



**Review of Building the Canadian Advantage: a  
Corporate Social Responsibility Strategy for the  
Canadian International Extractive Sector**

Submission to the

**Department of Foreign Affairs, Trade &  
Development**

Ottawa, Ontario | January 2014

## Introduction

The Canadian Chamber of Commerce appreciates the opportunity to submit its perspectives during the review of *Building the Canadian Advantage: a Corporate Social Responsibility (CSR) Strategy for the Canadian International Extractives Sector*.

As one of Canada's leading national industry associations, the Canadian Chamber represents over 420,000 Canadian businesses of all sectors, sizes and regions.

The Canadian Chamber of Commerce has long-standing positions on responsible business conduct. Our members recognize the business value of sustainable domestic and international business operations as well as effectively – and responsibly – managing the economic, social and environmental impacts of their operations. They also know that a single poor performer can taint the reputation of all Canadian companies operating in a particular sector or region and diminish their prospects in seeking international partnerships.

At the global level, we provided input into the Business & Industry Advisory Committee's (BIAC) contribution to the Organization for Economic Cooperation and Development's (OECD) update of the *Guidelines for Multi-National Enterprises*. The Canadian Chamber is one of Canada's National Contact Point partners and participated in Canada's mirror committee for ISO 26000. We also provided input to Industry Canada for its updated *CSR: An Implementation Guide for Canadian Business* (to be released).

The Canadian Chamber believes businesses are accountable to their shareholders, host countries, communities and employees for conducting their activities in a manner which is safe, respectful, legal and sustainable. We believe the overwhelming majority of Canadian firms do that and can answer proudly for their performance across the globe.

It also the Canadian Chamber's position that governments are – and must remain – the primary means for ensuring economic, environmental and social protections. Business' role is – and should remain – to respect these protections.

In 2012, we released *Responsible Business Conduct in a Complex World*, a report resulting from cross-country consultations with NGOs and business leaders on the question: *How should the federal government oversee the international conduct of Canadian companies?* The recommendations made in that report guide this submission.

## The Way Forward

The Canadian Chamber believes that the federal government's oversight for all sectors of business should continue to be based on the four pillars announced in 2009 in *Building the Canadian Advantage*, i.e.:

- support for host country capacity-building;
- promotion of widely-recognized voluntary international responsible business conduct performance guidelines;
- commitment to existing offices for overseeing international business conduct; and
- provision of tools and information resources for companies to enhance and sustain high levels of responsible business conduct.

Effective implementation of these principles protects the reputation of Canadian companies, reduces operational risks and improves development and transparency outcomes in local communities, while respecting the sovereignty and responsibility of host country governments to regulate economic activities in their jurisdictions.

Canada's focus should not be on punishing companies, but on ensuring they have the tools and support to conduct their operations responsibly and to the benefit of the communities in which they operate.

Unilateral, heavy-handed approaches that would try to enforce responsible business conduct guidelines by linking them to political or financial support from the Canadian government are counterproductive. Such requirements deter investments and economic activity in developing countries and replace Canadian companies with those abiding by lower social and environmental standards. Moreover, by effectively deciding which companies shall and shall not operate in foreign jurisdictions, Canada's diplomatic relationships could be compromised.

Just as businesses know they need to continuously examine their conduct, in the Canadian Chamber's view there are ways the federal government could improve the tools and support it provides to Canadian businesses operating internationally, including:

- Focus the government's promotion efforts on the OECD Guidelines for Multinational Enterprises and the International Finance Corporation's Performance Standards on Social and Environmental Sustainability, both of which are well known and apply across all business sectors
- Train Canada's Trade Commissioner Service in the latest responsible business and anti-corruption practices so that they can provide on-the-ground advice and support community consultations in difficult jurisdictions. This could be done by seconding commissioners or organizing training for them with industry leaders. Events held in host countries should be aligned with the needs and strategies of firms operating in those jurisdictions
- Amend the *Corruption of Foreign Public Officials Act* to include a means for companies to seek an advance opinion on situations they believe could cause them to break the law, as well as a voluntary disclosure process with alternate sanctions
- Be more assertive in promoting the positive effects of Canadian companies' international operations and responsible business practices, particularly in the extractive sector where Canada is a world leader and a major presence in the developing world.
- Leverage the expertise and profile of Export Development Canada to communicate its stringent social responsibility guidelines beyond those companies that deal with it directly
- Strengthen existing offices for overseeing businesses' international conduct, specifically the National Contact Point, before creating any new bureaucracies or considering legislative measures by:
  - looking to the United Kingdom's multi-stakeholder NCP regime as a model for Canada;
  - building accountability measures for all parties involved in the NCP process; and
  - undertaking an effective communications program to create awareness of Canada's NCP in the business community

- Should additional needs be identified, initiate a discussion, facilitated by a third-party, involving government, businesses, NGOs and other relevant stakeholders to examine whether or not additional offices/measures (for example an ombudsman or code of conduct) are needed.

## **Conclusion**

The introduction of *Building the Canadian Advantage* in 2009 showed true leadership on the part of the federal government in working with companies to give them the tools to prevent themselves from getting into difficulties in developing countries and, even more importantly, to continue working with them to help remedy the situation and preserve Canada's reputation if they do. Its review provides an opportunity for the federal government to improve this and other existing resources for Canadian businesses, NGOs and other stakeholders.

*For more information, please contact Cam Vidler, Director, International Policy, at [cvidler@chamber.ca](mailto:cvidler@chamber.ca) or 613-238-4000 x230.*