Interim Disclosure Policy

Effective Date: January 22, 2018

Next Review Date: December 31st, 2018
## Authority Signatures

**Approved by:** DFI Board of Directors  
**Date**

**Endorsed by:** DFI Executive Steering Committee  
**Date**

**Recommended by:** SVP & Chief Corporate Advisor  
**Date**

## Control Sheet

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<th>Disclosure Policy</th>
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</tbody>
</table>
DEVELOPMENT FINANCE INSTITUTE CANADA
INTERIM DISCLOSURE POLICY

Contents
1. Purpose of the Policy
2. Principles
3. General Disclosure Practices
4. Transactional Disclosures
   a. Quarterly Aggregate Data Reporting
   b. Individual Transaction Reporting
   c. Environmental and Social Reporting
5. Treatment of Confidential Information
6. Exclusions
7. Reporting and Accountability
8. Review Date
   Annex: Glossary of Terms

1. PURPOSE OF THE POLICY

Development finance aims to provide financial lending and investments to businesses in developing countries to create positive impacts for the economies and communities where those businesses operate. Canada’s development finance institution, Development Finance Institute Canada (DFI) Inc. or Institut de financement du développement Canada (IFDC) Inc. (hereafter referred to as “DFI Canada”), will undertake to finance and invest in a variety of businesses in developing country markets.

The Disclosure Policy sets out DFI Canada’s commitment to a regime of transparency and establishes the framework for the routine, proactive disclosure of information of DFI Canada’s business activities.

2. PRINCIPLES

Disclosure of relevant information is a critical element to demonstrate public accountability by building awareness of and confidence in DFI Canada’s execution of its mandate. As a public institution, DFI Canada faces an expectation of transparency regarding its operations. At the same time, there is a need to protect commercially sensitive information provided by its clients. In balancing these needs, DFI Canada is committed to enhance public accountability through a measure of transparency regarding its operations by:

- providing information on business activities, both prior to and post-signing;
- providing information on environmental and social information and development impacts related to transactions it supports;
- and
- seeking to secure client consent for the disclosure of this information.
3. GENERAL DISCLOSURE PRACTICES

Using its website as the primary vehicle, DFI Canada will disclose general, non-transactional information on its business results, plans, services, products and key policies including:

- Financial performance as detailed in the Annual Report, including financial statements
- Development Impact Annual Report
- Annual Corporate Plan Summary, as tabled in Parliament
- Information on certain key policies, procedures and practices such as:
  - Development Impact Framework
  - Summaries of the Proceedings of DFI Canada’s Advisory Council
  - Code of Conduct
  - Environmental and Social Assessment Policy
  - Procurement Policy.

4. QUARTERLY AGGREGATE DATA AND TRANSACTIONAL DISCLOSURES

DFI Canada is committed to disclosure within thirty (30) calendar days prior to signing of all transactions under consideration for the financing services that it provides, and of all transactions once signed within ninety (90) days of signing. Financing Services refers to: support for companies or financial intermediaries operating in developing country markets in the form of financing (including financial guarantees); and equity.

In accordance with this Policy, DFI Canada will disclose, as applicable:

(1) aggregate information on its business volume for all signed financing support, as outlined in section Quarterly Aggregate Data Reporting;
(2) certain information on all individual transactions under consideration for financing support, as outlined in section Individual Transaction Reporting;
(3) certain information on all individual transactions related to its signed financing support, as outlined in section Individual Transaction Reporting; and
(4) prior to signing, environmental and social impact information for projects classified as Category A projects under the IFC Performance Standards for Environmental and Social Sustainability, as more fully described in sections Individual Transaction Reporting and Environmental and Social Reporting.

Aggregate Data Reporting
DFI Canada will disclose information on all of its signed activities as follows: aggregations of its business volume by industry sector; country and region where business is concluded; and type of financial support provided. The aggregated information will be posted and updated on the DFI Canada website on a quarterly basis not later than 60 days from each quarter’s end.
**Individual Transaction Reporting**
The following information will be disclosed on individual transactions:

- Relevant dates
- Country where business operates
- Principal counterparty or counterparties (name of borrower, guaranteed party and party whose payment is guaranteed, investee, or insured lender, according to the financial service provided)
- Financing product: loan, guarantee or investment
- General description of transaction/project/business activity
- Amount of financial support (expected or actual)
- Domicile of business operations
- Domicile of business incorporation, the investment vehicle, fund manager, as applicable.

In addition, a Summary will be prepared for each signed transaction outlining the E&S assessment, as well as the expected development impacts to be potentially realized over the life of the transaction. Summaries will be provided for the company or fund manager’s review prior to publication.

For transactions under consideration, information on individual transactions will be posted within thirty (30) calendar days of signing, and updated on DFI Canada’s website as soon as possible after signing of the transaction (normally within 90 days).

**Environmental and Social Reporting**
Disclosure of environmental and social (E&S) information is an essential element of an E&S assessment process for development finance institutions. DFI Canada will require that all project sponsors of Category A projects under consideration for support:

- publicly release available E&S impact information, and
- consent to DFI Canada informing the public via its website that it is considering support to such Category A projects, in each case at least thirty (30) calendar days prior to DFI Canada signing of the transaction related to such support. DFI Canada will disclose the following information: country, project name, general description of project, project sponsor and project contact.

All project sponsors of Category A projects will be encouraged, according to best practice, to provide a web-link to their projects’ E&S documentation that can be posted on DFI Canada’s website.

Once signed, DFI Canada will report via its website its support for Category A and B projects, on the type of environmental and social information reviewed for the E&S assessment, the standards against which the project was assessed, and whether or not the project has met those standards. A Summary of DFI Canada’s assessment of the E&S impacts, as well as the expected development impacts, will be prepared for all transactions, including Category A and B projects, and provided for the sponsor’s review prior to publication on DFI Canada’s website.

In accordance with the IFC *Performance Standards* (as amended from time to time), greenhouse gas emissions (GHG) for Category A projects will be disclosed in the project sponsor’s Environmental and Social Impact Assessment or supporting document.
5. TREATMENT OF CONFIDENTIAL INFORMATION

DFI Canada’s disclosure practices must reflect its legal obligations (statutory and other) and concerns for protecting confidential information entrusted by its clients and other parties in the normal course of conducting its business and DFI Canada’s own confidential information. For purposes of this Policy, confidential information is defined as information that is related to commercial competitiveness as described below. Moreover, DFI Canada will not disclose information obtained in relation to its clients without the consent of the client, or in accordance with the statutory circumstances where such disclosure cannot occur. With regard to commitments in this Policy to disclose certain transactional information, DFI Canada will seek to obtain necessary legal consents for such information prior to disclosure.

Information related to commercial competitiveness includes:
   a. Financial, business or other proprietary information, intellectual property, or other non-public information that has been disclosed to DFI Canada under any obligation of confidentiality unless the necessary legal consents or permissions are obtained;
   b. Financial, business or other proprietary information of third parties where disclosure of such information might adversely affect the third party concerned unless permission is given by such third party to disclose such information, including project appraisal reports and documents prepared by DFI Canada and/or its external counsel or consultants;
   c. Information the release of which might prove to be detrimental to the economic interests of Canada or the host country;
   d. Proceedings, deliberations and records of DFI Canada’s Board of Directors and its committees, including documentation created for use by or presentation to the Board of Directors or its committees; and
   e. Financial, business or proprietary information which might prove to affect DFI Canada’s activities in financial markets or to which such markets may be sensitive or which might prove to affect DFI Canada’s competitive position, including details of liquidity investments, estimates of future borrowings, or redemptions of borrowings, expected rates of interest or rates of return and financial ratios.

6. EXCLUSIONS

DFI Canada will forego disclosure of information which is unrelated to public accountability. This includes:
   a. DFI Canada’s intellectual property or information dealing with its internal administration, operations or activities, whether or not related to any transaction, including internal notes, memoranda, and correspondence by or among DFI Canada staff, including information relating to internal deliberative processes among DFI Canada such as project evaluation reports or credit assessments which are produced for internal use only;
   b. Information the release of which might prove to be a threat to the national security of Canada or other countries, or violate any applicable law;
   c. Information related to procurement processes submitted by prospective bidders, including prequalification information, tenders, proposals or price quotations, or records of deliberative processes related thereto;
   d. Personal or employment related information about DFI Canada staff members. Personal information will be administered in accordance with the provisions of the Privacy Act; and
e. Privileged information including advice, information, views and opinions provided to DFI Canada by professional advisors and consultants, such as legal advice from or correspondence with either internal or external counsel, information relating to matters under negotiation or in legal dispute and disciplinary and investigatory information generated in or for DFI Canada.

7. REPORTING AND ACCOUNTABILITY

DFI Canada’s Managing Director is accountable for implementing this Disclosure Policy, and will make an annual report to DFI Canada’s Board of Directors on its implementation.

DFI Canada’s external Advisory Council, comprised of prominent leaders from business, academia and civil society, provides advice on matters related to evolving best-in-class development finance, including this policy.

8. REVIEW DATE

This interim Disclosure Policy shall take effect on January 22, 2018. This Policy shall undergo a revision in 2018 with a view to its finalization in the calendar year. Once finalized, this policy will be updated from time to time to incorporate any changes to disclosure practices of DFI Canada’s parent company where those changes exceed the transparency provisions herein.
ANNEX A - DEVELOPMENT FINANCE INSTITUTION
INTERIM DISCLOSURE POLICY

GLOSSARY OF TERMS

Category A project
A Category A project is a project which has been classified as a Category A under according to an assessment against the IFC Performance Standards for Environmental and Social Sustainability. A project is classified as a Category A when it is likely to have significant adverse environmental or social effects that are sensitive, diverse, or unprecedented.

Category B Project
A Category B Project is a project where DFI Canada considers that the project’s potential environmental effects are less adverse than the potential environmental effects of Category A projects. Environmental effects associated with Category B projects are usually site-specific; few if any are irreversible; and in most cases mitigation measures can be designed more readily than for Category A projects. The scope of environmental assessment for a Category B project may vary from project to project, and is more narrow than that of an environmental assessment for a Category A project.

Clients
DFI Canada’s clients include companies to which financial services are provided and from which payments are received, or from which financial returns on investments are expected.

Equity
Equity and other forms of related investments in projects or companies or through participation in market- or sector-focused investment funds can be provided.

Financing
Financing services include medium- or long-term financing and can include: lines of credit, pre-arranged financing facilities, note purchase and receivable purchase facilities, pre-shipment financing, leasing support and project financing.

Guarantees
Guarantees are provided to financial institutions seeking to enter into a risk-sharing arrangement with DFI Canada, whereby DFI Canada guarantees a portion of the financing extended by them to eligible borrowers.

International Finance Corporate Performance Standards on Environmental and Social Sustainability
The International Finance Corporation (IFC) is the private sector lending arm of the World Bank Group. IFC has established the Performance Standards on Environmental and Social Sustainability (referred to as the Performance Standards) to provide guidance to companies on how to identify risks and impacts, and are designed to help avoid, mitigate, and manage risks and impacts as a way of doing business in a sustainable way, including stakeholder engagement and disclosure obligations of the client in relation to project-level activities.
Project
A project is a physical development that is or will be greenfield, or a major extension or transformation-conversion thereof, and which in each case is planned or occurring and is industrial, commercial or infrastructure-related in nature.