

August 22, 2024

Ms. Jemec,

I am writing in response to your correspondence dated July 22, 2024, regarding EDC's project financing loan to the Coastal GasLink Pipeline Limited Partnership, for the Cedar Link expansion project.

Once completed, the Cedar Link expansion project will deliver natural gas from the Coastal GasLink Pipeline to the Cedar Liquefied Natural Gas (LNG) facility. The Cedar LNG project will be primarily powered by British Columbia's clean hydroelectricity, making it one of the world's lowest greenhouse gases (GHG) emissions natural gas operations.

Based on EDC review of the project's potential environmental and social effects, the project was categorized as a Category B project. As such, our due diligence followed procedures for Category B project financing under EDC's Environmental and Social Review Directive (ESRD) and is aligned with international best practices set out by the OECD and the Equator Principles.

Consistent with EDC's Transparency and Disclosure Policy, EDC's support to Category B projects is disclosed on a post-signing basis (also known as *ex post* disclosure). EDC signed the credit documentation related to the Cedar Link expansion project on June 27, 2024. The transaction was published on EDC's website on July 15, 2024. As per EDC's Transparency and Disclosure Policy, EDC discloses all its signed financing transactions on its website within 90 days of signing.

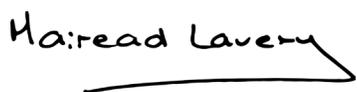
In respect of commercial confidentiality, we do not disclose internal documentation on our transactions. However, I can confirm that prior to agreeing to provide support, EDC completed a rigorous review of the project and the regulatory system it will operate in, to identify potential risks related to the environment, climate change and community engagement, and to understand the project sponsors' management capacity to address them.

EDC reviewed relevant policies, plans and performance of the project sponsor and the borrower. The due diligence process for the Cedar Link project included a review of the project against the Equator Principles, which demonstrate that the project is aligned with applicable international standards and best practice. The decision to support this transaction is in line with EDC's Environmental and Social Risk Policy Framework, including EDC's [Climate Change Policy](#).

Finally, I 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.

We will continue to align with the Government of Canada and actively contribute to meeting Canada's net zero commitments. Underlining all our support is a commitment to responsible and sustainable business.

Sincerely,

A handwritten signature in black ink that reads "Mairead Lavery". The signature is written in a cursive style and is underlined with a single horizontal line.

Mairead Lavery
President and Chief Executive Officer