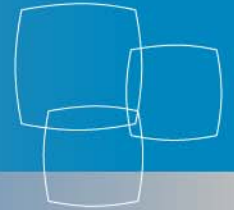




Industry
Canada

Industrie
Canada

Corporate Social Responsibility Building the Canadian Advantage



Presentation to ISO SR Government Stakeholder Workshop

Quebec City

Georgina Wainwright Kemdirim



May 15, 2009

Canada 



Objectives of the Presentation

- Advise of recent developments in Canada regarding:
 - Corporate Social Responsibility
 - Sustainable Development
- Advise of tools to support companies' integrating CSR practices into their operations





Canada's CSR Approach

- Canada encourages and expects Canadian firms operating abroad to respect all applicable laws, international standards, and to reflect our values and international commitments.
- Canada supports and encourages the Canadian business community to develop and implement CSR standards, tools, and best practices.
- There is a limit to what companies can provide to support the social, health, environment, and education concerns of the communities within which they operate.
- Host governments are responsible for legislation that meets the needs of their citizens





Existing CSR Policies and Programs

--- International

- OECD Guidelines for Multinational Enterprises - National Contact Point
- OECD Common Approaches for Export Credit Agencies
- OECD Anti-Bribery Convention
- UN Convention against Corruption
- UN Principles for Responsible Investing
- Extractive Industries Transparency Initiative
- Equator Principles
- Voluntary Principles on Security and Human Rights





Existing CSR Policies and Programs

--- National

- Canada's Corruption of Foreign Public Officials Act
- Promotion of CSR standards via the UN, OAS, G8, Francophonie and APEC
- Trade Commissioner Service advocacy and promotion of CSR standards abroad
- \$180,000 DFAIT program to support CSR at posts
- CIDA and NRCan governance and capacity building programs
- Industry Canada awareness raising and management tools for industry, encourage reporting through national training workshops
- Integration of CSR language into Free Trade Agreements (Peru and Colombia)





Background to CSR Strategy

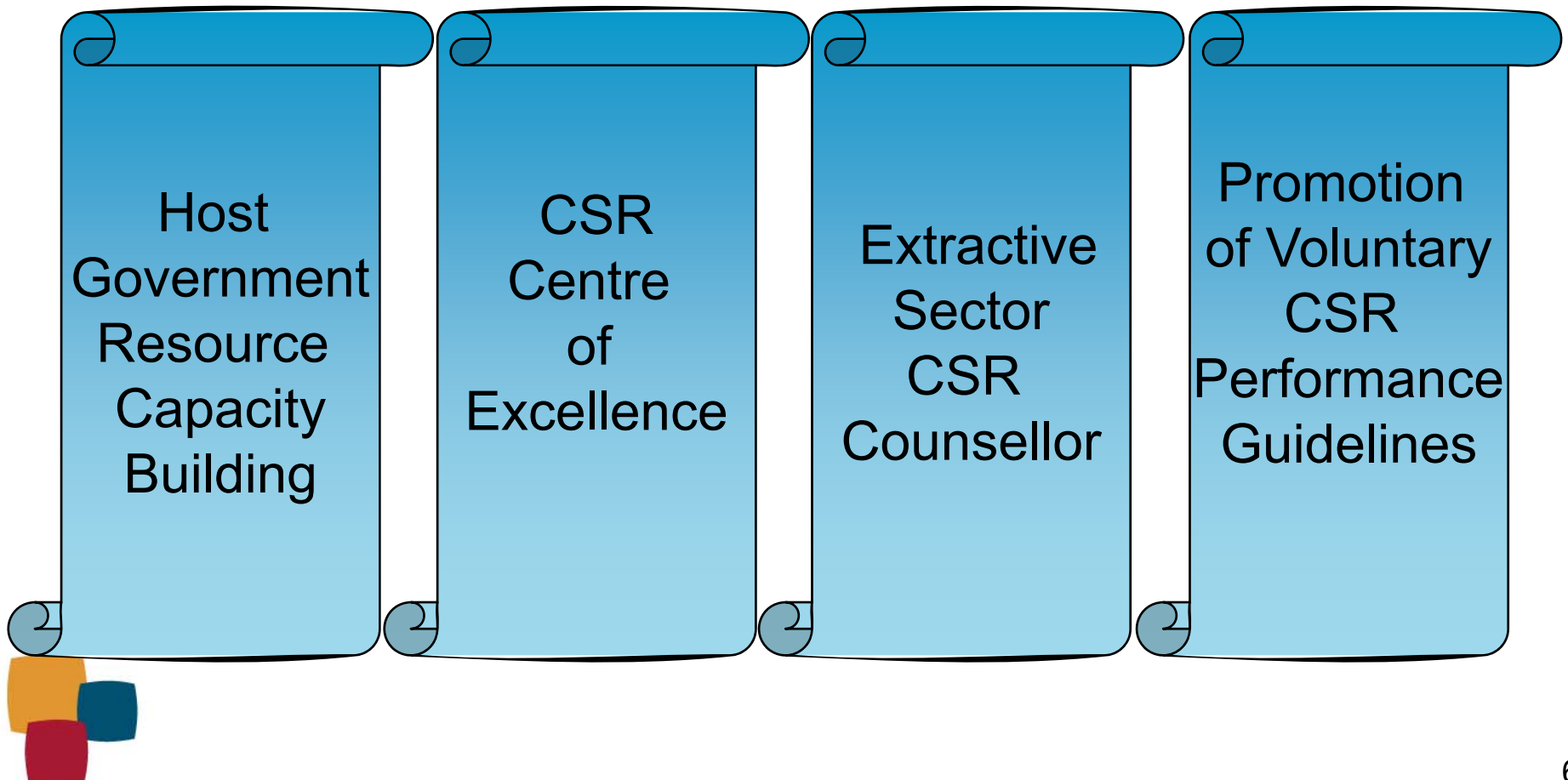
- Parliamentary Committee (SCFAIT) Recommendations (June 2005)
- In 2006, the government of Canada organized the *National Roundtables on CSR and the Canadian Extractive Sector in Developing Countries*
 - 4 multistakeholder roundtables held across Canada
- In 2007, the Advisory Group issued a report containing 27 consensus recommendations
 - Advisory Group contained representative of industry and NGOs
- CSR Strategy tabled in Parliament on March 26, 2009





Building the Canadian Advantage: A CSR Strategy for the Canadian International Extractive Sector

- Four pillars of the Strategy, Announced March 26, 2009





Host Country Capacity Building

- Enhance the capacity of developing countries to manage natural resource development
- CIDA will establish an internal focal point with expertise in extractive sector development issues
- Enhance support for Extractive Industries Transparency Initiative
 - Canada announced official support in 2007 with a donation of \$750,000
 - Total contribution up to 2011 will be \$1.150 million
 - Sending a Canadian expert to the EITI World Bank Multi-donor Trust Fund





CSR Centre of Excellence



- Hosted by Canadian Institute of Mining, Metallurgy, and Petroleum (CIM) (Montreal)
- The Centre will
 - Develop and disseminate CSR information and tools for clients in government and industry;
 - Develop an inventory of extractive sector regulations and policies
 - Develop CSR information packages for targeted markets and sponsor business briefings on a proactive basis;
 - Develop an in-house inventory of Canadian company CSR contacts, activities and best practices;
 - Create a “community of practice” web-based public platform for companies and Canadian CSR practitioners to share experiences and best practices.
 - Serve as a source of technical advice to CIDA





CSR Extractive Sector Counsellor

- A dispute resolution mechanism to address CSR issues related to the Canadian extractive sector abroad
- The Counsellor will:
 - Review the CSR practices of Canadian extractive sector companies operating outside Canada
 - Provide informal mediation and fact-finding services to assist in resolving CSR disputes
 - Advise stakeholders on implementation of endorsed performance guidelines
 - Report directly to Minister of International Trade
 - Table annual report to Parliament
- The Counsellor will not:
 - review the activities of a Canadian company on his or her own initiative
 - make binding recommendations, policy or legislative recommendations
 - create new performance standards
 - formally mediate between parties.



The five stages of the review process are: initial assessment; informal mediation; fact-finding; access to formal mediation; and, reporting



Promotion of Voluntary CSR Performance Guidelines

- The Strategy endorses and promotes the following widely-recognized international CSR performance guidelines:
 - International Finance Corporation Performance Standards
 - Voluntary Principles on Security and Human Rights
 - Global Reporting Initiative





IFC Performance Standards



- Address the specific challenges facing extractive sector companies operating in developing countries.
- They are the *de facto* performance benchmark for projects in developing countries that require substantial financial investment.
- 80 percent of global project financing for extractive sector projects is provided through financial institutions that are signatories to the Equator Principles, through which they have agreed to adopt lending practices consistent with the IFC Performance Standards.
- The Standards set expectations of conduct in eight issue areas:
 - Social and Environmental Assessment and Management Systems;
 - Labour and Working Conditions;
 - Pollution Prevention and Abatement;
 - Community Health, Safety and Security;
 - Land Acquisition and Involuntary Resettlement;
 - Biodiversity Conservation and Sustainable Natural Resource Management;
 - Indigenous Peoples;
 - Cultural Heritage.





Voluntary Principles on Security and Human Rights



- Developed through a partnership of states led by the US and UK, corporations and NGOs in 2000
- Number of member countries—4—USA, UK, Norway, Netherlands
- Guidelines to help corporations anticipate and mitigate risks associated with the hiring of public or private security companies to safeguard extractive sector operations.
- Aim is to protect operations with out excessive force or human rights abuses
- Guidance is particularly relevant for companies operating in areas affected by armed conflict or insurgencies, where work sites may be targeted
- Canada has applied to join the Voluntary Principles as a Participating Country.
- The Government of Canada was welcomed as an engaged government at the 2009 Plenary meeting of the Voluntary Principles on Security and Human Rights.
- In the coming months, the government will consult with stakeholders to develop an action plan for implementation.





Global Reporting Initiative (GRI)



- Launched in 1997
- Broadly recognized as the *de facto* international reporting standard
- Developed and continues to evolve via a multi-stakeholder process involving industry, investors, civil society and labour
- Includes reporting principles, guidance and indicators for organizations of all sizes and sectors
- 35 percent of Canadian companies use the GRI Guidelines in the preparation of their CSR report
- 80% of TSX listed companies report on CSR





Government Resources to support CSR action by Companies



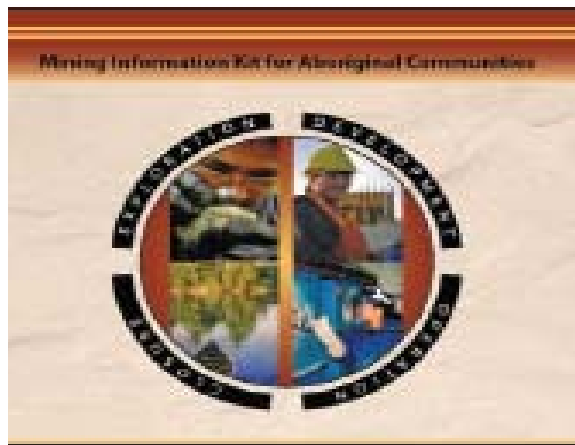
Sustainability Reporting Tool Kit (IC website)

CSR Implementation Guide for Canadian Business (IC website)



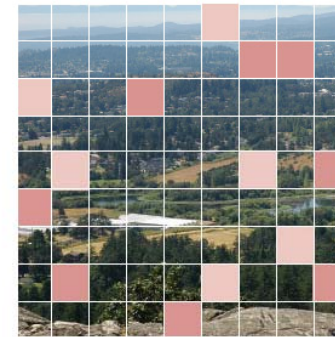


Government Resources to support CSR action by Companies



Aboriginal CSR Mining Tool Kit (NRCAN website)

Corporate Social Responsibility An Implementation Guide for Business



Paul Hohnen, Author
Jason Potts, Editor

iisd International Institute for Sustainable Development

CSR – An Implementation Guide for Business (IISD website)





Summary

- **Canada is taking proactive steps to foster and promote CSR through:**
 - The new CSR Strategy for the Canadian International Extractive Sector
 - It will be reviewed five years after implementation to determine if having impact and if it needs to be modified
 - The development of tools and resources to support missions abroad
 - The development of tools and resources for industry, including SMEs, so that they understand the business case for CSR
 - Continued support and adherence to voluntary international CSR standards and guidelines





Sustainable Development

- Federal SD Act Passed into law June 2008
- The Act's purpose:
 - Develop and implement a Federal Sustainable Development Strategy to make environmental decision-making more transparent and accountable to Parliament.
- Legislative Requirements of the *Act*:
 - “The Federal Sustainable Development Strategy **shall set out federal sustainable development goals and targets and an implementation strategy for meeting each target** and identify the minister responsible for meeting each target
- First Federal SD Strategy will be tabled in Parliament in June 2010, and every three years thereafter
- First Departmental Strategies will be tabled in June 2011, and every three years thereafter





Policy Objectives of the Federal SDS

- Provides an over arching and long-term vision for the future
- Broad high-level goals
- Medium-term targets
- Specific short-term implementation strategies
- Identifies Minister responsible for each implementation strategy
- Serves as an accountability mechanism





Scope of the Federal SD Strategy

- First-round focus on environmental sustainability
- Future strategies will likely have a broader scope with economic and social goals
- Based on existing priorities





Goal Areas of the Federal SDS

- Clean Air and Climate Change
- Nature
- Water
- Greening Government Operations





Greening Government Operations

- “Green procurement” means changing what and how government buys in ways that reduce our environmental impacts – energy efficiency, reduced packaging, recycled content, durability
- Green purchasing, use and disposal drives environmental benefit in key areas of government activity, including:
 - Land – contamination, eco-improvement, species
 - Buildings – energy emissions, construction waste, indoor air quality, water
 - Business processes – purchasing waste, documents/cheques, consumption
 - Movement – fleet, fuel, travel, commuting





Stakeholder Consultations

- A draft Federal Strategy is expected to be tabled in June 2009 for a 120 day public consultation period

- SD Advisory Council
 - Members appointed by Minister of Environment
 - Minister of Environment will chair the Council
 - 1 reps from each province and territory
 - 3 reps from aboriginal groups, industry, ENGO, labour





Conclusion

- Canada is committed to CSR and making significant progress towards SD
- Next Steps
- Review and Evaluation





Important Websites

- www.csr.gc.ca (Canada's CSR Strategy)
- www.ncp.gc.ca (Canada's National Contact Point under the OECD Multinational Enterprise Guidelines)
- http://www.ec.gc.ca/sd-dd_consult/SDS2007/index_e.cfm (Environment Canada's Sustainable Development Strategy)
- <http://www.ic.gc.ca/eic/site/csr-rse.nsf/eng/home> (IC's CSR site)
- <http://www.sustainabilityreporting.ca/home/default.asp?lang=e> (Sustainability Reporting Tool Kit)
- <http://www.ic.gc.ca/eic/site/csr-rse.nsf/eng/rs00126.html> (CSR Implementation Guide for Canadian Business)
- <http://www.iisd.org/publications/pub.aspx?pno=884> (CSR Implementation Guide for Business—international version)
- <http://www.nrcan-rncan.gc.ca/mms-smm/abor-auto/htm/kit-gui-eng.htm>(Aboriginal (Aboriginal Mining CSR Tool Kit)





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