



Promoting Social and Environmental Responsibility in the Extractive Sector – The Canadian Approach

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Doing Business the Canadian Way: A Strategy to Advance CSR in Canada's Extractive Sector Abroad

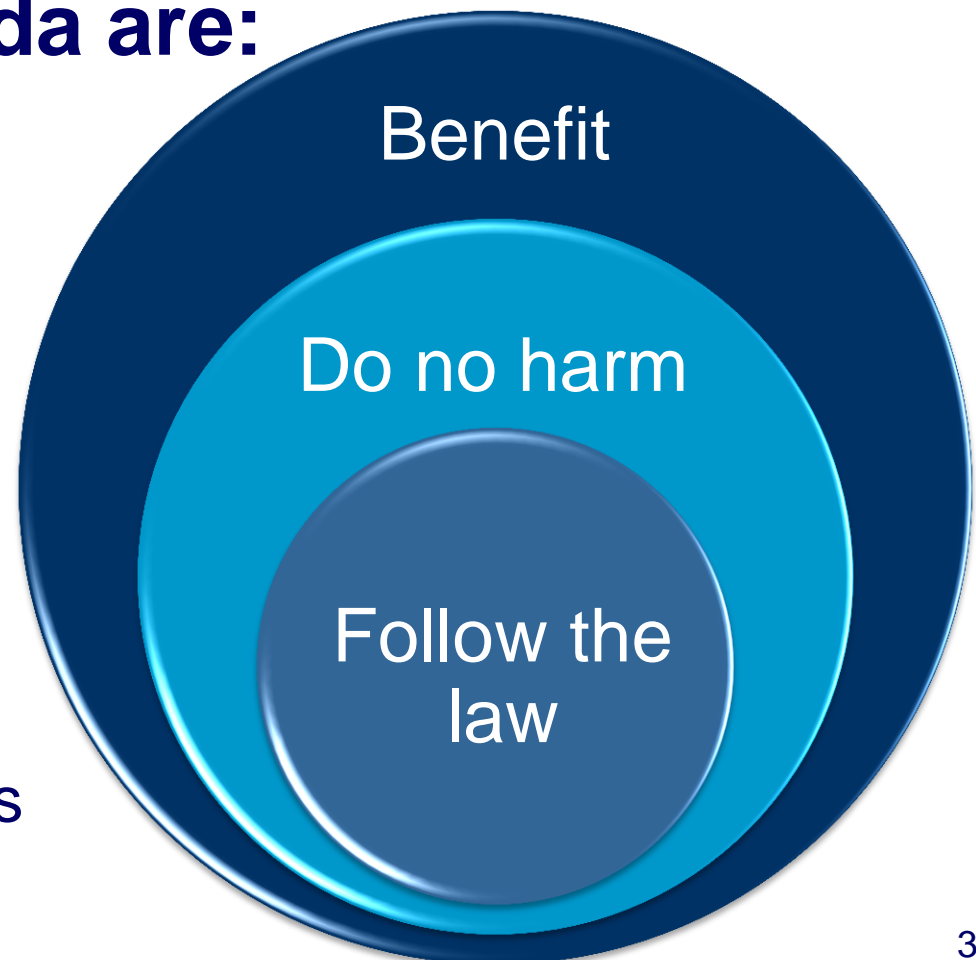
1st of a kind policy establishing home country oversight and safeguard mechanisms:

- **Canada's OECD National Contact Point**
- **Office of the Extractive Sector Corporate Social Responsibility Counsellor**
- **Canadian Trade Commissioners as CSR advocates abroad**
- **Material consequences for unresponsive companies whose activities and conduct come into question**

Canada's Expectations of Companies

Canadian companies active outside Canada are:

- Expected to demonstrate Canadian values around the world
- Expected to go beyond legal requirements
- Encouraged to seek long-term success that brings lasting local benefits





Office of the CSR Counsellor

The Counsellor - special Advisor to the Minister of International Trade

Office established in 2009 under first Government of Canada extractive sector CSR strategy

Two mandated functions:

- **Advisory – explaining to stakeholders Government CSR expectations and promoting alignment with Government-endorsed CSR standards**
- **Review - creating and implementing a non-judicial dispute resolution mechanism, including fact-finding**

Approach refined and re-focused by the 2014 CSR Strategy, “Doing Business the Canadian Way”



International CSR Standards

2009 Endorsements

- The OECD Guidelines for Multinational Enterprises (2011 update)
- The UN Voluntary Principles on Security and Human Rights (2000)
- The Global Reporting Initiative (Global Compact HR Indices)
- IFC Social and Environmental Performance Standards

2014 Additions

- The UN Guiding Principles on Business and Human Rights (2011)
- The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

CSR guidance developed in Canada

- E3Plus – A framework for Responsible Exploration (PDAC)
- Towards Sustainable Mining (Mining Association of Canada)



From Reacting to Preventing

- **Being pro-active and preventative**
- **Active promotion of corporate alignment of policies and practices with the 6 international norms of responsible conduct**
 - Conferences or special event presentations, face to face meetings; small group discussions and dialogues
 - CSR Navigation Tool
- **Early detection of emerging situations**
 - Trade Commissioners on Post as CSR advocates and eyes and ears on the ground
 - Office initiated research and monitoring
- **Constructive interventions to facilitate solutions and diminish risks of escalation and conflict**
 - Direct contact with company senior management
 - Assessment and advice
- **Authority to recommend denial or withdrawal of certain government services when companies not operating or interested in operating responsibly**



Testing the Value of Extended Outreach

- **Country and site visits** to understand context, in-country issues, and challenges at site level
- **Past Visits:** Peru, Tanzania, Ghana, Honduras, Guatemala, Panama, Argentina, Colombia, South Africa, Namibia (pending)
- Sometimes at the request of and always in collaboration with the Canadian Embassy



Country Visits

- **Prioritized on basis of**
 - **level of Canadian exploration and extractive activity in the country**
 - **risk exposures of country, communities and companies in fragile or sensitive environments**
 - **opportunities for benefit sharing and broad based local and regional development when extractive activities undertaken responsibly**



Purpose (s) of a Visit

- to help Office develop a *deeper and more nuanced understanding of host country and community issues, concerns and aspirations* relating to mineral resource development
- to be able *to see with its own eyes how Canadian companies are managing social and environmental issues and challenges*
- *to share learnings* with Embassy staff, host country stakeholders including the companies and communities, Canadian citizens, Canadian businesses, and other parties of interest
- *to identify opportunities to support in-country efforts* to advance responsible resource development
- *to establish relationships with key local stakeholders* that will enable the Office to work more effectively should its services or intervention be called upon or required in the future



Issues That May be Raised or Reviewed

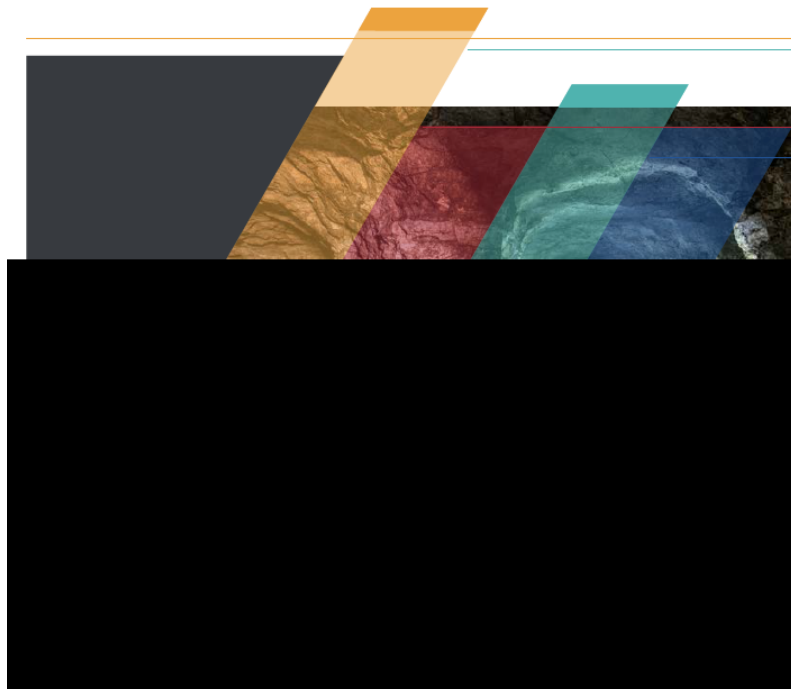
- **Consultation and consent**, with both indigenous and non-indigenous communities
- **Water consumption and impacts on water quality; security of water supply**
- **Release of contaminants**, worker or community exposures and health effects
- Land acquisition and **resettlement**
- Integrity of traditional forms of livelihood and of the environment; protection of sacred sites
- **Use of public or private security forces to suppress dissent**; bodily harm and criminalization of dissidents
- Jobs for local people
- Lack or wrong kind of **benefits for project affected communities**
- **Misappropriation or misuse of mining revenues** by local authorities

Supporting Alignment

 Government of Canada
Gouvernement du Canada



CSR Standards
Navigation Tool
for the Extractive Sector



Serving as a Resource to All Stakeholders

- ✓ Early and ongoing confidential sounding board
- ✓ Advisory support for policy, practices and CSR standards implementation
- ✓ Referral to relevant tools and resources
- ✓ Constructive intervention by invitation or as needed to help bridge differences and avert escalation (may include offer of dialogue facilitation, mediation or other forms of assistance)

Contact us today

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See the full 2014 CSR Strategy for the Extractive Sector at

www.csr.gc.ca

Find out more about the Office of the Extractive Sector CSR Counsellor at

http://www.international.gc.ca/csr_counsellor-conseiller_rse/index.aspx?lang=eng