



A TRUSTED PARTNER
IN TRADE FOR CANADA

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EDC AT A GLANCE

Who We Are

Export Development Canada (EDC) is a Crown corporation and Canada’s official Export Credit Agency.

Mandate

To support and develop, directly or indirectly, Canada’s export trade and Canada’s capacity to engage in that trade, and to respond to international business opportunities.

Organization

Headquartered in Ottawa, EDC has 17 Canadian regional offices:

- › Vancouver
- › Windsor
- › Montreal
- › Halifax
- › Edmonton
- › Toronto
- › Quebec City
- › Moncton
- › Regina
- › Mississauga
- › Ville St. Laurent
- › St. John’s
- › Calgary
- › London
- › Drummondville
- › Winnipeg
- › Ottawa

EDC also has 16 representations abroad in:

- › Chile
- › Russia
- › Brazil (2)
- › Mexico (2)
- › Colombia
- › Singapore
- › China (2)
- › Turkey
- › Peru
- › United Arab Emirates
- › India (2)
- › Germany



Products

EDC's financial services include:

- › loans to foreign companies looking to buy goods and services from Canada;
- › working capital loans to Canadian companies with export contracts;
- › loans and insurance to help Canadian companies invest abroad;
- › guarantees to banks, making it easier for them to lend to Canadian companies;
- › insurance to protect Canadian companies against a variety of risks, including non-payment;
- › bonding services to help Canadian companies guarantee their performance; and
- › equity solutions

EDC is also a recognized leader in financial reporting and economic analysis.

Customers

In 2014, EDC served 7,432 Canadian companies in 200 markets.



Funding

EDC is financially self-sustaining. It operates on commercial principles collecting interest on its loans and premiums on its insurance products. EDC does not receive annual parliamentary appropriations.

2014 Results

- › **\$99.8 billion** of facilitated business: **\$28.9 billion** in emerging markets, **\$13.6 billion** to SMEs
- › The business EDC facilitated helped generate **\$68 billion** of Canadian GDP
- › Since 1944, EDC has facilitated more than **\$1 trillion** in support of Canadian exporters and investors
- › Net income was **\$1.129 billion**, and
- › **\$1.29 billion** dividend paid to the Government of Canada



EDC – WHO WE ARE

Export Development Canada (EDC) is a Crown corporation owned by the Government of Canada. As an instrument of public policy, EDC's activities support and are aligned with the government's international commerce agenda. EDC has been facilitating the international business activities of Canadian companies both large and small, in every industry across the country for more than 70 years and has facilitated more than \$1 trillion in export and investment activity. More than 80 per cent of EDC's customers are small and medium-sized companies and more than 25 per cent of its annual activity is in emerging markets.

As a customer-centric organization, EDC is focused on being a trusted partner to its customers, using its knowledge and understanding of clients' needs to deploy innovative solutions and deliver real value. EDC plays a critical role in helping companies successfully compete in the global economy. The corporation's expertise in risk management, its relationships with domestic and international partners and its commitment to sound financial management have enabled EDC to deliver valuable services to its customers while strengthening Canada's financial and economic capacity, particularly with respect to its trade performance.

EDC'S CHAIRMAN'S AND PRESIDENT AND CHIEF EXECUTIVE OFFICER'S BIOGRAPHIES



Kevin Warn-Schindel

Chairman of EDC's Board of Directors

Mr. Warn-Schindel was appointed Chairman of EDC's Board of Directors in June, 2013. Mr. Warn-Schindel is a Managing Director at HarbourVest Partners, LLC, a global private investment firm, where he leads the Real Assets investment program. Prior to this, he served 10 years as the Group Head and Managing Director of the OPTrust Private Markets Group, an investment unit of OPTrust. An investment management executive with extensive experience in global capital markets, he has held senior positions with Macquarie Bank Limited, an Australian investment bank, and RBC Capital Markets, the wholesale investment banking arm of the Royal Bank of Canada.



Benoit Daignault

President and Chief Executive Officer

Effective February 5, 2014, Benoit Daignault was appointed as President and CEO. Prior to this appointment, Mr. Daignault served as Senior Vice-President, Financing Products for two years, where he led EDC's various lending practices including Commercial Finance, Corporate and Asset Backed Lending, Project Finance, as well as the Equity Investment program. Prior to that, he served as EDC's Senior Vice-President for Business Development. Before joining EDC in 2004, Mr. Daignault spent more than 10 years with General Electric Capital, where he held increasingly senior positions in both Canada and the U.S. Mr. Daignault has a Baccalaureate in Business Administration from l'École des Hautes Études Commerciales in Montreal and is a CFA charterholder. He completed the Proteus program of London Business School and the Senior Executive Program of Columbia University.

Accountability

EDC reports to Parliament through the Minister of International Trade and is governed by the *Export Development Act*, the *Financial Administration Act*, the *Corruption of Foreign Public Officials Act*, the *Public Servants Disclosure Protection Act*, and the *Federal Accountability Act*.

EDC conducts its business in a manner that respects applicable international agreements to which Canada is a party that is consistent with its Corporate Social Responsibility (CSR) commitments and that ensures the sound financial management of its activities. At EDC, CSR is an operating principle that guides all of our business decisions and enables us to build public confidence and trust in what we do to facilitate Canada's international trade.

EDC is a signatory and a member of the Equator Principles Steering Committee, a financial industry benchmark for determining, assessing and managing social and environmental risk in project financing. Adopting the Equator Principles reflects EDC's ongoing commitment to conduct its international business in a socially and environmentally responsible manner and confirms the strength of its existing CSR policies.

Every 10 years, the Government, through parliamentary procedures, conducts a legislative review of the *Export Development Act* which governs EDC's mandate and legal framework to ensure it meets the evolving needs of Canada's exporters and investors in the global marketplace. Section 25 of the ED Act requires that the Minister of International Trade, in consultation with the Minister of Finance, initiate an independent review of the provisions and operation of the Act every 10 years. The next review is scheduled to commence in 2018.

EDC is also required by legislation to submit to Parliament annually a report on its operations, as well as a summary of its five-year Corporate Plan and Budget.

The Auditor General of Canada is EDC's auditor and conducts annual reviews, as well as conducting a Special Examination every five years.



EDC'S PARTNERS

EDC's ability to meet the needs of Canadian global businesses is dependent on its strong relationships with public and private sector partners. Partnership is a longstanding priority for the corporation, and allows EDC to leverage information and expertise from government departments, financial institutions and other Crown Corporations. By leveraging our respective capacity, expertise, ideas and business networks, EDC has been able to enhance overall market capacity and ensure that more Canadian companies have access to the support they need.

Public Sector Partnerships

EEDC and the Department of Foreign Affairs, Trade and Development (including the Trade Commissioners Service (TCS)) are important players in helping the Government of Canada in strengthening Canada's trade capacity. Operating at different points along a continuum, both organizations work together to promote international trade and provide support to Canadian companies. As well, today's business realities require private- and public-sector institutions to complement one another.

EDC's activities in support of Canadian companies are enhanced by its relationships with other Crown corporations including Business Development Bank of Canada, Farm Credit Canada (FCC) and the Canadian Commercial Corporation (CCC). By leveraging relationships with these organizations, EDC is able to present a wider variety of solutions to meet the needs of Canadian companies, better positioning them for success.

Through greater information sharing, collaboration and joint activities, EDC is a key player in the larger Canadian team that supports the government's Global Markets Action Plan and Canada's trade agenda.

Private Sector Partnerships

Whenever possible, EDC seeks to partner with the private sector to leverage the complementary capabilities of other service providers and offer better overall service and capacity to Canadian businesses. Through the expansion of EDC's network with the Canadian financial industry, the corporation is better able to serve a wider range of companies across the country. In 2014, more than 90% of all EDC's financing transactions were done in partnership with financial institutions.

Other Partnerships

EDC also works in partnership with private-sector and financial institutions, private-sector credit insurers, other Crown corporations, and a variety of other private- and public-sector partners. By leveraging our respective capacity, expertise, ideas and business networks, EDC has been able to enhance overall market capacity and ensure that more Canadian companies have access to the support they need.

EDC'S TRADE SOLUTIONS



EDC's business strategy is framed around strengthening Canada's economic and financial capacity within a trade-focused mandate by being a trusted partner with Canadian exporters and investors, financial institutions both in Canada and around the world, foreign buyers of Canadian goods and services, and with its shareholder, the Government of Canada.

EDC works with Canadian companies or partners with their financial institution to provide additional credit. EDC provides customers with both the market intelligence they need to make informed business decisions and the insurance and financial solutions they need to support and grow their international sales and investment activities by:

PROTECTING FOREIGN RECEIVABLES

EDC can offer your constituents insurance solutions that will meet their needs and protect them against a wide range of risks, including:

- › protecting single contract sales or covering entire books of receivables;
- › providing coverage for foreign affiliates;
- › providing coverage for commercial and political risks;
- › providing better payment terms and credit options; and
- › freeing up operating lines with their financial institutions.

GETTING THE FINANCING YOUR CONSTITUENTS NEED

EDC financing solutions can help Canadian companies by providing their foreign customers with medium- or long-term financing for larger sales to providing them with working capital support for export sales and foreign investments including financing for:

- › growing their international sales;
- › breaking into new markets;
- › financing export- and investment-related capital needs; and
- › financing and insuring investments in foreign markets, including equity investments in support of next generation Canadian exporters and investors.



FREED UP YOUR CONSTITUENTS' OPERATING LINES

With EDC's wide range of bond and guarantee solutions, companies can free up their operating lines and cash flow to keep their businesses running smoothly, while giving their bank the piece of mind it needs by:

- › getting a performance bond without affecting their operating line of credit;
- › protecting against a fluctuating dollar with EDC's Foreign Exchange Facility Guarantee; and
- › obtaining a line of credit or other financing from a foreign bank.

It is important to note that all of the companies EDC supports under its corporate account have viable business plans, and the financial services provided are on commercial terms. EDC does not provide subsidies of any kind to any industry.

EDC is committed to providing solutions that meet the changing needs of Canadian exporters and investors as trusted partners. An integral part of that commitment is to work in close partnership with Canadian companies' financial institutions and other public institutions, such as the Business Development Bank of Canada and the Canadian Commercial Corporation, so that together we can create more credit capacity and help your constituents grow their export business.

EDC AND CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) means more than compliance with legal standards; it is an underlying principle which guides EDC's activities. 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.

Striking the right balance between meeting the expectations of Canadians while maintaining a level playing field for Canadian exporters is a priority for us. EDC continues to strengthen its CSR practices in keeping with evolving international standards to help guide its business in a manner that promotes the reputation and credibility of Canadian companies. In doing so, EDC draws on the collective experience of the distinguished Canadians who comprise our Advisory Council on CSR. EDC also consults regularly with NGOs and our international partners to incorporate emerging best practices into its due diligence processes.



Ethics and Transparency

EDC is committed to safeguarding business integrity through our Code of Conduct which guides all employees and Board members on CSR principles. EDC's anti-corruption program builds awareness of Canadian laws and international conventions and requires customers to submit anti-corruption declarations and accept covenants to ensure EDC does not support improper transactions. Since 2001, EDC has a disclosure policy that calls for details to be posted on our website on any transaction that falls under our financing, guarantee, political risk insurance (to lenders) and equity programs. EDC's Environmental and Social Risk Management Framework provides for the disclosure of more information on projects with a high potential for environmental and social impacts (Category A), including the rationale for support and the relevant environment and social issues reviewed.

Human Rights Performance

EDC recognizes its responsibility to assess potentially adverse human rights outcomes and to consider such assessments in determining whether to provide support. EDC has a standardized human rights impact assessment process to objectively determine whether and the degree to which a human rights impact assessment is required. EDC also supports the work of Harvard's Dr. John Ruggie, Special Representative of the United Nations Secretary General, on business and human rights. In view of the continuing evolution in international standards for assessing human rights impacts, EDC continues to review its present human rights risk assessment practices and adjust them, taking into account the new gains in this emergent field.



Social Performance

At EDC, we invest in the communities where we live and work, as well as in emerging markets where EDC customers are active. EDC helps to deepen employees' involvement through its Charitable Donations Program, as well as through a program that allows employees two days of company-paid time to dedicate to the charity of their choice. As well, EDC and CARE Canada have set up a joint, four-year Global Community Investment Initiative. EDC employees are deployed internationally to work with local companies to develop their businesses, capitalize on opportunities and increase profitability.

Environmental Performance

EDC conducts environmental reviews and analyses of transactions prior to commitment. EDC participation reliably indicates that environmental and social risks will be managed according to international standards and is widely viewed as an added value, beyond the financial support itself. In addition, EDC's ongoing monitoring ensures that projects approved continue to meet international environmental standards.

EDC is committed to providing solutions that meet the changing needs of Canadian exporters and investors as trusted partners. An integral part of that commitment is to work in close partnership with Canadian companies' financial institutions and other public institutions, such as the Business Development Bank of Canada and the Canadian Commercial Corporation, so that together we can create more credit capacity and help your constituents grow their export business.

EDC'S SMALL BUSINESS SERVICES

EDC focuses on serving the needs of Canadian companies, particularly small and medium-sized businesses (SMEs), and emerging markets. In 2014, EDC supported 7,432 companies through the global economic downturn. Of these customers, 6,088 were SMEs.

Understanding and meeting the challenges facing Canadian exporters and investors continues to be a high priority for EDC. We are committed to helping Canadian companies of all sizes develop into bigger and more successful players in the global marketplace. Flexibility, security and access to capital are just some of the benefits of EDC's small business credit insurance.



A TEAM OF SMALL BUSINESS SPECIALISTS AT EDC CAN HELP CANADIAN COMPANIES PROTECT AND GROW THEIR INTERNATIONAL SALES BY:

- › protecting a Canadian company's sales whether they need insurance for one sale or project or multiple contracts;
- › financing a customer's sales through our Export Guarantee Program while providing their financial institution with a risk-sharing guarantee to encourage them to give a company access to more working capital;
- › financing work in progress and inventory;
- › financing ongoing export-related working capital needs;
- › financing the purchase of equipment or other expenses;
- › providing support for those looking to expand their business by making business investments outside Canada;
- › financing a customer with a direct loan to help support specific export contracts;
- › providing a customer's financial institution with a guarantee which covers them up to 100 per cent if a customer makes a wrongful call which in turn frees up working capital; and
- › offering a mentorship program for SMEs.



EDC IN EMERGING MARKETS

Since 1997, EDC has been establishing foreign representations in key emerging markets, providing on-the-ground knowledge and business expertise to help Canadian companies expand into new markets. As Canadian companies are increasingly being drawn to emerging markets for their exports and investments, EDC has seen a rapid increase in the need for its services in these strategic locales. In 2014, EDC facilitated \$28.9 billion in emerging markets.



In this globalized economy, economists and investors forecast that the next decade will belong to key emerging economies. There continues to be a small but steady shift to greater market diversification outside the United States. Given that Canada is a trade-dependent nation, Canadian business will need to accelerate their activities in these markets in the coming years in order to stay on a level playing field with their competitors. Understanding the financial and procurement needs of foreign buyers and borrowers in emerging markets enables EDC to anticipate requirements for Canadian goods and services, identify opportunities for investment, and offer financial solutions that benefit Canadian companies.

Successfully navigating riskier emerging markets requires a deeper understanding of each region's unique risks and the risk management options. EDC's expanded business volumes in countries where we have foreign representation support this. That is why markets such as Brazil, India, China and Mexico are priority markets for Canadian companies particularly because of their growth rates, importance to global supply chains and alignment with Canada's strengths.

EDC continues to expand its global network of representations to deepen its long-term relationships with foreign buyers and borrowers – the key customers of Canadian exporters and investors in these opportunity-rich markets.

EDC'S REPRESENTATION ACROSS CANADA AND ABROAD



The strengthening of EDC's regional business development capacity allows EDC to be more accessible to its customers across Canada and enables the corporation to provide more timely service to Canadian companies. Through the knowledge and relationships developed both within our networks across Canada and representations around the world, EDC is working to strengthen Canada's trade performance.

EDC Offices in Canada

EDC has 17 offices across Canada staffed with trade experts who can assist your constituents with their trade requirements and help them identify relevant trade-finance solutions that best suit their needs. Please refer to the EDC at a Glance section for a list of locations.

As a trusted partner, EDC continues to maintain and broaden its regional network in Canada to ensure it better understands the needs of your constituents who are engaged in or are interested in trade while focusing on its relationship with the company, their customers and their financial partners.

EDC Representations Abroad

EDC's network also extends far beyond Canadian borders. A list of EDC's foreign representations can be found in the EDC at a Glance section. Operating in 16 representations in 12 countries around the world, EDC's global trade experts represent a diverse, multilingual group workforce, seeking to open new markets and new opportunities for EDC and its customers.

EDC's on-the-ground market knowledge helps Canadian exporters diversify their business. Through our local expertise and matchmaking opportunities, we can help Canadian companies break into new developed and emerging markets.

Relationships may be founded on transactions, but they are built and maintained by collaborating and developing meaningful business solutions face to face. Our international representatives can help your constituents develop these in-market relationships so that they can pursue investment opportunities and enter into global supply chains.

FREQUENTLY ASKED QUESTIONS

Q. DOES EDC FUND ITS OPERATIONS WITH TAXPAYERS' DOLLARS?

No. EDC is a financially self-sustaining Crown corporation and does not receive annual appropriations from Parliament. EDC charges interest on its loans and premiums on its insurance services.

Q. DOES EDC REPORT TO PARLIAMENT?

Yes. EDC reports to Parliament through the Minister of International Trade. EDC's Annual Report and Corporate Plan Summary are tabled in Parliament and the Auditor General of Canada is its auditor.

Q. WHAT DOES EDC DO WITH ITS PROFITS?

EDC's profits are reinvested into retained earnings to strengthen its financial capacity for taking on more business. Since December 2006, EDC has paid \$4 billion in dividends to the government.

Q. DOES EDC OFFER PREMIUMS AT LOWER RATES BECAUSE OF ITS CROWN CORPORATION STATUS?

No. EDC's premiums are on average priced higher than Canadian private-sector insurers. EDC competes on the basis of service and coverage and not price.

Q. WHY DOESN'T EDC CONCENTRATE ON TRANSACTIONS THAT THE COMMERCIAL FINANCIAL INSTITUTIONS CANNOT TAKE ON?

It is difficult to remain self-sustaining and be a lender or insurer of last resort. If EDC took on only those transactions that were too risky for commercial institutions, it would operate at a deficit and require taxpayer support for its operations.

Q. DOES EDC HAVE A MONOPOLY IN THE CREDIT INSURANCE MARKET?

No. EDC works in partnership with private-sector insurers to fill market gaps in order to grow the market in Canada and help the private sector maintain and build relationships with their clients and prospects.

Q. DOES EDC PUBLICLY DISCLOSE INFORMATION ON THE TRANSACTIONS IT SUPPORTS?

EDC operates in a manner similar to a bank or insurance company and does not disclose commercially confidential information. Since October 2001, EDC has a disclosure policy that calls for details to be posted on its website on any transaction that falls under EDC's financing program, including guarantees, political risk insurance to lenders and equity transactions. EDC's Environmental and Social Risk Management Framework provides for the disclosure of more information on projects with a high potential for environmental and social impacts (Category A), including the rationale for support and the relevant environmental and social issues reviewed.

Q. HOW DOES EDC ENSURE THAT PROJECTS IT SUPPORTS DO NOT HAVE NEGATIVE ENVIRONMENTAL AND HUMAN RIGHTS IMPACTS?

EDC has a responsibility to assess the potential adverse environmental and human rights effects on communities impacted by projects involving EDC and has a rigorous due diligence process for doing so prior to its involvement in a project. EDC continues to look to enhance its human rights impact assessments in keeping with international best practices. The corporation is a strong proponent of the UN's Representative, John Ruggie, and his study on the rapid evolution in the development of international standards for assessing human rights impacts. EDC continues to review and revise our practices accordingly.

FOR MORE INFORMATION



Members of Parliament and staff can contact EDC's Strategic Relations and Planning team for further information or to request an EDC briefing:

Judy Casselman
*Parliamentary Relations,
Stakeholder Relations and Planning*
Jcasselman2@edc.ca
Tel: 613-598-2583

Laura Hewitt
*Director, Stakeholder Relations
and Planning*
lhewitt@edc.ca
Tel: 613-597-8631

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