

## ENVIRONMENTAL AND SOCIAL RISK POLICY IMPLEMENTATION REPORT – Q1 2026

### BACKGROUND

Initially established in March 2020, and revised in May 2024, FinDev Canada's [Environmental & Social \(E&S\) Risk Policy](#) (the "E&S Risk Policy" or "Policy") sets out FinDev Canada's commitment to identify, assess, mitigate, monitor and manage the potential negative environmental or social impacts across FinDev Canada's financing and investment activities, including human rights risks.

### E&S RISK POLICY COMMITMENTS AND RESULTS AS OF Q1 2026

| Policy Area                                    | Description                                                                                                                                       | Results at Q1 2026                                                                                                                                                                        |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Screen transactions ex-ante for E&S risk       | All transactions presented for approval are assessed for E&S risk category and management capacity during the screening and due diligence stages. | 100% of transactions approved up to the end of Q1 2026 have been screened for E&S risk and assigned a risk category and classification.                                                   |
| Monitor transactions in portfolio for E&S risk | All transactions in the portfolio are monitored annually for E&S risk or more often should circumstances warrant.                                 | 100% of transactions in portfolio have been reviewed for E&S risk classification and compliance against any E&S action plan commitment as part of the annual review process.              |
| Reporting                                      | Integrated Risk Report (IRR): include E&S measures in quarterly IRR.                                                                              | E&S risk measures are included in the IRR presented quarterly to Management and Board of Directors.                                                                                       |
|                                                | Management Report: present E&S risk information to Management and Board (as necessary).                                                           | The portfolio report presented to Board includes an E&S Risk overview: E&S Risk Category, E&S Risk Rating, and number of grievances received by the Independent Accountability Mechanism. |
|                                                | E&S Risk Policy Implementation Report (quarterly to Board, Q1 published on website).                                                              | Quarterly implementation report submitted to the Board for information since Q3 2024. Annual report published on our website since 2021.                                                  |
|                                                | Other: Public Stakeholder Consultation Report: publish summary of comments received during the 2024 E&S Policy revision.                          | <a href="#">Summary Report of the Public stakeholder comments received and responses</a> published on FinDev Canada's website in October 2024.                                            |

## INTERNAL CAPACITY

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| E&S Team | At the end of Q1 2026, the E&S team comprised 1 Director; 1 Lead Officer; 2 Senior Officers; 2 Officers, 2 Associates. |
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