

RESPONSIBLE BUSINESS CONDUCT ABROAD

Canada's Strategy
for the Future



Government
of Canada

Gouvernement
du Canada

Canada 

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Message from the Minister

Canada will always advocate and stand up for human rights around the world. Our government expects and encourages Canadian companies operating at home and abroad to meet high standards for responsible business conduct.

Doing business the Canadian way means committing to doing business in responsible ways, contributing to more sustainable growth, and building a better future for all. It means respecting human rights, including advancing the rights of under-represented groups, protecting the environment, advocating for gender equality, combatting discrimination and furthering diversity and inclusion.

Many Canadian businesses are widely recognized as leaders in responsible business practices. These businesses know that integrating best practices throughout every facet of their operations is not only good for our collective society and the environment, it also improves their bottom line, makes them more competitive, and drives innovation.

As we encourage Canadian companies to start up, scale up, and access new global markets, we are committed to providing the tools, guidance and support necessary for them to operate at high ethical and environment standards, stay competitive and consistent with our government's approach to inclusive trade, and make a positive impact on the local communities in which they operate.

Canadians from coast to coast to coast know how important responsible business is for our economy and the future of our planet. When Canadian businesses operating abroad reflect the values for a strong, sustainable, and competitive economy, they can gain access to new market opportunities, strengthen relationships with Canada's trade partners, and improve lives and livelihoods of people both here at home and abroad.

Your government is here to support your journey every step of the way.

A handwritten signature in black ink that reads "Mary Ng".

The Honourable Mary Ng, P.C., M.P.
International Trade, Export Promotion,
Small Business and Economic Development

Executive Summary

Responsible Business Conduct Abroad: Canada's Strategy for The Future is a five-year strategy (2022–2027) that sets out priorities for the Government of Canada to support Canadian companies¹ active abroad. It recognizes a culture shift, whereby responsible business conduct (RBC) is increasingly seen as central to business success and it recognizes the role that the Government of Canada, through the Trade Commissioner Service (TCS) and partners, can play in helping Canadian companies achieve world-leading responsible business practices. Accordingly, this Strategy provides a framework and new innovative tools such as digital resources, the development of a standard and a requirement for all TCS clients to complete a Digital RBC Attestation. These efforts will assist all Canadian companies to integrate leading responsible business practices into their operations no matter their size, sector or scope of activities.

RBC is a priority for Canada. It is central to Canada's trade diversification strategy, inclusive trade and sustainable and inclusive economic growth. It also complements Canada's approach to human rights, taking action on climate change, sustainable development, multilateralism, a rules-based trading system, recognizing, respecting, protecting

and fulfilling the rights of Indigenous peoples, and children, eradicating poverty, combatting discrimination, promoting gender equality and inclusion and diversity—including digital inclusion. It also aligns closely with the Government of Canada's Feminist Foreign Policy, including its Feminist International Assistance Policy. Additionally, Canada has committed to RBC on the global stage, through ratifying several international treaties and adhering to various guidelines that promote RBC, including the *United Nations Guiding Principles on Business and Human Rights (Guiding Principles)*, the *OECD Guidelines on Multinational Enterprises (OECD Guidelines)* and as it relates to the respect and recognition of the human rights of Indigenous peoples, the *United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)*.

Increasingly, the business case for RBC is also clear:

- **De-risk:** As Canadian companies continue in and expand to new markets, they may face increased risks. Integrating RBC helps companies evaluate transactions through a broader lens, ultimately enhancing reputation and competitiveness.
- **Build resilience:** The COVID-19 pandemic highlighted the need for greater company resilience and the importance of adaptability. Throughout the pandemic, companies with strong responsible business policies and practices were better able to assess their production and supply chain risks, which allowed them to address potential problems and have mitigation strategies in place.
- **Competitive advantage:** RBC can lead to investment attraction, increased brand value, and customer attraction and retention as more consumers look to buy ethically made goods and partners (including financial partners) seek to meet Environment Social Governance (ESG) requirements. It can lead to greater potential for increased access to capital.
- **Canadian law:** The July 2020 amendment to the *Customs Tariff* prohibits the importation of goods that are mined, manufactured or produced wholly or



¹ The use of "Canadian companies" in this Strategy includes companies headquartered in Canada as well as companies with important economic ties to Canada such as foreign companies maintaining an established office, a subsidiary, a plant, a research and development facility, or a joint venture in Canada. "Active abroad" means both trade and investment, and extends to the full scope of Canadian engagement abroad.

in part by forced labour. *The Corruption of Foreign Public Officials Act (CFPOA)* passed in 1998, criminalizes the bribery of a foreign public official. In September 2018, a Remediation Agreement (RA) regime came into force, which is a tool available for use by prosecutorial authorities—at their discretion, in the public interest and in appropriate circumstances—to address corporate criminal wrongdoing. Furthermore, the Government is committed to enacting legislation to eradicate forced labour from Canadian supply chains and ensure that Canadian businesses operating abroad do not contribute to human rights abuses.

- **Access to international markets:** As some international jurisdictions introduce mandatory measures related to labour, the environment and due diligence, Canadian companies will also need to comply with these regulations to maintain or gain market access.

While the Strategy continues Canada's balanced approach to RBC which features prevention and access to remedy, underpinned by legislation in critical areas such as forced labour, transparency and corruption, there are several strategic shifts from previous strategies:

- It focuses on RBC actions rather than specific industry sectors.
- It introduces new tools and enhances existing ones to help Canadian companies achieve leading responsible business practices.
- It aligns with wider Government of Canada priorities.
- It is accompanied by an action plan.
- It includes a monitoring and evaluation framework.

The Strategy will be achieved through three mutually reinforcing components.

- **Building awareness and championing action.** Through the Trade Commissioner Service and partners that help Canadian companies in Canada and abroad increase their understanding of Canada's expectations with respect to RBC, create opportunities for sharing information and best practices, and demonstrate the competitive advantage of doing business with Canadian companies with leading responsible business practices to partners around the world.

- **Increase uptake of RBC with a focus on due diligence and accountability.** This includes providing Canadian companies active abroad with the tools they need to mitigate risks and succeed. This includes new digital tools, a due diligence reporting standard, a Digital RBC Attestation, and access to Canada's two dispute resolution mechanisms.
- **Strengthen the global RBC ecosystem** through contributing to the rules-based international system, building capacity and developing an enabling framework through advancing RBC considerations in trade and foreign investment protection agreements, and facilitating partnerships and dialogue among diverse stakeholders.

Five enablers support the Strategy.

- **Policy coherence and alignment:** Enhanced RBC-related policy coherence across federal departments, Crown corporations, provincial and territorial governments, and Indigenous peoples will help to ensure that all actors are working together to achieve shared objectives. It will also help ensure that actions taken by the Government of Canada with respect to RBC align with wider Government of Canada priorities.
- **Action plan:** An action plan outlining key activities and timelines will drive the delivery of the strategy.
- **Engagement:** Ongoing engagement and collaboration with stakeholders committed to RBC including women, Indigenous Peoples, Black and racialized Canadians, newcomers, faith-based communities, persons with disabilities and LGBTQ2 communities will help ensure that work reflects the needs of diverse stakeholders.
- **Measurement:** Improved data collection, measurement and reporting will help measure success and identify areas for improvement.
- **Tools to assist Canadian companies:** New and innovative tools to support Canadian companies to de-risk their international business activities will help Canadian companies identify risks and take early, preventative action.

Responsible Business Conduct Strategy At a Glance

RBC STRATEGY:

The Responsible Business Conduct (RBC) Strategy provides a framework and tools to assist all Canadian companies integrate leading responsible business practices into their operations no matter their size, sector or scope of activities. RBC is about de-risking – integrating the management of risks to the environment, people and society within the core of business activities.

Responsible business principles and standards set out the expectation that businesses – regardless of their legal status, size, ownership or sector – contribute to sustainable development, while avoiding and addressing adverse impacts of their operations and recognizes that companies have leverage to promote these values throughout their supply chains and business relationships.

VISION

Canadian companies continue to be a competitive force internationally and contribute to a strong global brand for Canada. They recognize the shifting global environment with respect to responsible business conduct and the link to their competitiveness and brand reputation. They adopt responsible business practices in their operations to mitigate risks, and use their influence to reduce risks throughout their supply chains. They integrate Canadian values into their activities, including diversity and inclusion, combatting discrimination, promoting human rights, gender equality and the rights of Indigenous peoples and take action to contribute to global goals such as the Sustainable Development Goals, and climate change targets.

MISSION

Global Affairs Canada, through the Trade Commissioner Service, will work with other federal departments, Crown corporations, provincial and territorial governments and Indigenous peoples to support Canadian companies to understand and manage risks, including those related to human rights, the environment and due diligence. They will support Canadian companies to lead on responsible business practices abroad and through their work, position Canadian companies for ongoing success in new and existing markets. Canada will demonstrate leadership multilaterally and bilaterally to create an enabling environment for people, the planet and the economy to thrive, while advancing policies that contribute to a rules based international system reflective of Canadian interests and values.

ACTION

Build awareness and champion action

- Promote responsible business conduct and help Canadian companies adopt internationally recognized best practices.
- Champion Canadian companies with leading responsible business conduct and share best practices by Canadian companies and industry associations.

Strengthen the global responsible business conduct ecosystem

- Contribute to a rules-based international system that advances Canada's interests and values.
- Integrate responsible business conduct in bilateral and multilateral engagements.
- Foster an enabling environment for responsible business practices, including through facilitating multi-stakeholder dialogue and partnerships.



Increase the uptake of due diligence and accountability

- Increase the uptake of responsible business conduct due diligence by Canadian companies, including in their supply chains.
- Reflection of responsible business considerations in the delivery of Global Affairs Canada services, funding and programming, including the use of the Digital RBC Attestation.
- Facilitate access to remedy and dispute resolution through Canada's NCP and CORE.

- ✓ Standard on due diligence reporting
- ✓ Digital RBC Attestation
- ✓ Enhanced digital tools
- ✓ RBC Stakeholder Advisory Body
- ✓ Annual RBC Forum
- ✓ Network of RBC Champions in Canada and abroad
- ✓ Enhanced RBC branding and messaging
- ✓ Awards and success stories
- ✓ Global RBC Advocacy Fund
- ✓ Results and Delivery Framework

Responsible Business Conduct Abroad: Canada's Strategy For The Future

Vision

Canadian companies:

- Recognize the shifting global environment with respect to responsible business conduct (RBC) and the link to competitiveness and brand reputation
- Adopt responsible business practices in their operations to mitigate risks
- Use their influence, such as through establishing supplier expectations, to mitigate risks in their supply chains

Canadian companies continue to be a competitive force internationally and contribute to a strong global brand for Canada. They integrate Canadian values into their activities, including combatting discrimination, promoting diversity and inclusion, human rights, gender equality and the rights of Indigenous peoples and take action to contribute to global goals such as the Sustainable Development Goals, the United Nations Declaration on the Rights of Indigenous Peoples, and climate change targets.

Mission

Global Affairs Canada, through the Trade Commissioner Service will:

- Support Canadian companies by helping them to understand and manage risks including those related to human rights, the environment and due diligence
- Support Canadian companies to solve problems related to responsible business practices
- Position Canadian companies for ongoing success in new and existing markets abroad

Role of Global Affairs Canada

Global Affairs Canada defines, shapes and advances Canada's interests and values in a complex global environment. This includes managing diplomatic

relations, promoting international trade and providing consular support. Global Affairs Canada also leads international development, humanitarian, and peace and security assistance efforts and contributes to national security and the development of international law. Within Global Affairs Canada, the Trade Commissioner Service promotes Canada's commercial interests abroad through providing Canadian companies with market intelligence, introducing them to important contacts such as potential buyers and partners, foreign governments and decision makers, helping them access partnership opportunities, and providing important advice, including related to risks and opportunities.



Strategy development

The Strategy builds on previous strategies with important shifts, including: a focus on actions rather than on specific industry sectors; introducing new tools and requirements to help Canadian companies achieve leading responsible business practices; greater alignment with wider Government of Canada priorities; and the establishment of an action plan, and a monitoring and evaluation framework.

The 2022 Strategy has been informed by the following inputs:

- Evaluation of the [2014 Strategy](#)
- Literature review
- Targeted consultations (March 2020) with Canadian businesses, civil society organizations and other experts
- Public consultations (Fall 2020)
- Consultations with federal departments, Crown corporations, and provincial and territorial governments, as well as with Indigenous peoples
- Consultations are summarized in a [What We Heard](#) report

The Strategy reflects Canada's commitment to [Gender-Based Analysis Plus \(GBA+\)](#), an analytical approach to assessing how the outcomes of policies and programs may differ across diverse groups according to their composition/identity. This approach helps to ensure that initiatives are welcoming and accessible to groups that are often marginalized and/



Recommendations from 2014 Strategy evaluation

- Ongoing need for a responsible business conduct Strategy
- Should be applicable to all industry sectors
- Need to operationalize strategy through the development of implementation guides
- Need for greater alignment with Canada's domestic and international priorities

or underrepresented, including women, Indigenous Peoples, Black and racialized Canadians, newcomers, faith-based communities, persons with disabilities and LGBTQ2 communities.

What is RBC?

RBC integrates the management of risks to the environment, people and society into a business' core activities. It makes a company more resilient through awareness of production and supply chain risks (operational, financial and legal). RBC includes, prevention, addressing potential problems before they occur and mitigation, ensuring strategies are in place to address adverse scenarios.

RBC can help attract investment, increase brand value and retain customers as more consumers look to buy ethically made goods. Canadian companies with good RBC contribute to achieving Canada's objectives by upholding Canadians' expectations, enhancing the Canada brand and generating sustainable benefits in the countries where they are active.

Other terms related to RBC and sometimes used interchangeably include: Corporate Social Responsibility (CSR) and Sustainability and Environmental, Social and Governance (ESG). These terms have slightly different meanings and scope, and are defined in the glossary.

Why is RBC important?

- **It helps mitigate risk.** Canada's trade diversification strategy includes a commitment to broaden Canada's reach to compete and succeed in a larger number of thriving and fast-growing global markets and sectors. As Canadian companies expand to new markets, they may face increased risks. Integrating responsible business practices and policies helps them de-risk transactions, ultimately enhancing reputation and competitiveness.
- **It builds resilience against current and future disruptions.** The COVID-19 pandemic demonstrates that companies with strong responsible business practices are better positioned to weather unprecedented challenges. In a world increasingly impacted by humanitarian emergencies, climate change and globalization, and as Canada and other countries look to rebuild their economies following the pandemic, committing to inclusive responsible business practices enables companies to mitigate risks, adapt and build resilience.
- **It is a competitive advantage.** The exponential growth of technologies and the generation of data has led to heightened awareness among consumers and investors of ESG issues. This has increased expectations on companies and their roles in society, particularly in relation to pressing global issues such as human rights, the rights of Indigenous peoples, climate change, diversity and inclusion, combatting discrimination and promoting gender equality. RBC can help attract investment, increase brand value and retain customers as more consumers look to buy ethically made goods and services. It can also lead to increased potential for access to capital as financial institutions respond to international standards related to ESG goals.

Advantage	Evidence
Access to capital	Firms with strong RBC scores access a broader pool of investors. Canadian ESG assets reached \$3.2 Trillion in 2020. ²
Reducing costs	Firms with strong RBC policies outperform peers in reducing operating costs through resource efficiency. ³
Mitigating risk	Firms with strong RBC policies maintain access to resources through stronger relationships with communities and governments. Poor relations with key stakeholders can destroy up to 30% of firm value. ⁴
Managing crises such as COVID-19	Firms with strong RBC policies experienced less volatility and higher returns during the worst phase of the COVID-19 economic crash, earning 7.2% more in returns than their peers. ⁵
Customer loyalty	87% of customers say they are concerned about the social and environmental impact of products they buy. ⁶

- **There are legal requirements in Canada and abroad.** The Canadian legal environment has evolved to ensure greater commitment to RBC. In 2015, the *Extractive Sector Transparency Measures Act (ESTMA)* came into force, which helps the Government of Canada deter corruption in the extractive sector. The July 2020, *Customs Tariff* amendments prohibit the importation of goods that are mined, manufactured or produced wholly or in part by forced labour. In addition, the Government is committed to enacting legislation to eradicate forced labour from Canadian supply chains and ensure that Canadian businesses operating abroad do not contribute to human rights abuses. As international jurisdictions also introduce mandatory measures related to labour, the environment and due diligence, Canadian companies will also need to comply to access markets. (See Annex IV for additional legislative requirements in Canada).

¹Responsible Investment Association (2020). 2020 Canadian Responsible Investment Trends report. Accessed from: <https://www.riacanada.ca/research/2020-canadian-ri-trends-report/>

²Bonini, S., & Swartz, S. (2016). Profits with purpose: How organizing for sustainability can benefit the bottom line. Accessed from: <https://www.mckinsey.com/business-functions/sustainability/our-insights/profits-with-purpose-how-organizing-for-sustainability-can-benefit-the-bottom-line>

³Henisz, H., Koller, T., Nuttall, R. (2019). Five ways that ESG creates value. McKinsey Quarterly. Accessed from: <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/five-ways-that-esg-creates-value>

⁴Albuquerque, R., Koskinen, Y., Yang, S., & Zhang, C. (2020). Resiliency of environmental and social stocks: An analysis of the exogenous COVID-19 market crash. *The Review of Corporate Finance Studies*, 9(3), 593-621.

⁶ Bonini, S., & Oppenheim, J. (2008). Cultivating the green consumer. *Stanford Social Innovation Review*, 6(4), 56-61

- **Canada has made international commitments.** Canada has ratified several international treaties and adheres to various guidelines that promote RBC, including the *United Nations Guiding Principles on Business and Human Rights (Guiding Principles)*, the *OECD Guidelines on Multinational Enterprises (OECD Guidelines)* and the *International Labour Organization's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration)*. Canada has also adopted the Sustainable Development Goals and ratified numerous conventions related to human rights, the *UN Declaration on the Rights of Indigenous Peoples*, climate change and gender equality (see Annex II). In line with these commitments, Canada and other countries are adopting voluntary and mandatory measures to set out expectations and legal requirements for corporate conduct.
- **It is a Government of Canada priority.** RBC is central to Canada's trade diversification strategy, inclusive trade, and sustainable and inclusive economic growth. It also complements Canada's approach to human rights, taking action on climate change, sustainable development, multilateralism, a rules-based trading system, upholding the rights of Indigenous peoples and children, eradicating poverty, gender equality, and inclusion and diversity—including digital inclusion. It also aligns closely with the Government of Canada's Feminist Foreign Policy, including its Feminist International Assistance Policy and Canada's commitment to UNDRIP through the United Nations Declaration on the Rights of Indigenous Peoples Act being passed into Canadian law.

Canada's balanced approach to RBC

Canada's balanced approach to RBC includes prevention, access to remedy and targeted legislation.

Prevention refers to the actions businesses take to increase due diligence, including identifying problems before they escalate and mitigating risks and impacts. Essentially, RBC provides tools for companies to de-risk their activities abroad. COVID-19 demonstrates the importance of taking into account the full spectrum of risks associated with a company's activities—economic, health and safety, and human rights—for

the well-being of workers and customers, and for the communities and environments where companies operate.

Global Affairs Canada works with the Canadian business community, civil society organizations, Indigenous peoples, foreign governments and communities, as well as other stakeholders, to foster and promote responsible business practices, increase awareness of key international standards and guidelines, and to help support sustainable economic growth and shared values wherever Canadian companies are active.

The Trade Commissioner Service (TCS) helps Canadian businesses grow by connecting them with its funding and support programs, international opportunities and its network of trade commissioners in more than 160 cities worldwide. The TCS provides advice on the risks associated with specific markets and sectors, and advocates on behalf of Canadian industry abroad, such as by emphasizing the competitive advantages that Canadian companies with strong responsible business practices offer to trading partners. RBC is a cornerstone of this work. The TCS promotes the uptake of RBC and its related tools and products to help companies prevent and resolve problems. Additionally, Canada's National Contact Point (NCP) for RBC under the OECD, along with the office of the Canadian Ombudsperson for Responsible Enterprise (CORE), promote international RBC standards. CORE also provides RBC-related advice to Canadian businesses.

Access to remedy offers a mechanism for addressing grievances to those who feel they have been adversely affected by the operations of Canadian companies. Canada's NCP and the CORE provide non-judicial mechanisms for a wide range of issues: the NCP for issues including those related to disclosure, labour, human rights, the environment and bribery, abroad or in Canada; the CORE for human rights abuses arising from the mining, oil and gas, and garment sectors, abroad.

Canada's access to remedy approach is more accessible, efficient and cost-effective than judicial mechanisms, and can lead to mutually agreeable solutions faster than court proceedings. The purpose is to find solutions—to bring about change. Also, while bring-

ing a complaint to the CORE or the NCP does not preclude a party from pursuing the complaint in other fora, it can reduce the need to do so. If a Canadian company fails to act in good faith during a review or follow-up process, recommendations can be made to implement trade measures such as the withdrawal of TCS support and recommending that Export Development Canada and the Canadian Commercial Corporation withdraw future support.

Legislation in critical areas, such as forced labour, anti-corruption and transparency further underpins Canada's commitment to responsible business conduct. The Strategy - and the Action Plan of key activities and tools that will deliver results - complements both current and future RBC-related legislation in new areas such as supply chain due diligence.

Three Integrated Components

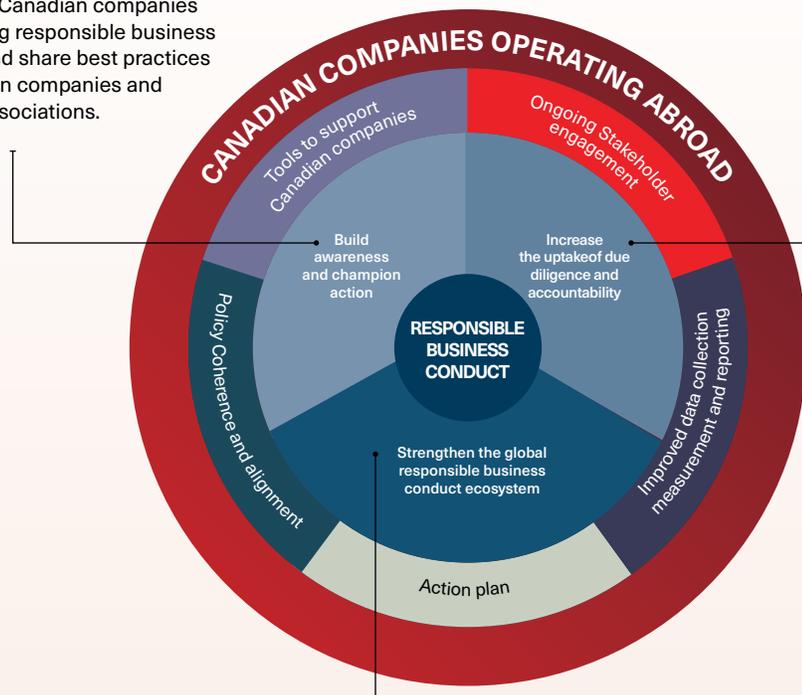
The Strategy's three components support Canadian companies in integrating leading responsible business practices and position Canada to advance policies and practices within the international RBC ecosystem.

Build awareness and champion action

- Promote responsible business conduct and help Canadian companies adopt internationally recognized best practices.
- Champion Canadian companies with leading responsible business conduct and share best practices by Canadian companies and industry associations.

Increase the uptake of due diligence and accountability

- Increase the uptake of responsible business conduct due diligence by Canadian companies, including in their supply chains.
- Reflection of responsible business considerations in the delivery of Global Affairs Canada services, funding and programming, including the use of the Digital RBC Attestation.
- Facilitate access to remedy and dispute resolution through Canada's NCP and CORE.



Strengthen the global responsible business conduct ecosystem

- Contribute to a rules-based international system that advances Canada's interests and values.
- Integrate responsible business conduct in bilateral and multilateral engagements.
- Foster an enabling environment for responsible business practices, including through facilitating multi-stakeholder dialogue and partnerships.

Build awareness and champion action

Objectives:

- Promote RBC and help Canadian companies adopt best practices.
- Champion Canadian companies with leading RBC and share best practices by Canadian companies and industry associations.

Overview

- This component emphasises the role of the Government of Canada, and in particular the TCS, to raise awareness of RBC expectations for Canadian companies active abroad. It includes efforts to build capacity in the TCS and in the TCS' work with partners to provide relevant and timely advice to help Canadian companies navigate RBC risks, while championing those with strong practices and integrating RBC as part of the competitive advantage of doing business with Canada. It includes an emphasis on the TCS providing enhanced guidance about the Government of Canada's expectations, as well as about internationally recognized responsible business guidelines. The important advisory and promotional roles provided by the NCP and CORE are also part of this component.

Promote RBC and help Canadian companies adopt internationally recognized best practices

The Government of Canada expects Canadian companies operating abroad to abide by all relevant laws, to respect human rights in their operations, and to adopt internationally recognized best practices and internationally respected guidelines on RBC such as the *UN Guiding Principles on Business and Human Rights* and the *OECD Guidelines for Multinational Enterprises*. Companies are also encouraged to contribute to achieving the Sustainable Development Goals.

To encourage Canadian companies to adopt leading global practices, Canada's network of missions abroad and regional offices across Canada play an important role in integrating RBC throughout the provision of key services.

- Helping companies prepare for international markets by providing RBC advice and guidance to de-risk their activities.
- Facilitating introductions to in-market experts and local contacts.
- Championing Canadian companies with leading responsible business practices.
- Helping to resolve problems.

OECD Guidelines for Multinational Enterprises	UN Guiding Principles for Business and Human Rights	2030 Agenda for Sustainable Development	UN Declaration on the Rights of Indigenous Peoples
The <i>OECD Guidelines</i> address concerns about the social, economic and environmental impacts of business activities worldwide. The <i>OECD Guidelines</i> provide recommendations on voluntary principles and standards for RBC, consistent with domestic and international laws. The <i>Guidelines</i> represent the only multilaterally endorsed comprehensive code of conduct; 48 countries, including Canada, have committed to them.	The <i>UN Guiding Principles</i> implement the "Protect, Respect and Remedy" Framework of the United Nations, and are a set of 31 principles that clarify the duties and responsibilities of states and companies to protect and respect human rights in the context of business activities. The <i>UN Guiding Principles</i> work to ensure access to an effective remedy for individuals and groups affected by such activities.	The <i>2030 Agenda</i> for Sustainable Development is a framework adopted by all UN member states that serves as a global roadmap and call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. Within the 2030 Agenda are 17 Sustainable Development Goals, which seek to influence societies to grow and develop sustainably and inclusively.	Describes both the individual and collective rights of Indigenous peoples around the world. It addresses the rights of Indigenous peoples on a wide range of issues, including culture, identity, religion, language, health, education and community, and obliges states to "consult and cooperate in good faith with Indigenous peoples" in an effort to "obtain their free, prior and informed consent before adopting and implementing" measures that may affect them. The United Nations Declaration on the Rights of Indigenous Peoples Act was passed into Canadian law in June 2021.

In addition to these frameworks, Canada has also ratified international human rights treaties and multi-lateral agreements, such as *the International Labour Organization's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration)*, which contain provisions related to gender equality and to: the rights of women, Indigenous peoples, and children; social, economic and cultural rights; and trade, working conditions and environmental responsibility. While such a large number of agreements can be difficult to navigate, trade commissioners can help companies understand which ones are relevant and applicable to a particular sector or market. Canada's NCP and the CORE also have important roles to play in promoting RBC to Canadian companies. CORE's role includes advising companies on RBC-related policies and practices. While the NCP promotes the *OECD Guidelines*, the CORE is mandated to promote the implementation of both the *UN Guiding Principles* and the *OECD Guidelines*. For more information about these standards and guidelines, please see Annex II.

Champion Canadian companies with leading RBC and share best practices by Canadian companies and industry associations

When Canadian companies commit to and integrate a robust approach to responsible business practices, they can reap direct benefits—they de-risk their operations and those of their supply chain, build resilience to market changes (as seen with COVID-19), and create additional competitive advantages such as investment attraction, increased brand value and customer retention.

Responsible business practices also represent a competitive advantage for Canadian companies competing in global markets. Canadian companies who demonstrate leading responsible business practices can bring positive benefits to the Canadian economy and to the countries where they are active, while setting themselves apart from competitors.

Trade commissioners can highlight, in their trade outreach, promotion and in-country programming, the companies and sectors with leading responsible business practices, demonstrating the advantages conferred to commercial partners, host governments and communities. Through senior-level engagement at key global industry events, the Government of Canada can

help communicate the important expectations that we place on Canadian companies, while underscoring Canadian innovations and the competitive advantage they bring. A key component to this advocacy is promoting made-in-Canada industry standards, such as [Towards Sustainable Mining](#) and [Responsible Care](#).

Increase the uptake of RBC due diligence and accountability

Objectives

- Increase the uptake of RBC due diligence by Canadian companies, including in their supply chains.
- Reflection of responsible business considerations in the delivery of Global Affairs Canada services, funding and programming.
- Facilitate access to remedy and dispute resolution through Canada's NCP and CORE.

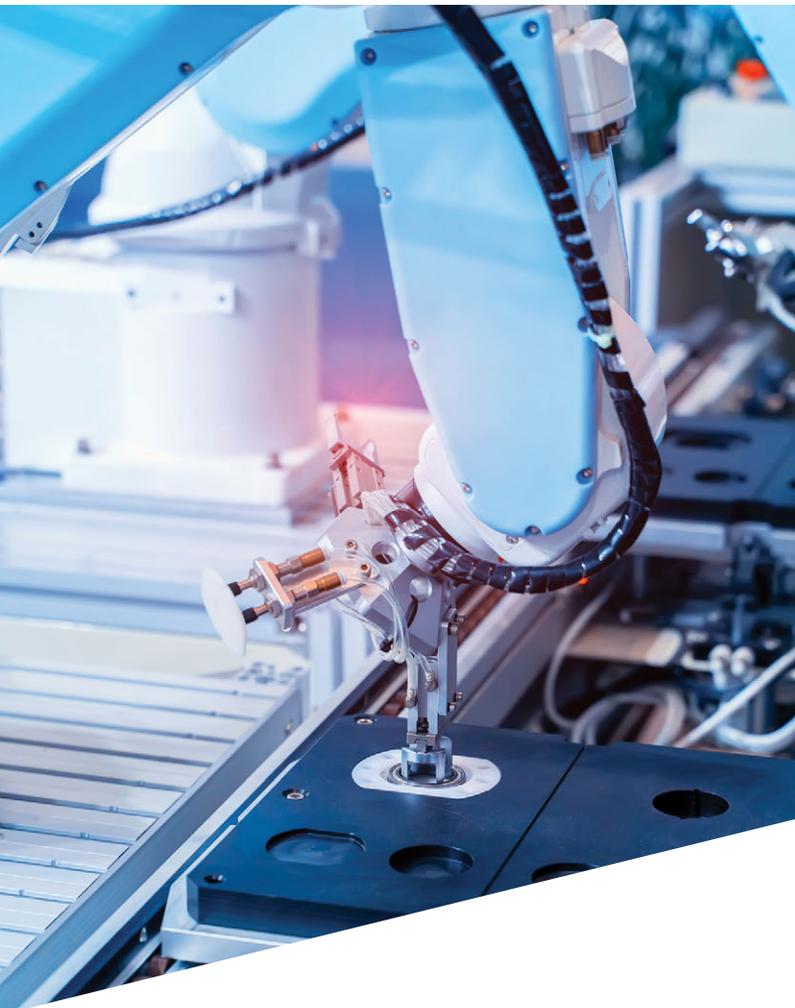
Overview

This component aims to increase the uptake of RBC due diligence amongst Canadian companies active abroad. While it introduces new tools to help companies better understand and mitigate risks, it also underscores the importance that the Government of Canada places on RBC, and the expectation that clients of the Trade Commissioner Service acknowledge the Government of Canada's commitment to RBC, that TCS services are discretionary and may be withdrawn should there be a failure to comply with Canada's RBC laws, policies and standards. It also provides for access to remedy and dispute resolution through Canada's NCP and the CORE.

Increase the uptake of RBC due diligence by Canadian companies including in their supply chains

Due diligence is central to Canada's approach to RBC. Providing clear guidance and support to Canadian companies can help them de-risk their international business activities. This is particularly important for Small and Medium Sized Enterprises (SMEs), which comprise 99.8% of Canadian companies, and account for 55% of the Canada's Gross Domestic Product (GDP) and 41% of its goods exports (2020).⁷

Due diligence is the process enterprises are expected to carry out to identify, prevent, mitigate and account for how they address actual and potential adverse impacts of their operations, supply chains and relationships. Effective due diligence should be supported by efforts to embed RBC into policies and management systems, and aim to enable enterprises to avoid or remediate adverse impacts that they encounter, contribute to, and/or cause. Canadian companies are expected to take steps towards fulfilling due diligence responsibilities. Companies should prioritize managing their potential and actual negative impacts on communities and environments, identified through meaningful stakeholder engagement. These steps are critical to not only improving sustainable development, but also to de-risking international business transactions.



New tools to help Canadian companies undertake due diligence and understand risks

Due diligence standard

Working with the Canadian General Standards Board and other partners, and complementing Canada's commitment to enact legislation to eradicate forced labour from Canadian supply chains, the Government of Canada will develop a RBC due diligence standard. The standard will complement existing international and Canadian reporting frameworks, and provide a common set of indicators for Canadian companies to account for how they address the actual and potential negative impacts of their business activities. Incentives will be considered to promote early adoption and uptake.

Digital tools

Interactive tools will be developed to provide Trade Commissioners and Canadian companies with information on social and environmental risks related to specific markets and sectors. These tools will aim to increase awareness amongst Canadian companies of risks they may face and help Trade Commissioners provide accurate, and timely guidance.

Reflection of responsible business considerations in the delivery of Global Affairs Canada services, funding and programming

Digital RBC Attestation

To ensure that Canadian companies using TCS services are aware of the Government of Canada's RBC expectations, and that the discretionary services provided by the TCS are aligned to these expectations, the completion of a Digital RBC Attestation will be a prerequisite for access to TCS services. Through the Digital RBC Attestation, companies will acknowledge the importance of RBC, including an adherence to Canadian laws and other international legal norms and conventions with respect to human rights, labour rights and the environment, and as applicable, good faith participation in the dispute resolution mechanisms. This will be required to access TCS services and referrals to Export Development Canada (EDC) and the Canadian Commercial Corporation (CCC).

In addition to the Digital RBC Attestation, when companies are asking for advocacy support abroad, they will need to attest that they operate in a manner consistent with the *UN Guiding Principles* and the *OECD Guidelines*. A company's RBC practices may be considered before advocacy support is provided. Trade advocacy includes specialized services such as government of Canada officials supporting a Canadian company in interactions with foreign public officials. It could include writing a letter in support of a company, or a Government of Canada official providing remarks at an event hosted by the company. In order to receive this level of support, a company must also sign an Integrity Declaration attesting that it has not been convicted or sanctioned for bribery or corruption; that it will not engage in such illegal activity; and that it has discussed with a trade commissioner the issue of corruption in the market, as well as the company's own compliance regime and the *Corruption of Foreign Public Officials Act (CFPOA)*.

In instances when a specific region, or sector faces heightened risks, Global Affairs Canada may require companies active in that region and receiving Govern-

ment of Canada services to sign a *Specialized Integrity Declaration*. For example, in January 2021, as part of an advisory regarding human rights violations in the People's Republic of China involving members of the Uyghur ethnic minority and other minorities within the Xinjiang Uyghur Autonomous Region (Xinjiang), a [Xinjiang Integrity Declaration](#) was put in place by the Trade Commissioner Service. Recognizing the July 2020 amendment to the *Customs Tariff* that prohibits the importation into Canada of goods mined, manufactured or produced wholly or in part by forced or compulsory labour, under this Declaration companies must affirm that they do not knowingly source products or services from a supplier implicated in forced labour or other human rights violations, and commit to conducting due diligence on their suppliers in China to ensure no such linkages exist.

Facilitate access to remedy and dispute resolution through Canada's NCP and CORE

Canada's approach to access to remedy and dispute resolution is founded on mechanisms that reflect the objectives of the *UN Guiding Principles* and the *OECD Guidelines*, and provides for accessible, low-cost and constructive dispute resolution. Access to remedy complements Canada's judicial system and reduces legal, practical or other barriers to ensure that victims of business-related abuses can access additional mechanisms. Canada's dispute resolution mechanisms include the NCP and the CORE.

The NCP was established in 2000 as part of Canada's adherence to the *OECD Guidelines*. The NCP is an eight-member interdepartmental committee chaired by Global Affairs Canada, which also hosts its Secretariat. The NCP is mandated to promote the *OECD Guidelines*, respond to enquiries, and to offer facilitated dialogue and mediation to all sectors on a wide range of issues, including those related to labour, human rights, the environment and bribery.

In April 2018, the Government of Canada announced the establishment of the CORE, which operates at arm's length from Global Affairs Canada, and is mandated to: promote the implementation of the *UN Guiding Principles* and the *OECD Guidelines*; advise

Canadian companies on RBC-related policies and practices; review allegations of human rights abuses arising from the operations of a Canadian company abroad in the mining, oil and gas, and garment sectors; offer informal mediation services; and provide advice to the Minister of Small Business, Export Promotion and International Trade on any matter related to the CORE's mandate. The CORE can receive complaints, initiate and conduct joint and independent reviews, issue and follow-up on recommendations, and report publicly.

Canada's dispute resolution mechanisms are robust. Not collaborating in good faith could result in a recommendation to deny or withdraw Trade Commissioner services, and future EDC or CCC support.

Voices at Risk – Support for Human Rights Defenders

In 2019, Global Affairs Canada launched the updated edition of Voices at Risk, Canada's Guidelines on Supporting Human Rights Defenders. The guidelines clearly state Canada's commitment to supporting the vital work of human rights defenders. Voices at Risk outlines Canada's approach, offers practical advice for officials at Canadian missions abroad and at Headquarters about respecting and supporting human rights defenders, and includes a section on situations involving Canadian companies.

Strengthen the global RBC ecosystem

Objectives

- Contribute to a rules-based international system that advances Canada's interests and values.
- Integrate RBC in bilateral and multilateral engagement.
- Foster an enabling environment for responsible business practices, including through facilitating multi-stakeholder dialogue and partnerships.

Overview

This component emphasizes the importance of a level playing field and of an effective, inclusive, rules-based international system. It stresses Canada's role in advancing responsible business policies on the global stage that encourage positive action by a range of actors, including other governments and the private sector, in a manner coherent with Canada's inclusive approach to trade, and the Feminist Foreign Policy and Feminist International Assistance Policy.

Contribute to a rules-based international system that advances Canada's interests

Global Affairs Canada will continue to work bilaterally and multilaterally to drive positive change in areas complementing and enabling inclusive and sustainable business practices such as democracy, human rights, Indigenous peoples' rights, gender equality, the rule of law, climate change and environmental protection. Canada will advocate for innovative ideas that advance responsible business practices and policies in numerous multilateral forums. Fostering cooperative multilateral action will be a central component to increasing uptake by Canadian companies, and positively influencing progressive action globally.

Integrate RBC in bilateral and multilateral trade agreements

Responsible business practices are central to Canada's sustainable and inclusive approach to trade, which seeks to ensure that the benefits of trade are more widely shared, including with under-represented groups such as women, Indigenous peoples, Black and Racialized persons, and SMEs. Canada seeks to advance RBC practices in free trade agreements (FTA) and foreign investment protection and promotion

agreements (FIPA), including sustainable development, environmental protection, Indigenous rights, labour rights, human rights, gender equality, anti-corruption, transparency, and governance. Since 2009, most of Canada's trade and investment agreements have contained RBC provisions. Canada will continue to seek opportunities to integrate provisions related to responsible business practices and intersecting issues into its FTAs and FIPAs.

Foster an enabling environment for responsible business practices

The Strategy recognizes the contribution that the Government of Canada's official development and trade objectives can play in fostering inclusion and prosperity, such as through the empowerment of women and marginalized groups, including children, Indigenous Peoples, Black and Racialized persons, people with disabilities, LGBTQ2, and other vulnerable communities, and the strengthening of democratic institutions and the rule of law. It also complements the Feminist International Assistance Policy's support for the empowerment of women and marginalized groups in decision-making and the strengthening of frameworks for RBC. The Strategy encourages Canadian companies to strengthen local ecosystems to create this enabling environment through, for example, working with local suppliers and hiring local workers. This can help ensure that Canadian companies integrate a gender-balanced and innovative supply base. These steps can help Canadian companies gain commercial, reputational and operational advantages, and distinguish themselves as leaders in sustainable, equitable and responsible partnerships, contributing to shared prosperity and well-being.

Key to fostering an enabling environment for responsible business practices is the work that the Government of Canada can do to build networks and partnerships that enhance cooperation and support multi-stakeholder dialogue. With its network of missions, connections with civil society, the private sector, Indigenous peoples, and host governments, Global Affairs Canada is uniquely placed to foster partnerships amongst diverse stakeholder groups, including marginalized and vulnerable communities. Multi-stakeholder engagement and open dialogue,

particularly between companies, civil society organizations, human rights defenders, women's organizations and Indigenous peoples, can lead to the sharing of best practices and lessons learned, while charting a path toward positive outcomes. This component includes a particular focus on diversity and inclusion, including marginalized and vulnerable communities in multi-stakeholder dialogue.



RBC Strategy enablers

Enhanced policy coherence and alignment with Government of Canada priorities

Enhanced policy coherence across federal departments, Crown corporations, provincial and territorial governments, and with Indigenous peoples is essential to realizing the Strategy's objectives and will be prioritized throughout its five-year implementation.

Action plan to drive strategy delivery

An action plan will drive the delivery and implementation of the Strategy. It outlines the tools, guidance and actions that the Trade Commissioner Service will take with partners to successfully achieve the outcomes.

Ongoing stakeholder engagement

Global Affairs Canada welcomes the opportunity to dialogue with all stakeholders interested in responsible business practices throughout the Strategy's implementation. You can join the discussion on social media using the hashtag #ResponsibleBusinessCanada. You can also contact us via email at rbc-cre@international.gc.ca,

Improved data collection, measurement and reporting

To monitor progress and identify areas for improvement, a results-based management framework will be put in place. Relevant data will be collected and disaggregated as mandated by GBA+, and used as needed to update tools.

New and innovative tools to support Canadian companies

The Trade Commissioner Service will expand existing tools and adopt new ones to help Canadian companies identify risks and take early, preventative action.



Strategy Action Plan

Component	Category	Action	Timeline**
Build awareness and champion action	Tools & Support	Establish a network of RBC champions to deliver guidance, increase RBC awareness amongst companies and trade commissioners, and facilitate uptake of tools	Medium term
	Communication	Enhance RBC content on web and social media platforms to connect, inform and raise awareness, with a particular focus on presenting success stories	Short term
	Stakeholder Engagement	Establish partnerships with external organizations encouraging the development of awards recognizing Canadian companies with leading RBC practices	Medium term
	Communication	Integrate high-impact RBC messaging into Trade Commissioner Service branding in Canada and abroad	Medium term
	Stakeholder Engagement	Assess and enhance internal RBC awareness through proactive communications and outreach to advance policy integration and coordination	Medium term
	Communication & Tools & Support	Develop specific, targeted RBC guidance to address specific concerns and issues	Short term
	Tools & Support	*Increase Global Affairs Canada's Responsible Business Fund from \$250,000 to \$300,000 per year to expand the number and scope of projects delivered. This will include the roll out of "projects in a box," which are projects that can be replicated across missions and programs	Medium term
Support the uptake of due diligence and accountability	Tools & Support	*Launch digital tools to provide information to Trade Commissioners and companies about market- and sector-specific RBC risks	Medium term
	Tools & Support	*Establish a fund to support the participation of Canadian associations in global advocacy efforts to adopt sector-specific standards	Medium term
	Tools & Support	*Establish and implement a Digital RBC Attestation for all clients of the Trade Commissioner Service	Medium term
	Tools & Support	Integrate RBC criteria for access to certain programs, funding and support	Medium term
	Tools & Support	Provide targeted RBC advice and guidance to representatives of Canadian companies participating in specific programs or/and trade missions led by Global Affairs Canada through customized briefings or online tutorials	Medium term
	Tools & Support	*Develop a standard for due diligence reporting based on global and Canadian best practice, including a simplified, intuitive set of indicators for companies to track how they address certain risks, and ultimately strengthen their accountability and transparency	Medium term
Strengthen the global RBC ecosystem	Leadership	RBC considerations will be integrated and strengthened in bilateral and multilateral trade agreements	Short term
	Communication & Tools & Support	*Integrate compliance across Government of Canada programming to align with priorities and to ensure effective support for Canadian companies abroad	Medium term
	Leadership	Continue to exercise leadership on RBC by engaging in discussions to advance RBC principles, practices and policies in multilateral regional and bilateral fora	Short term
Enablers	Tools & Support	Develop a results and delivery framework to support the Strategy, including tools that disaggregate data for certain sectors and among sub-set communities	Medium term
	Leadership	Policy coherence across Government of Canada priorities to facilitate the achievement of key priorities such as the Sustainable Development Goals and climate change targets	Short term
	Stakeholder Engagement	*Establish an annual stakeholder forum to facilitate the exchange of ideas, report on Strategy progress and bring together diverse stakeholders	Medium term
	Stakeholder Engagement	Establish a multi-stakeholder advisory body to provide RBC-related advice to Global Affairs Canada ensuring that such a body includes under-represented persons, including those from marginalized or vulnerable communities	Medium term

*Dependent on adequate funding

**Short term: less than one year; medium term one to three years; and long term more than three years

Annex I: Glossary

Artificial Intelligence (AI): A machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments. AI systems are designed to operate with varying levels of autonomy.

Canadian Commercial Corporation (CCC): A Crown corporation that offers commercial advocacy, collaborative project development and foreign contracting expertise to help Canadian exporters secure international contracts with government buyers around the world.

Canadian Company: For the purpose of the Strategy, includes companies headquartered in Canada, as well as companies with important economic ties to Canada such as foreign companies maintaining an established office, a subsidiary, a plant, a research and development facility, or a joint venture in Canada.

Corporate Social Responsibility (CSR): Voluntary activities undertaken by a company, over and above any legal requirements, to operate in an economically, socially and environmentally sustainable manner.

Digital inclusion: The ability of individuals and groups to meaningfully access and use digital technologies and the Internet, and is rooted in four mutually reinforcing pillars: availability of physical infrastructure; access in terms of speed, cost, language and literacy; online spaces conducive to civic participation free from censorship; and the ability to trust that industry and governments will keep users safe from online harms and violations of privacy.

Due diligence: The process enterprises are expected to carry out to identify, prevent, mitigate and account for how they address the actual and potential adverse impacts of their operations, and those of their supply chain and business relationships. Effective due diligence should be supported by efforts to embed RBC into policies and management systems, and aim to enable enterprises to remediate adverse impacts that they contribute to or cause.

Environmental, Social and Governance (ESG):

A set of standards for a company's operations that socially conscious investors use to screen potential investments.

Export Development Canada: A Crown corporation dedicated to helping Canadian companies of all sizes succeed on the world stage. Experts in international risk, EDC equips exporters with the tools they need—trade knowledge, financial solutions, equity, insurance and connections—to grow with confidence.

Foreign Investment Promotion and Protection

Agreements (FIPA): A bilateral reciprocal agreement aimed at protecting and promoting foreign investment through legally binding rights and obligations. FIPAs provide important disciplines that help open international markets and make them more secure for Canadian investors. FIPAs accomplish their objectives by setting out rights and obligations related to the treatment of foreign investment. FIPAs seek to ensure that foreign investors will not: be treated worse than similarly situated domestic investors or other foreign investors; have their investments expropriated without prompt and adequate compensation; be subject to treatment lower than the minimum standard established in customary international law. As well, in most circumstances, FIPAs help to ensure that investors are free to invest capital and repatriate their investments and returns.

Free Trade Agreement (FTA): An agreement between two or more countries on obligations related to trade in goods and services, protections for investors and intellectual property rights, and other matters.

Gender Based Analysis + (GBA+): An analytical lens used to assess how the outcomes of policies and programs may differ across diverse groups according to the composition of their identity. The Government of Canada applies GBA+ to ensure that initiatives are welcoming and accessible to groups that are often marginalized and/or underrepresented.

Responsible business conduct (RBC):

The process of integrating the management of risks to the environment, people and society within the core activities of a business. Responsible business principles and standards set out the expectation that businesses—regardless of legal status, size, ownership or sector—contribute to sustainable development; avoid and address adverse impacts of their operations; and recognize that companies have leverage to promote these values throughout their supply chains and business relationships.

Small and medium-sized enterprise (SME):

A business establishment with 1–499 paid employees, (Innovation, Science and Economic Development Canada) and more specifically:

- A small business has 1 to 99 paid employees.
- A medium-sized business has 100 to 499 paid employees.
- A large business has 500 or more paid employees.

Sustainability: The UN World Commission on Environment and Development defines it as meeting today's needs without compromising the ability of future generations to meet theirs. This includes natural resources, social resources and economic resources.

Annex II: International standards and frameworks

2030 Agenda for Sustainable Development:

In September 2015, Canada and 192 other UN member states adopted the 2030 Agenda for Sustainable Development, an ambitious 15-year global framework centred on 17 interrelated and indivisible Sustainable Development Goals (SDGs). The SDGs cover the social, economic and environmental dimensions of sustainable development, and integrate peace, governance and justice elements. The 2030 Agenda is universal in nature, meaning that both developing and developed countries are called upon to implement the SDGs, with the aim of eradicating poverty and leaving no one behind.

Arms Trade Treaty (ATT): An international treaty that establishes common standards for trade in conventional weapons. It seeks to reduce the illicit arms trade and human suffering, and promotes responsibility, transparency and accountability. It aims to ensure that signatory states maintain effective export controls. In September 2019, Canada became a State Party to the ATT following the entry into force of legislative amendments to the *Export and Import Permits Act (EIPA)* and of its associated regulations.

The Apparel and Footwear Supply Chain

Transparency Pledge: Requires apparel and footwear companies to publish a list of all sites manufacturing their products. Created in 2016 by a coalition of human rights and labor rights organizations, together with global unions, the Pledge aims to improve transparency in garment and footwear supply chains.

The Better Cotton Initiative (BCI): A global not-for-profit organization and the largest cotton sustainability program in the world, BCI manages the farm-level implementation of the Better Cotton Standard, a holistic approach to more sustainable cotton production.

Children's Rights and Business Principles: The first comprehensive set of principles to guide companies on the full range of actions they can take in the workplace, marketplace and community to respect and support children's rights. Developed by UNICEF, the UN Global Compact and Save the Children, the Principles are implemented in more than 30 countries, including Canada.

Convention on the Elimination of all forms of Discrimination Against Women:

An international legal instrument that promotes women's and girls' equal rights, and requires signatory countries to eliminate all discrimination against women and girls. It entered into force in September, 1981 and was ratified by Canada in December, 1981.

Convention on the Rights of Persons with

Disabilities: An international human rights treaty aimed at protecting the rights, equality and dignity of persons with disabilities without discrimination. Article 27 of the Convention relates to work and employment. The Convention entered into force in 2008 and was ratified by Canada in 2010.

Equator Principles: A risk management framework adopted by financial institutions to determine, assess and manage the environmental and social risks of projects. It is primarily intended to provide a minimum standard for due diligence and monitoring to support responsible risk decision-making. In October, 2007 Export Development Canada joined the growing list of international financial institutions committed to the Equator Principles.

Extractive Industries Transparency Initiative

(EITI): A global standard to promote the open and accountable management of extractive resources such as oil, gas and minerals. Guided by the belief that a country's natural resources belong to its citizens, the EITI promotes open and accountable management of resources, and requires the disclosure of relevant

information all along the extractive industry value chain: from extraction to royalty revenues and public benefits.

Global Partnership on Artificial Intelligence (GPAI):

Launched by Canada and France in June 2020, the GPAI convenes world-leading experts from science, industry, civil society and government to bridge gaps between theory and practice in responsible AI through cutting-edge projects, tools and research. GPAI's 19+ members are united by a shared commitment to the responsible development and use of AI, based on the *OECD Principles on Artificial Intelligence* and grounded in human rights, inclusion, diversity, innovation and economic growth. GPAI experts apply AI to global challenges such as pandemic response, drug discovery and climate change mitigation, and to improve conditions for workers worldwide. GPAI collaborates with multilateral organizations such as the OECD, UNESCO and other institutions to advance a shared vision for AI grounded in the UN Sustainable Development Goals.

Global Reporting Initiative: An independent international organization that develops standards to help businesses and other organizations take responsibility for their impacts. The GRI has developed the world's most commonly used standards for sustainability reporting.

International Covenant on Economic, Social and Cultural Rights: An international agreement addressing a wide range of economic, social and cultural issues related to business activities. The issues include rights to health, housing, food, water, social security, work, just and favourable work conditions, and to form and join trade unions. The Covenant entered into force in January, 1976, Canada acceded to it in May, 1976, and it entered into force in Canada in August, 1976.

International Labour Organization (ILO) Convention no. 29 on forced labour and Protocol no. 29 to the Forced Labour Convention:

These instruments focus on suppressing the use of all forms of forced labour, irrespective of nature, sector or activity. They also suppress trafficking in persons and slavery-like practices. Protocol 29 complements existing international instruments, including Convention no. 29, by providing guidance on specific measures that can effectively eliminate all forms of forced labour. Convention no. 29 is fundamental to the ILO and binding in nature. Canada ratified Convention no. 29 in 2011 and Protocol 29 in 2019.

International Labour Organization Convention no. 182 on the Worst Forms of Child Labour:

Also fundamental to the ILO, this instrument focuses on urgent action to eliminate the worst forms of child labour and to achieve the long-term goal of effectively eliminating all child labour. Canada ratified this binding Convention in 2000.

International Organization for Standardization (ISO 26000):

The ISO is an independent, non-governmental international organization that establishes voluntary, consensual, market-relevant standards. ISO 26000 on Social Responsibility provides guidance on sustainable development, including RBC.

Kimberly Process Certification Scheme (KPCS):

A joint government, industry and civil society initiative put in place in 2003 to stem the flow of conflict diamonds, preserve legitimate trade in rough diamonds and protect the image of diamonds as a luxury good. Under KPCS, buyers and sellers must certify that their shipments of rough diamonds are conflict-free and member states must meet minimum requirements, enact national legislation and implement measures to control the trade in rough diamonds. Canada joined the KPCS in 2003.

OECD Guidelines for Multinational Enterprises

(OECD Guidelines): The world's only multilaterally endorsed, comprehensive code of conduct addressing concerns about the social, economic and environmental impacts of business activities worldwide. The *OECD Guidelines* provide recommendations on voluntary principles and standards for RBC, consistent with domestic and international laws. Canada is among the 48 countries committed to promoting the *OECD Guidelines*. The OECD also developed sector- and issue-specific due diligence guidance.

OECD Principles on Artificial Intelligence: Adopted in 2019, the Principles promotes AI that is innovative and trustworthy, and that respects human rights and democratic values. Canada adheres to the Principles.

The Paris Agreement: An ambitious and balanced agreement among 195 countries, including Canada, to fight climate change. The Agreement, along with accompanying decisions, recognize the essential roles of subnational governments, cities, civil society, the private sector and financial institutions. The Agreement also identifies the need to respect, promote and consider the rights of Indigenous peoples, local communities, human rights and gender equality.

Sustainable Accounting Standards Board (SASB): A not-for-profit organization that develops internationally recognized accounting standards to enable companies to identify, manage and communicate sustainability information to their investors. SASB has developed 77 industry standards, including industry-specific standards.

Task Force on Climate-related Financial

Disclosures (TCFD): Established by the Financial Stability Board, an international body that monitors and makes recommendations about the global financial system, the TCFD issues recommendations to promote the disclosure of climate-related

financial information that can inform decisions about capital allocation, investment, credit and insurance underwriting. This disclosure enables stakeholders to better understand the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks.

Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy,

International Labour Organization: The only ILO instrument that provides direct guidance to enterprises on social policy and inclusive, responsible workplace practices.

United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP):

Describes both the individual and collective rights of Indigenous peoples around the world. It addresses the rights of Indigenous peoples on wide range of issues, including culture, identity, religion, language, health, education and community, and obliges states to "consult and cooperate in good faith with indigenous peoples" in an effort to "obtain their free, prior and informed consent before adopting and implementing" measures that may affect them. UNDRIP also offers guidance to states, the United Nations, and other international organizations on cooperative relationships with Indigenous peoples based on the principles of equality, partnership, good faith and mutual respect. In 2016, Canada announced its full support of UNDRIP without qualification; in 2020, the United Nations Declaration on the Rights of Indigenous Peoples Act was tabled in Parliament and passed into law in June 2021.

United Nations Charter: The foundational treaty of the United Nations commits signatory countries, including Canada, to: maintain international peace and security; develop friendly relations among nations; co-operate in solving international economic, social, cultural and humanitarian problems; and to promote and encourage respect for human rights.

The UN Convention against Corruption (UNCAC):

A baseline agreement that aims to prevent corruption, criminalize domestic and foreign bribery, and to foster formal and informal cooperation in the investigation and prosecution of corruption offences and in the return of proceeds of corruption to legitimate owners. Canada signed UNCAC in 1997.

United Nations Convention on the Rights of

the Child (CRC): A reference and instrument that seeks to recognize each child as a full person with a developing capacity and with rights of their own. Canada ratified the CRC in 1991.

United Nations Global Compact: A non-binding pact that encourages businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The Compact lists 10 universal principles in the areas of human rights, labour, the environment and anti-corruption, and proposes these principles as the basis of corporate sustainability.

United Nations Guiding Principles on Business and Human Rights (UNGPs):

A set of 31 principles directed at States and companies that clarify their duties and responsibilities to protect and respect human rights in the context of business activities. UNGPs implements the Protect, Respect and Remedy Framework of the UN.

Universal Declaration on Human Rights (UDHR):

A milestone in the history of human rights, the UDHR sets out the fundamental human rights to be universally protected. The United Nations General Assembly proclaimed the UDHR in 1948 as a common standard of achievements for all people and all nations.

Voluntary Principles on Security and Human

Rights: A multi-stakeholder initiative that promotes the implementation of a set of principles that guide companies on how to secure their operations while respecting human rights. Canada is a member of the Steering Committee of the Principles.

Annex III: Government of Canada initiatives intersecting with RBC

Canadian Ombudsperson for Responsible Enterprise (CORE): The CORE operates at arm's length from Global Affairs Canada and is mandated to: promote the implementation of the *UN Guiding Principles* and *the OECD Guidelines*; advise Canadian companies on RBC-related policies and practices; review allegations of human rights abuses arising from the operations of a Canadian company abroad in the mining, oil and gas or garment sectors; offer informal mediation services; and, provide advice to the Minister of Small Business, Export Promotion and International Trade on any matter relating to the CORE's mandate. The CORE can receive complaints; initiate joint and independent reviews; issue and follow-up on recommendations; and publish reports.

Federal Sustainable Development Strategy (FSDS): Sets out sustainable development priorities, establishes goals and targets, and identifies actions to achieve them. The 2019–2022 FSDS — Canada's fourth — outlines what the Government of Canada will do to promote clean growth, ensure healthy ecosystems, and build, safe, secure and sustainable communities. The 2019–2022 FSDS involves 43 departments and agencies (28 mandatory and 15 voluntary).

Feminist Foreign Policy: The Government of Canada's ongoing, integrated and whole-of-government efforts to advance human rights, gender equality, inclusion and respect for diversity internationally.

Feminist International Assistance Policy (FIAP): A key pillar of the Feminist Foreign Policy, FIAP seeks to eradicate poverty and build a more peaceful, inclusive and prosperous world by promoting gender equality and empowering women and girls. Through the implementation of FIAP, Canada will transform the impact and results of its international assistance, for example by supporting targeted investments, partnerships, innovation and advocacy efforts with the greatest potential to close gender gaps and improve everyone's chance for success.

Inclusive Approach to Trade: An approach that seeks to ensure that trade benefits and opportunities are more widely shared, including with under-represented groups such as women, SMEs, Indigenous peoples, Black and Racialized Persons. Recent Free Trade Agreements (FTAs) and Foreign Investment Promotion and Protection Agreements (FIPAs) advance [this approach](#). In FTAs, the approach can strengthen provisions on labour rights, the environment, anti-corruption and RBC, and add provisions on SMEs, gender equality and Indigenous peoples. Pursuant to a new provision in the labour chapter of the Canada-United States-Mexico Agreement, for instance, Canada prohibits the importation of all goods produced by forced or compulsory labour. This ban applies to all goods, irrespective of country of origin, and represents an additional tool at Canada's disposal to combat forced labour globally. Canada's obligations to Indigenous peoples under the Canadian Constitution cannot be superseded or undermined by commitments under an FTA.

Inclusive Governance Policy: Seeks to foster inclusive and gender-equal societies where individuals, the state, civil society and the private sector interact to make decisions and allocate resources—nationally and locally—in collaborative ways that respect human rights and equality, particularly among the most marginalized and vulnerable in all their diversity.

National Strategy to Combat Human Trafficking: A coordinated framework to guide Government of Canada efforts in ways that: empower victims and survivors; prevent human trafficking; better protect those who are most vulnerable to trafficking; prosecute human traffickers; and embrace partnerships with provinces, territories and other organizations.

Net-Zero Emissions by 2050: Canada's plan to protect the environment and grow the economy, this whole-of government approach to climate action implements policies such as A Healthy Environment and

a Healthy Economy, and National Hydrogen Strategy. Canadian companies already offer world-class solutions to support environmental protection and reduce emissions.

Policy on the Ethical Procurement of Apparel: Public Services and Procurement Canada requires suppliers to self-certify that they and their direct Canadian and foreign suppliers comply a set of 8 fundamentals related to human and labour rights. Among these are bans on child and forced labour, discrimination and abuse, as well as access to fair wages and safe working conditions.

Private Sector Engagement for Sustainable Development Strategy: In support of the Sustainable Development Goals (SDG), Global Affairs Canada is refining its approach in order to broaden and deepen the engagement with the transnational and local private sector on international assistance policy and programs. The aim is to improve development outcomes by: systematically engaging the private sector in support of the SDGs; building on tools and guidance that strengthen the quality and number of partnerships through an enabling environment of information sharing; more effectively applying private sector knowledge, expertise and intelligence to international assistance policy and programming activities; and catalysing additional development finance including transnational and local private investment toward the SDGs.

Trade Diversification Strategy: Aims to broaden Canada's reach so that Canadian companies can compete and succeed in a larger number of thriving and fast-growing global markets and sectors.

National Contact Point (NCP) for RBC: Comprised of officials from eight departments, the NCP promotes the *OECD Guidelines* for Multinational Enterprises,

a comprehensive set of internationally recognized standards guiding business on how to act responsibly in all sectors. The NCP also responds to enquiries, and facilitates dialogue and mediation to address concerns arising from the activities of companies both in Canada and abroad.

Voices at Risk - Canada's Guidelines on Supporting Human Rights Defenders: A document outlining Canada's approach to supporting human rights defenders. It includes practical advice for officials at Canadian missions abroad and at Headquarters. Missions will do their utmost to implement these Guidelines, while recognizing the importance of respecting local contexts and circumstances, and of responding to specific needs of individual human rights defenders.

Annex IV: Relevant Canadian legislation

Canada has developed or is considering a range of legislative provisions to ensure Canadian companies uphold RBC at home and abroad.

Legislation in force

Labour Exploitation in Supply Chains: Since July 1, 2020 under the Canada United States Mexico Agreement (CUSMA), Canada prohibits the import of goods produced in whole or in part by forced labour. This prohibition applies to all goods, irrespective of their country of origin. Amendments to the *Customs Tariff Act* and the Schedule to the *Customs Tariff* enshrine in legislation CUSMA's labour obligations, which apply to all imports.

Corruption of Foreign Public Officials Act (CFPOA): The CFPOA criminalizes the bribery of a foreign public official, helps to prevent corruption and implements Canada's obligations under the OECD Convention on Combating Bribery in International Business Transactions. In September 2018, a Remediation Agreement (RA) regime came into force through the creation of a new Part (Part XXII.1) of the Criminal Code. Available to prosecutorial authorities—at their discretion, in the public interest and in appropriate circumstances—an RA is a tool to address corporate criminal wrongdoing.

The Export and Import Permits Act (EIPA): Canada's main legislation governing the export, brokering and import of specific goods and technologies. The EIPA authorizes the Minister of Foreign Affairs to issue permits, subject to certain terms and conditions, for: the export of strategic items included on the Export Control List; the brokering of items listed on the Brokering Control List; and the export of any item destined for a country on the Area Control List. The Minister can also cancel, suspend or modify these permits. The EIPA forms the basis of Canada's trade controls, and was amended in 2019 prior to Canada becoming a State Party to the Arms Trade Treaty.

Canada Business Corporate Act (CBCA): An act which regulates Canadian business corporations. In July 2019, the CBCA was amended to ensure that companies address not only the needs of shareholder but also those of community stakeholders. Canadian private companies are moving beyond solely financial considerations to consider social and environmental needs in the community.

Extractive Sector Transparency Measures Act (ESTMA): ESTMA fulfills Canada's G7 commitment to fight against corruption by implementing measures to foster transparency in the extractive sector. Under ESTMA, oil, gas and mining companies must report annually on payments made to governments across the globe.

Legislation under consideration at the time of publication

Labour Exploitation in Supply Chains: Canada has committed to enact legislation to eradicate forced labour from Canadian supply chains and ensure that Canadian businesses operating abroad do not contribute to human rights abuses and violations.

Annex V: Logic model

Ultimate Outcome – Canadian companies recognize the value and implement responsible business practices, meeting and exceeding widely recognized international standards, guidelines and frameworks.

Increased adoption of responsible business conduct best practices by Canadian companies' active abroad

Increased adoption of tools to increase responsible business conduct due diligence and accountability by Canadian companies to mitigate risks

Responsible business conduct ecosystem strengthened and conducive to responsible business conduct through Canada's contribution

Canadian companies active abroad are aware of Canada's responsible business conduct Strategy to regularly engage and contribute to responsible business conduct practices throughout all facets of their activities

Stakeholders have access to participation and engagement tools to increase uptake of responsible business conduct policies and practices through all facets of their activities with support of TCS

Canadian companies have access to tools to increase uptake of responsible business conduct due diligence Canadian companies

Canadian companies have access to tools to increase uptake of responsible business conduct due diligence

Global Affairs Canada has knowledge and ties have access to the National Contact Point (NCP) for responsible business conduct

Canadian companies affected by their activities and all stakeholders have access to the National Contact Point (NCP) for responsible business conduct

The Government of Canada has access to tools to achieve policy coherence work and to contribute to a rules-based international system that advances Canada's interests

Canada has tools to integrate responsible bilateral and multilateral engagements and

Canada has tools to foster an enabling environment to support responsible business conduct and build local capacity including through facilitating dialogue and partnerships

- Network of responsible business conduct champions established to promote the Strategy, provide related advice to the Government of Canada
- Diversely composed Advisory Body provide responsible business conduct related advice to the Government of Canada
- Established to conduct guidance and facilitate uptake of tools by companies and Trade Commissioners
- Enhanced responsible business conduct content on web and social media and raises awareness among stakeholders
- Established, with awards developed to recognize companies with leading responsible business conduct practices
- Internal focus on success stories
- Responsible business conduct messaging integrated into TCS branding in Canada and abroad
- TCS acquire knowledge on responsible business conduct through training.
- TCS increase integration of responsible business conduct considerations into business conduct practices
- Canadian companies regularly advised by TCS on responsible business conduct best practices

- Funding for projects through Responsible Business Fund and expanded to provide responsible business conduct related advice to \$300,000 per year
- Projects undertaken through the Government of Canada
- Annual responsible business conduct stakeholder forum established to foster partnerships and responsible business conduct awareness amongst stakeholders
- Internal sector specific considerations
- Partnerships among stakeholders, with a particular focus on success stories
- Established, with awards developed to recognize companies with leading responsible business conduct practices
- TCS increase integration of responsible business conduct considerations into business conduct practices
- Canadian companies regularly advised by TCS on responsible business conduct best practices

- Funding for projects through Responsible Business Fund and expanded to provide responsible business conduct related advice to \$300,000 per year
- Projects undertaken through the Government of Canada
- Annual responsible business conduct stakeholder forum established to foster partnerships and responsible business conduct awareness amongst stakeholders
- Specific, targeted responsible business conduct guidance developed to address market/sector specific considerations
- Internal focus on success stories
- Established, with awards developed to recognize companies with leading responsible business conduct practices
- TCS increase integration of responsible business conduct considerations into business conduct practices
- Canadian companies regularly advised by TCS on responsible business conduct best practices

- RBC reporting standard developed and implemented in partnership with external stakeholders
- RBC digital tools launched to help companies identify and mitigate risks
- Questions related to a company's due diligence process included and RBC policies integrated into GAC funded proposals, programs and trade missions
- Fund established to support Canadian associations in global advocacy efforts to encourage uptake of responsible business conduct practices
- RBC reporting standard developed and implemented in partnership with external stakeholders

- Representatives of Canadian companies participating in specific programs or/and trade missions provided responsible business conduct guidance and advice through customized briefings or online tutorials
- Results and delivery framework established to support strategy implementation and monitoring
- RBC Digital Attestation for all TCS clients implemented as a threshold requirement in order to access TCS services

- NCP-hosted events raise awareness of OECD Guidelines, mandate of NCP and role and meetings on responsible business conduct enhance policy coherence and cross-collaboration.
- Implementation of NCP case tracker and regular reporting increases transparency

- Regular intra/interdepartmental meetings on responsible business conduct established and allocated towards OECD responsible business conduct Centre and other international organizations advancing responsible business conduct
- Responsible business conduct related provisions included in bilateral and multilateral agreements

- Annual funding established and allocated towards OECD responsible business conduct Centre and other international organizations advancing responsible business conduct
- Initiatives supported that strengthen local ecosystems, i.e. facilitating introductions between local suppliers and Canadian companies
- Multi stakeholder dialogues facilitated

- Cross-collaboration with wider Government of Canada commitments (Feminist International Assistance Policy, Sustainable Development Goals etc.) considered in projects
- Initiatives supported that strengthen local ecosystems, i.e. facilitating introductions between local suppliers and Canadian companies
- Multi stakeholder dialogues facilitated

Global Affairs Canada

125 Sussex Drive
Ottawa ON K1A 0G2
Canada

Telephone:

1-800-267-8376 (toll-free in Canada)
613-944-4000 (in the National Capital Region and outside Canada)

If you are deaf or hard of hearing, or if you have a speech impediment and use a text telephone, you can access the TTY service from 9 a.m. to 5 p.m. Eastern Time by calling 613-944-9136 (in Canada only)

Fax: 613-996-9709

Website: www.international.gc.ca

Email: info@international.gc.ca

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