

June 26, 2024

Environmental Defence Canada;  
David Suzuki Foundation;  
Climate Action Network Canada; and  
Oil Change International

Ms. Julia Levin,

I am writing in response to your correspondence dated June 11, 2024, citing concerns with Export Development Canada's (EDC) consideration of support for the Cedar Liquified Natural Gas (LNG) project in the province of British Columbia. Your concerns have been considered in our assessment of this transaction.

Let me reassure you that EDC understands the urgency in taking climate action and we are committed to enabling a low-carbon economy while fulfilling our mandate to support Canada's exporters and enhancing Canada's competitiveness. Underlining all our support is a commitment to responsible and sustainable business, aligned with the Government of Canada's net zero commitments and with our Minister's expectation that we support sustainable and responsible growth. As Canada's export credit agency, EDC is committed to supporting Canadian exporters across all sectors. With respect to potential support for the fossil fuel sector, we continue to engage and align with the Government as it develops its policies, and we continue to actively contribute to the Government's work to transition Canada to a low-carbon economy. As such, we have developed 2030 science-based climate targets which define the transition needed to keep us on track to achieve our net zero commitments.

In the case of Cedar LNG, EDC signed the credit documentation related to the financing of this project on June 25, 2024. Our support is part of a wider financing as a Category A project financing loan to support the development, construction and operation of Cedar LNG facility and associated onshore infrastructure.

EDC, in its assessment of this project has followed a rigorous due diligence process, considered financial risks as well as risks related to the environment, business ethics, financial crimes, human rights and other social factors. This includes, but is not limited to, the company's climate reporting practices, and their ability to manage environmental and social risks in compliance with laws and regulations and according to industry best practices. The decision is in line with EDC's Environmental and Social Risk Policy Framework, including EDC's Climate Policy, and takes a comprehensive view when considering such transactions.

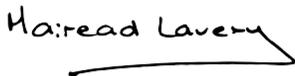
The Cedar LNG project will be primarily powered by B.C.'s clean hydroelectricity, making it one of the world's lowest greenhouse gases (GHG) emissions natural gas operations. Once completed, the project is expected to operate with an emissions intensity of approximately 0.08 CO<sub>2</sub>e per ton of LNG produced, which is significantly lower than other global LNG projects, mainly due to its reliance on B.C.'s hydroelectric power for the liquefaction of natural gas and as the primary source of electricity during operations.

In addition to climate action, another key priority for EDC is the support of Indigenous businesses as they pursue economic self-reliance and growth – the Cedar LNG project is the first Indigenous-majority owned natural gas project in the world and is expected to bring a significant number of jobs to Haisla Nation members and other local Indigenous groups and communities over the life of the project.

With the global energy transition there is increasing demand for natural gas from countries where imported gas could displace more carbon-intensive energy sources such as coal and oil. As one of the world's top producers of natural gas, Canada has a role to play in energy security giving importers the ability to diversify their source of supply toward cleaner options, namely, to meet the predicted increased electricity demands in Asia<sup>1</sup>. EDC will continue to support Canadian exporters providing products, services or technologies that accelerate global decarbonization.

Thank you for raising these important concerns.

Sincerely,



Mairead Lavery  
President and Chief Executive Officer

- c.c. Hon. Chrystia Freeland, Deputy Prime Minister & Minister of Finance  
Hon. Mary Ng, Minister of Export Promotion, International Trade and Economic Development  
Hon. Jonathan Wilkinson, Minister of Natural Resources  
Hon. Steven Guilbeault, Minister of Environment and Climate Change  
Hon. François-Philippe Champagne, Minister of Innovation, Science and Industry

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<sup>1</sup> World Economic Forum; February 15, 2023; 'This continent is set to use half of the world' electricity by 2025'.