

Policy

Transparency and Disclosure

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Authority Signatures

Approved by: FinDev Canada Board of Directors	Date
Endorsed by: FinDev Canada Operations and Governance Committee	Date
Recommended by: Chief Executive Officer	Date

Control Sheet

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1. PURPOSE & PRINCIPLES

FinDev Canada is Canada's Development Finance Institution ("**DFI**"), a Crown corporation established in 2018 with the mandate to provide financial solutions to the private sector and mobilize private investment in developing countries. Our goals are to economically empower women, develop local markets, and combat climate change, in a manner consistent with Canada's international development priorities.

Disclosure by FinDev Canada builds awareness of, and confidence in, FinDev Canada's execution of its mandate and is critical to demonstrate public accountability. As a Crown corporation, FinDev Canada takes seriously its responsibility for transparency regarding its Financing and Investment Activities. At the same time, FinDev Canada is mindful of the need to protect certain commercially sensitive and/or personal or otherwise restricted information related to its private sector clients or other stakeholders.

This Policy sets out FinDev Canada's commitment to transparency with respect to its business activities, and establishes the framework for the routine and proactive disclosure of information in relation thereto, including:

- publishing information related to corporate planning and performance;
- publishing information on transactional activities, including in relation to environmental and social ("**E&S**") risks, mitigants and impacts, as well as anticipated development impacts related to a Transaction; and
- publishing information on Independent Accountability Mechanism ("**IAM**") complaints and other activities.

In disclosing such information, FinDev Canada is guided by the following:

- obtaining Client consent for the disclosure of Transaction information; and
- leveraging FinDev Canada's website (findevcanada.ca) as the primary vehicle for publishing disclosures.

This Policy updates and replaces the Interim Disclosure Policy (2018). Internal procedures to accompany and implement this Policy will be developed in 2023.

Capitalized terms not defined in the main body of this Policy are defined in Annex A.

2. TYPES OF DISCLOSURES

FinDev Canada commits to disclose information related to: (a) general corporate activities, including corporate policies, special facilities, and IAM activities, and (b) transactional activities (individual and portfolio level).

2.1 GENERAL CORPORATE DISCLOSURES

FinDev Canada seeks to disclose general corporate information about its business plans, results (development impact and financial), reports, services, products and key policies including, but not limited to:

- Corporate performance and the preceding year's activities as detailed in its **Annual Report**, including financial statements and climate-related disclosures (e.g., aggregated portfolio carbon footprint), as well as data on inclusion, diversity and equity as it relates to its governance bodies and staffing;
- Planned activities, corporate budget, and financial projections detailed in the **Annual Corporate Plan Summary**, as tabled in Parliament;
- Travel and Hospitality Expenses of its Board of Directors and Chief Executive Officer; and
- Key corporate policies, including without limitation, those specified in Section 2.1(B) (Corporate Policies).

As Canada's development finance institution, FinDev Canada has a number of reporting obligations to certain international organizations of which Canada is a member, such as the Organization for Economic Co-operation and Development ("**OECD**"). For example, FinDev Canada is required to report on its Financing and Investment Activities to the OECD, as part of Canada's commitment to report on official development assistance. FinDev Canada reports to these international bodies through Global Affairs Canada.

FinDev Canada also provides information to other organizations, such as to the Secretariat of the Operating Principles for Impact Management ("**OPIM**"). In addition, FinDev Canada provides reporting in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**").

A. SPECIAL FACILITIES

FinDev Canada may occasionally manage financing facilities funded by other sources. At the time of publication of this Policy, FinDev Canada has a technical assistance facility (the “**Technical Assistance Facility**”) for market-level projects and to increase its Clients’ capacity in areas such as gender diversity, E&S risk management, climate action, data management, and business performance. FinDev Canada also manages a blended finance facility, known as the “**2X Canada Facility**”, to invest in riskier transactions that aim to enhance the socio-economic well-being of underserved and vulnerable populations, including, in particular, women. The Technical Assistance Facility and the 2X Canada Facility are funded by Global Affairs Canada.

Reporting on special facilities such as the Technical Assistance Facility and the 2X Canada Facility is included in FinDev Canada’s Annual Report and on each facility’s dedicated page on FinDev Canada’s website.

B. CORPORATE POLICIES

i. General

FinDev Canada publishes key policies, procedures, and frameworks on its website. Such policies include:

- Environmental & Social Policy;
- Development Impact Framework;
- Gender Equality Policy;
- Climate Change Policy;
- IAM Policy and Procedures;
- Code of Conduct; and
- Transparency and Disclosure Policy.

Any provisions on transparency and disclosure of information contained in any FinDev Canada policy or procedure shall be subject to this Policy.

ii. Independent Accountability Mechanism

FinDev Canada has in place an independent accountability mechanism to address concerns of individuals or communities who allege actual or potential harm has arisen, or may arise, from a failure by FinDev Canada to follow its own E&S policies relating to a Transaction, or provisions of this Transparency and Disclosure Policy. The IAM Policy

and Procedures contain provisions on transparency and disclosure of information, which are subject to this Policy. Information on the IAM practice for complaint disclosures can be found in the IAM Policy and Procedures.

2.2 TRANSACTION DISCLOSURES

Subject to obtaining consent from the relevant Client (and the consent of any co-lender or co-investor, as applicable), FinDev Canada commits to disclose certain information about its transactional activity, both in the aggregate and on individual Transactions.

A. AGGREGATED TRANSACTION REPORTING

FinDev Canada will disclose the following aggregated information on Active Transactions (the "**Aggregated Information**"):

- business volume by sector;
- regions of business operation;
- type of Financing and Investment Activity;
- key development impact indicators; and
- carbon footprint.

Timing of Disclosure

The Aggregated Information will be posted on FinDev Canada's website and updated on a quarterly basis, no later than sixty (60) calendar days after the end of each fiscal quarter, however aggregated information on FinDev Canada's portfolio carbon footprint will only be disclosed on an annual basis.

B. INDIVIDUAL TRANSACTION REPORTING

As a condition of support, FinDev Canada requires that its Clients consent to disclosure of certain information as noted below.

i. Transactions Under Consideration

FinDev Canada will disclose on its website the following information in respect of each Transaction Under Consideration as part of the "**Initial Transaction Disclosure**":

- Client name (including name of other relevant parties, such as project sponsor, fund manager/general partner, as applicable);
- Relevant dates, including date of publication of the Initial Transaction Disclosure and the Signing Date¹;
- Location (i.e., country/ies) of business operations;
- Domicile (i.e., location of organization/incorporation of the Client, including other relevant parties, such as project sponsor, fund manager/general partner, as applicable);
- Type of Financing and Investment Activity (i.e., Debt or Equity);
- General description of Transaction/project/business activity;
- Amount and currency of the Financing and Investment Activity (expected or actual);
- Canadian company involved (if any);
- Sector;
- Anticipated E&S risk category;
- Anticipated development impact priorities;
- Additional disclosures required for Category A Transactions and FI-1 Transactions (See Section 2.2(B)(iii)(a)(Category A Transactions and FI-1 Transactions) (if applicable); and
- Additional disclosures required for 2X Canada Transactions (See Section 2.2(B)(iii)(b)(2X Canada Transactions) (if applicable).

Any exceptions or instances of non-compliance with the above requirements will be assessed according to Section 6 (Escalation and Exceptions).

¹ At the time of the Initial Transaction Disclosure, this date is not available, but this information field will be updated upon signing.

A template for disclosure of individual Transactions can be found in Annex B. Such template is subject to review from time to time, at the discretion of FinDev Canada's Management.

If a Transaction Under Consideration is not ultimately concluded for whatever reason, any disclosure made in respect of such Transaction Under Consideration will be removed from FinDev Canada's website.

Timing of Disclosure

The Initial Transaction Disclosure will be posted on FinDev Canada's website at least thirty (30) calendar days prior to the Signing Date of each Transaction.

ii. Active Transactions

A "**Transaction Disclosure Summary**" will be prepared for each Active Transaction outlining the E&S assessment, including the type of E&S information reviewed for the E&S assessment, the standards against which the Transaction was assessed, and whether the Transaction is meeting those standards, as well as the anticipated development impact.

Each Transaction Disclosure Summary will be provided to the Client for review prior to publication.

Information relating to individual Transactions will remain publicly available on the FinDev Canada website for the tenure of the Active Transaction, after which time such information may be removed and archived in accordance with FinDev Canada's retention practices.

Timing of Disclosure

The Transaction Disclosure Summary will be posted on FinDev Canada's website a maximum of ninety (90) calendar days after the Signing Date of each Transaction.

iii. Special Transactional Disclosures

a. Category A Transactions and FI-1 Transactions

Where a Transaction Under Consideration is a Category A Transaction or an FI-1 Transaction, FinDev Canada requires the following additional disclosures as part of the Initial Transaction Disclosure:

- Client (or relevant counterparty) will be encouraged to publish available E&S information on their website, such as a project E&S impact assessment ("**ESIA**")

or, for an FI-1 Transaction, the E&S management system (“**ESMS**”), such that FinDev Canada may post links to the relevant information on FinDev Canada’s website; and

- FinDev Canada will disclose on its website as part of the Initial Transaction Disclosure that the Transaction Under Consideration is a Category A Transaction or FI-1 Transaction.

FinDev Canada may exclude financing of Category A projects or activities from its use of proceeds when financing or investing in financial intermediaries that otherwise would be categorized as FI-1; in these cases, the Transaction would be categorized as FI-2 or FI-3.

Timing of Disclosure

Included in the Initial Transaction Disclosure which will be posted on FinDev Canada’s website at least thirty (30) calendar days prior to the Signing Date of each Transaction.

Once signed, FinDev Canada will include a summary of the key action items in the E&S Action Plan (“**ESAP**”) (subject to the required Client consent, including consent by any co-lender or co-investor, as applicable) as part of the Transaction Disclosure Summary.

Timing of Disclosure

Included in the Transaction Disclosure Summary which will be posted on FinDev Canada’s website a maximum of ninety (90) calendar days after the Signing Date of each Transaction.

b. 2X Canada Transactions

If a Transaction Under Consideration is supported through (in whole or in part) the 2X Canada Facility, FinDev Canada will disclose as part of the Initial Transaction Disclosure: (i) 2X Canada Facility involvement, and (ii) the amount of the 2X Canada commitment.

Timing of Disclosure

Included in the Initial Transaction Disclosure which will be posted on FinDev Canada’s website at least thirty (30) calendar days prior to the Signing Date of each Transaction.

3. EXCLUSIONS

FinDev Canada's disclosure practices must reflect its legal obligations and concerns for protecting confidential information entrusted by its Clients and other parties in the normal course of conducting its business, as well as its own confidential information.

3.1 COMMERCIALLY SENSITIVE INFORMATION

FinDev Canada will not publicly disclose information related to commercial competitiveness ("**Commercially Sensitive Information**"), which includes (without limitation):

- Material non-public information as defined under applicable securities laws;
- Financial, business or other proprietary information, intellectual property, or other non-public information that has been disclosed to FinDev Canada under any obligation of confidentiality;
- Financial, business or other proprietary information of third parties where disclosure of such information might adversely affect the concerned third party, including project appraisal reports and documents prepared by FinDev Canada and/or its external counsel, consultants or third party advisors;
- Information, the release of which, might prove to be detrimental to the economic interests of Canada or the country of business operations of any Client;
- Proceedings, deliberations and records of FinDev Canada's Board of Directors and its committees, FinDev Canada's Advisory Council, or any other internal decision-making committee (such as, Triage Committee, Investment Committee, Technical Assistance Committee, Operations and Governance Committee, Risk Management Committee), including documentation created for use by or presentation to the Board of Directors, the Advisory Council, or any of the aforementioned bodies or committees; and
- Financial, business or proprietary information which might prove to affect FinDev Canada's activities in financial markets, or to which such markets may be sensitive or which might prove to affect FinDev Canada's competitive position, including, but not limited to, details of liquidity investments, estimates of future borrowings, or redemptions of borrowings, expected rates of interest or rates of return, fees and financial ratios.

3.2 INFORMATION UNRELATED TO PUBLIC ACCOUNTABILITY

In implementing this Policy, FinDev Canada will not disclose information which is unrelated to public accountability (subject to applicable law). This information includes (without limitation):

- FinDev 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 FinDev Canada staff members, including information relating to internal deliberative processes among FinDev Canada such as project evaluation reports or credit assessments which are produced for internal use only;
- 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;
- Information related to procurement processes submitted by prospective bidders, including pre-qualification information, tenders, proposals or price quotations, or records of deliberative processes related thereto;
- Personal or employment-related information about FinDev Canada staff members. Personal information will be administered in accordance with the provisions of the *Privacy Act*; and
- Privileged information, including advice, information, views and opinions provided to FinDev Canada by professional advisors and consultants, such as, but not limited to, 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 FinDev Canada.

3.3 EXCLUDED TRANSACTIONS

FinDev Canada will not disclose information about Transactions that are:

- Increases in existing equity capital (direct or indirect) to prevent dilution; and
- Rescue Finance, unless the financing is provided to start new activities.

3.4 OTHER

FinDev Canada commits to disclosing circumstances when it cannot comply with the material terms of this Policy and to providing the standard disclosure information once the constraint is relieved, where applicable.

4 REPORTING AND ACCOUNTABILITY

FinDev Canada's Chief Executive Officer is accountable for implementing this Policy and will make a report annually to FinDev Canada's Board of Directors on any exceptions or occurrences of material non-compliance.

5 OPERATIONAL ROLES

Ownership, management and monitoring of disclosure consent of Transactions fall under the purview of the Strategy and Engagement Team.

The Strategy and Engagement Team is responsible for flagging and escalating potential or actual risks to the Policy Owner.

Role	Responsible Party
Policy Owner	Vice-President, Strategy and Engagement
Policy Monitor	Strategy and Engagement Team

6 ESCALATION AND EXCEPTIONS

All exceptions or instances of non-compliance with this Policy are assessed by the Policy Monitor and escalated to the Policy Owner for resolution or approval. Requests for Policy exceptions or instances of non-compliance must:

- (a) Identify the applicable section(s) of the Policy to which the exception applies;
- (b) Assess the risk(s) that arises from the proposed exception(s);
- (c) If applicable, outline the appropriate controls to mitigate these risks; and
- (d) Specify the review or effective period of the Policy exception.

A process will be established by the Policy Owner to identify, record and report on exceptions or instances of non-compliance with this Policy.

7 APPLICATION

Unless otherwise stated herein, this Policy is applicable to all of FinDev Canada's Financing and Investment Activities. For the purpose of Section 2.2(B) (Individual Transaction Reporting), the Interim Transparency and Disclosure Policy (2018) will apply to any Financing and Investment Activity which is already in due diligence prior to the Effective Date of this Policy.

8 REVIEW DATE

This Transparency and Disclosure Policy shall take effect on the date indicated on the cover page of this Policy and shall undergo a review within three (3) years of its coming into effect, or earlier if circumstances warrant.

Inquiries about this Policy can be directed to info@findevcanada.ca.

ANNEX A – DEFINED TERMS

Terminology	Definition
2X Canada Facility	Has the meaning given to such term in Section (2.1)(A)(Special Facilities).
Active Transaction	Means a transaction which was previously a Transaction Under Consideration and has been signed and is in effect.
Aggregated Information	Has the meaning given to such term in Section 2.2(A)(Aggregated Transaction Reporting).
Category A Transaction	Means a transaction which has been classified as Category A according to an assessment against the IFC <i>Performance Standards for Environmental and Social Sustainability</i> . A transaction is classified as Category A when it is likely to have significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented.
Client	Means, (i) a borrower who is contractually bound to make all principal and interest payments on outstanding debt to FinDev Canada, or (ii) a company or fund that has received investment directly from FinDev Canada in exchange of financial returns.
Commercially Sensitive Information	Has the meaning given to such term in Section 3(a) (Commercially Sensitive information).
Debt	Means a loan or guarantee provided by FinDev Canada.
Equity	Means a direct equity investment by FinDev Canada or a private equity investment by FinDev Canada in a fund.
E&S Action Plan or ESAP	Means an action plan setting out specific measures to be undertaken by a counterparty to enable compliance with applicable environmental and social requirements.
E&S Impact Assessment or ESIA	Means the evaluation of the potential environmental and social risks and impacts of activities under a project or business activity, evaluating alternatives, and designing appropriate mitigation, management, and monitoring measures.
E&S Management System or ESMS	Means a methodological approach to managing environmental and social risks and impacts in a structured way on an ongoing basis that is appropriate to the nature and scale of the project or business activity, promotes sound and sustainable environmental and social performance, and can lead to improved financial, social, and environmental outcomes.

FI-1 Transaction	Means a transaction with a financial intermediary that has a portfolio that includes, or is expected to include, substantial financial exposure to business activities with potential significant adverse environmental and social risks or impacts that are diverse, irreversible, or unprecedented (E&S Category A), provided that FinDev Canada has not excluded financing of such projects or activities from the use of FinDev Canada's proceeds.
FI-2	Means when a financial intermediary's existing or proposed portfolio is comprised of, or is expected to be comprised of, business activities that have potential limited adverse environmental or social risks or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of business activities with potential significant adverse environmental or social risks or impacts that are diverse, irreversible, or unprecedented.
FI-3	Means when a financial intermediary's existing or proposed portfolio includes financial exposure to business activities that predominantly have minimal or no adverse environmental or social impacts.
Financing and Investment Activities	Means a Debt or Equity exposure but excludes financial support in the form of Technical Assistance.
Independent Accountability Mechanism (IAM)	Means an independent procedure to address concerns of individuals or communities who allege actual or potential harm has arisen, or may arise, from a failure by FinDev Canada to follow its own E&S policies or relating to a Transaction, or provisions of this Transparency and Disclosure policy.
IFC Performance Standards	Means the <i>Performance Standards on Environmental and Social Sustainability</i> (referred to as the <i>Performance Standards</i>) established by the International Finance Corporation ("IFC"), the private sector lending arm of the World Bank Group. The Performance Standards have been established 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 a client in relation to project-level activities.

Initial Transaction Disclosure	Has the meaning given to such term in Section 2.2(B)(i) (Transactions Under Consideration).
Policy Monitor	Means the authority responsible for monitoring, ensuring and attesting to compliance with the Policy, and also responsible for reporting instances of non-compliance to the Policy Owner (if Policy Monitor is different from the Policy Owner).
Policy Owner	Means the senior Executive responsible for the matters addressed by the Policy. This includes responsibility for ensuring the Policy's development, implementation, and maintenance.
Rescue Finance	Means financing provided to a Client, which financing is reasonably required to (i) remedy a breach or default (or potential breach or default) by the Client under any debt financing agreement to which the Client is party, (ii) provide liquidity to the Client to the extent necessary to fund their then-current operations, under circumstances where the failure to provide such liquidity would reasonably be expected to be materially adverse to the Client, or (iii) comply with applicable capital requirements laws, rules or regulations.
Signing Date	Means the date that a definitive transactional agreement in respect of a Financing and Investment Activity is fully executed by all parties and comes into effect.
Technical Assistance or TA	Means a tool which complements a Client's business activities, as well as market-level, non-client initiatives that enable FinDev Canada to advance its development impact objectives: market development, women's economic empowerment and climate action.
Technical Assistance Facility	Has the meaning given to such term in Section (2.1)(A) (Special Facilities).
Transaction	Means collectively, Transactions Under Consideration and Active Transactions.
Transaction Disclosure Summary	Has the meaning given to such term in Section 2.2 (B)(ii) (Active Transaction).
Transaction Under Consideration	Means a transaction under consideration by FinDev Canada for Financing and Investment Activities which has not yet been signed.

ANNEX B – TEMPLATE FOR INITIAL DISCLOSURE OF INDIVIDUAL TRANSACTIONS (TRANSACTIONS UNDER CONSIDERATION)

No.	Category	Information
1	Client Name (including name of other relevant parties, such as project sponsor, fund manager/general partner, as applicable)	
2	Date of public notification (i.e., Initial Transaction Disclosure) (dd/mm/yy)	
3	Signing Date ² (dd/mm/yy)	
4	Location (i.e., country/ies) of of business operations	
5	Domicile (i.e., location of business organization/incorporation , including other relevant parties, such as project sponsor, fund manager/general partner, as applicable)	
6	Type of Financing and Investment Activity (i.e., Debt or Equity)	
7	General description of Transaction/project/ business activity	
8	Amount and currency of Financing and Investment Activity (i.e., expected or actual)	

² At the time of the Initial Transaction Disclosure, this date is not available, but this information field will be updated upon signing.

9	Canadian Company Involved (yes/no) (if applicable)	
10	Sector	
11	Anticipated E&S risk category	
12	Anticipated development impact priorities	

Additional Information for Certain Transactions

Category A Transactions and FI-1 Transactions		
13	<ul style="list-style-type: none"> a. Name of the project (if applicable) b. Client contact information (project sponsor or other relevant contact) c. Link to E&S Impact Assessment (ESIA) or E&S Management System (ESMS) (if available) 	
2X Canada Transactions		
14	2X Canada Facility Involvement (yes/no)	
15	Amount and currency of 2X Canada Facility commitment <i>*FinDev Canada commitment is noted in row 8.</i>	