

October 23, 2024

Ms. Gravelle,

I am writing in response to your correspondence dated September 13, 2024, related to Export Development Canada's relationship with Enbridge Inc. We thank you for the time and effort taken to provide detailed context and an account of the history of the Indigenous communities impacted by the concerns that were outlined in your letter.

While we have no indication that EDC's funds have been used to date specifically in connection to Line 5, some of our financial support to Enbridge is for general working capital support and general corporate purposes (initially disclosed in 2019 and renewed annually). In 2022, EDC and Enbridge also put in place a financing facility to help the company with the installation of on-site solar energy panels, providing a renewable source of power for some of their operations. As such, we are pleased to elaborate on the commitments and due diligence processes that we undertake in relation to transactions where we provide general corporate support rather than project-specific financing.

Firstly, we take our role as a responsible financier seriously and, as such, review all of our customer relationships and transactions for financial and non-financial risks in adherence to our policies and commitments. We share a fundamental belief that strong environmental, social and governance practices are key to the long-term success of Canadian companies and Canada's international competitiveness and continued prosperity.

As a result, EDC's support is subject to a due diligence process which is aligned to international standards and includes the review of environmental, social and human rights risks at the company level as well as on specific transactions. As part of that process, we review contextual risk, including the country context, to determine the likelihood of human rights impacts. We also systematically assess several other risk factors to determine the likelihood of potential or actual severe human rights risks and impacts associated with a customer relationship or transaction, and whether or how EDC could be connected to them. We undertake due diligence not only at the prospective stage but also throughout the life of the transaction as part of our ongoing relationship management.

When we identify a higher risk, we then gauge whether we can use our leverage to effectively manage it. In cases where we have an existing relationship, if we learn of a severe environmental, social or human rights impact, we engage with the customer to understand the facts on the ground and their positioning with regard to remedy when required, as well as to ensure that robust stakeholder engagement practices are in place. This helps us determine whether and what actions may be needed. There may be situations where EDC considers that direct engagement with affected stakeholders is warranted, to understand different perspectives. For more information on our due diligence process used to identify, prevent and mitigate human rights-related risks and impacts, I invite you to review our [Due Diligence Framework: Human Rights](#) and [Principles on Leverage and Remedy](#).

We acknowledge that we have a key role to play in advancing responsible business practices and championing human rights. Our [Human Rights Policy](#), which is aligned with the United Nations Guiding Principles, outlines the principles and commitments guiding our approach. Our commitment to respecting human rights does not always mean that we need to avoid a transaction where environmental, social or human rights risks or impacts exist. Rather, where such risks or impacts are present, we will seek to effectively manage them in accordance with the expectations of international frameworks. In some cases, EDC could consider exiting a transaction when the customer is unable or unwilling to work constructively with us to manage the risks and to improve their practices.

EDC also recognizes that Indigenous peoples possess individual and collective rights and share a unique historical treatment. Their languages, beliefs and cultural values are connected to geographic areas, territories and resources, which places them at a disproportionate risk of being impacted by the business activities of our customers. Our approach to addressing risks related to Indigenous peoples is guided by the principles of the [United Nations Declaration on the Rights of Indigenous Peoples](#).

Thank you for your recommendation for EDC to engage directly with Indigenous communities and human rights organizations. We are not able to discuss our customer transactions beyond the information that is publicly available, however, we are keen to maintain an open dialogue and welcome the views of various stakeholders. As such, we have shared your submission internally to be considered as part of our ongoing relationship management and due diligence processes.

Thank you again for sharing your concerns and perspectives with us.

Sincerely,

A handwritten signature in black ink that reads "Mairead Lavery". The signature is written in a cursive style and is underlined with a long horizontal stroke that ends in a small upward-pointing hook.

Mairead Lavery  
President and Chief Executive Officer