reality, two years ago we completed an examination considering the future of work, our evolving business environment as well as workforce and legislative trends, in order to continue to provide the best possible service to Canadian exporters and investors and to ensure we are still able to attract the best talent possible.

Our human resources strategy has evolved in tandem, to ensure that our workforce is engaged, committed and adaptable. Teleworking continues to be an integral part of how we work and collaborate. With enhanced technology, employees are better able to balance their work, personal and family responsibilities and improve their overall quality of life. On average, about 20 per cent of our workforce takes advantage of remote access capabilities each day.

We continue to build a strong corporate culture that supports ethnic and professional diversity – a work environment where diversity and inclusion initiatives are embedded into programming, wherever possible. As a result of focused initiatives to increase the representation of women in leadership roles and ensure that women develop, thrive and achieve their potential, tangible results are starting to be seen. Even though turnover in our leadership ranks is minimal, the number of women at all leadership levels is increasing, in particular at the vice-president level. For 2015, we've developed a diversity and inclusion calendar and we're looking forward to seeing the results of these initiatives. **G4-LA10**

Employee Segmentation (%)*	2014	2013	2012
Aboriginal	0.87	0.59	0.44
Women	50.16	50.59	51.42
Persons with disabilities	3.41	3.18	3.36
Visible minorities	13.87	12.90	11.95
Employee retention	95	95	93

* Percentages include all permanent employees (active, paid leave, leave).

G4-10 **G4-LA1** **G4-LA12** **G4-LA13**

Reflections From a SVP

Hear EDC's Senior Vice-President for Human Resources and Communications, Catherine Decarie and Eric Agyemang discuss our mandate to support Canadian exporters and the values we all share.

[Click here to watch video online](#) 



Appendices/Downloads

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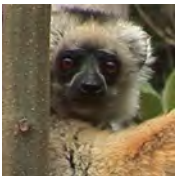
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Monitoring Our Investments –
Sherritt's Ambatovy Project

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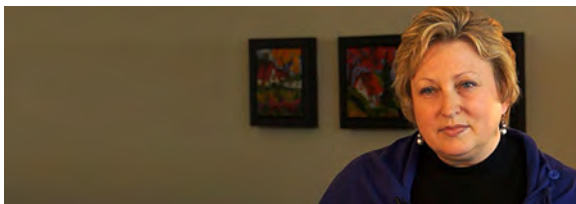
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Beyond Exports – EDC and CARE Canada

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Reflections From a SVP

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Downloads

- **Our CSR Journey (Milestones)** 
- **2014 Corporate Annual Report (3.7 MB)** 
- **Global Reporting Initiative Table (372 KB)** 
- **Assurance Statement (74 KB)** 
- **Awards (191 KB)** 
- **Agreements & Memberships (61 KB)** 
- **Materiality Matrix (116 KB)** 
- **CSR Accountabilities Diagram (51 KB)** 
- **Stakeholder Events (134 KB)** 

