

Responsible Business Conduct

Terry Cowl

Director, Trade Strategy and Responsible Business Conduct
Division, Global Affairs Canada

For Presentation at: Toronto Metropolitan University CSR
Institute session Update on **Canada's Responsible Business
Conduct Due Diligence & Reporting Standard for Canadian
Firms Active Abroad**

June 2, 2023, Toronto, Canada



Government
of Canada

Gouvernement
du Canada

Canada



Overview

- The Trade Commissioner Service
- Responsible Business Conduct
- Canada's approach to RBC
 - Prevention
 - Legislation
 - Dispute resolution
- RBC, a brief history
- RBC Strategy 2022-2027
- The RBC Due Diligence and Reporting Standard

Canada's Trade Commissioner Service



Canada's Trade Commissioner Service

- 160 offices abroad, and offices across Canada
- Connect Canadian companies and associations with business opportunities abroad
- Help Canadian companies solve problems
- Attract investment into Canada
- Establish commercial and research partnerships
- Promote Canadian innovation and standards
- Support Canadian companies at trade shows and events
- Contribute to Canada's global reputation

Responsible Business Conduct Abroad



What is Responsible Business Conduct?

RBC is a Process

- Integrating the management of risks to the environment, people and society within the core activities of a business

RBC is an Expectation

- Abide by relevant laws
- Respect human rights
- Adopt RBC best practices and guidelines

RBC is a Priority

- Linked to respect for human rights, climate change and inclusive trade

Risks and Opportunities

- **Risk:** manage and mitigate social, environmental, economic risks more efficiently and effectively
- **Resilience:** improve resilience to disruptions
- **Competitive Advantage:** attract investors, business partners, capital, employees
- **Reputation:** improve brand recognition
- **Retention:** customers, employees
- **Law:** In Canada & internationally

Canada's Approach



Canada's Balanced Approach to RBC



Prevention

- From Ottawa:
 - Work with the Canadian business community, civil society, foreign governments and communities
 - Foster and promote responsible business practices
 - Increase awareness of key international standards and guidelines
 - Support sustainable economic growth and shared values
- From our missions across Canada and around the world:
 - Advise Canadian companies on risks in specific markets and sectors
 - Advocate on behalf of Canadian industry abroad
 - Promote the uptake RBC and related tools and products

Legislation

- Laws and regulations of local market
- Canadian obligations when doing business abroad
- Corruption of Foreign Public Officials Act
- Extractive Sector Transparency Measures Act
- 2020 Amendments to the Customs Tariffs Act
 - Applies to all goods, irrespective of country of origin
 - Applies to inputs, materials and consumption
- New Fighting Against Forced Labour and Child Labour in Supply Chains Act
 - Supply chain transparency-comes into force Jan 1, 2024



Dispute Resolution

Canada's National Contact Point for RBC (NCP)

- Promotes and raises awareness of the OECD Guidelines for Multinational Enterprises
- Non-judicial dispute-resolution mechanism to resolve complaints and specific instances of companies not operating within the Guidelines
- All business sectors
- Works internationally to support the work of the OECD and a global network of NCPs

Canadian Ombudsperson for Responsible Enterprise (CORE)

- Mandated to review allegations of human rights abuses arising from Canadian company operations abroad
- Mining, oil & gas and garment sectors
- Promotes OECD Guidelines for Multinational Enterprises, and United Nations Guiding Principles on Business and Human Rights

A Brief History



Canada's Key RBC Milestones

1976

- Canada adheres to the OECD Guidelines for Multinational Enterprises

1998

- Canada's adoption of the *Corruption of Foreign Public Official Act*

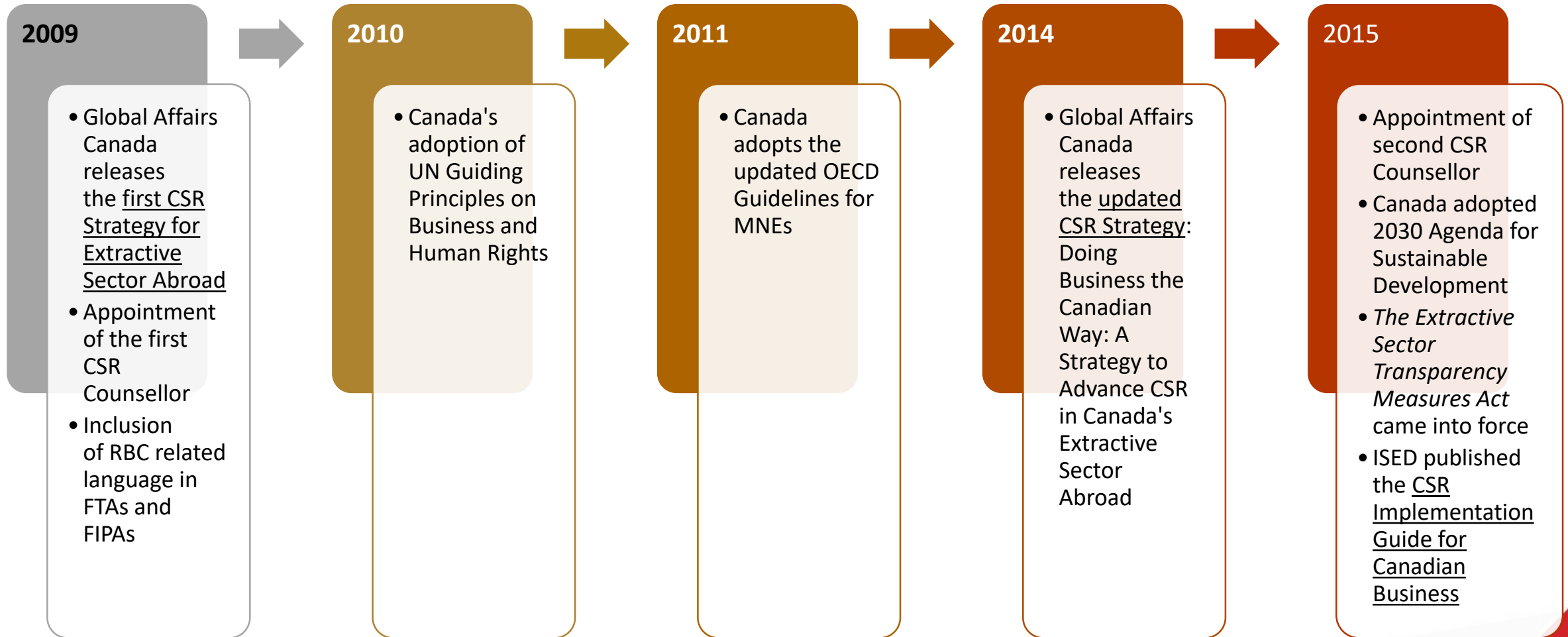
2000

- Creation of Canada's National Contact Point for the OECD Guidelines for MNEs

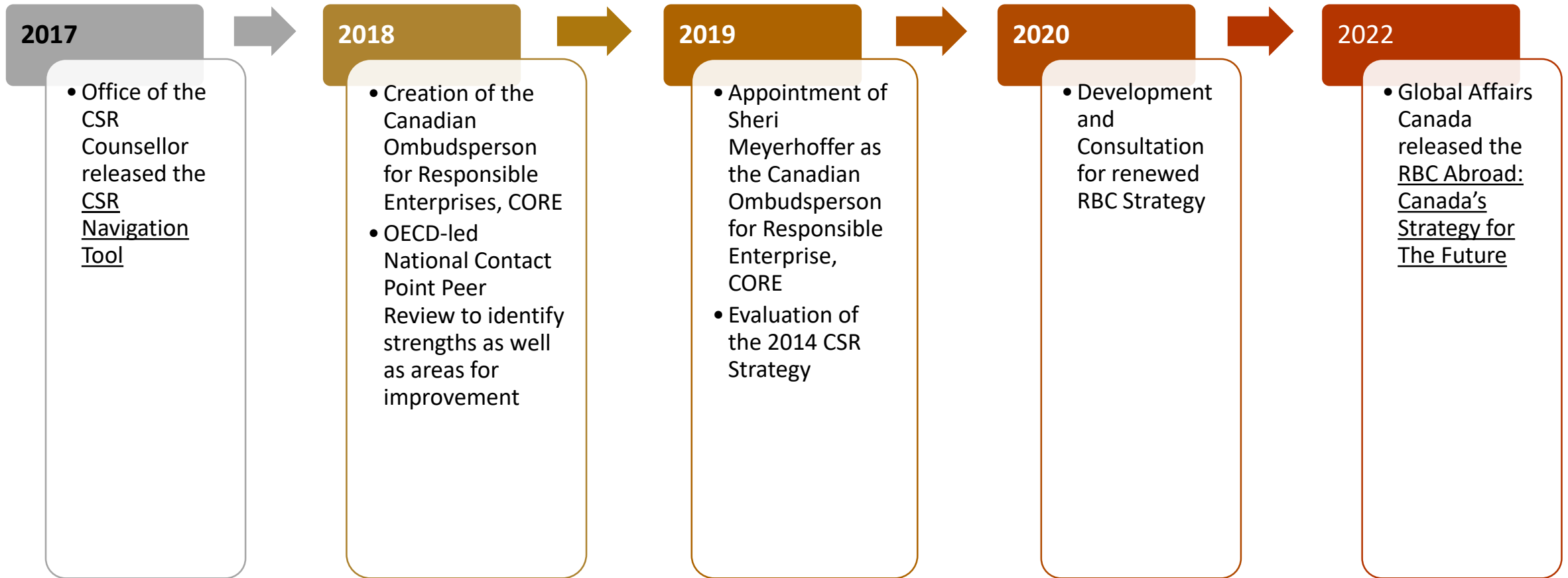
2007

- Release of the National Roundtables on CSR and the Canadian Extractive Industry in Developing Countries - Advisory Group Report

Key RBC Milestones, continued



Key RBC Milestones, continued

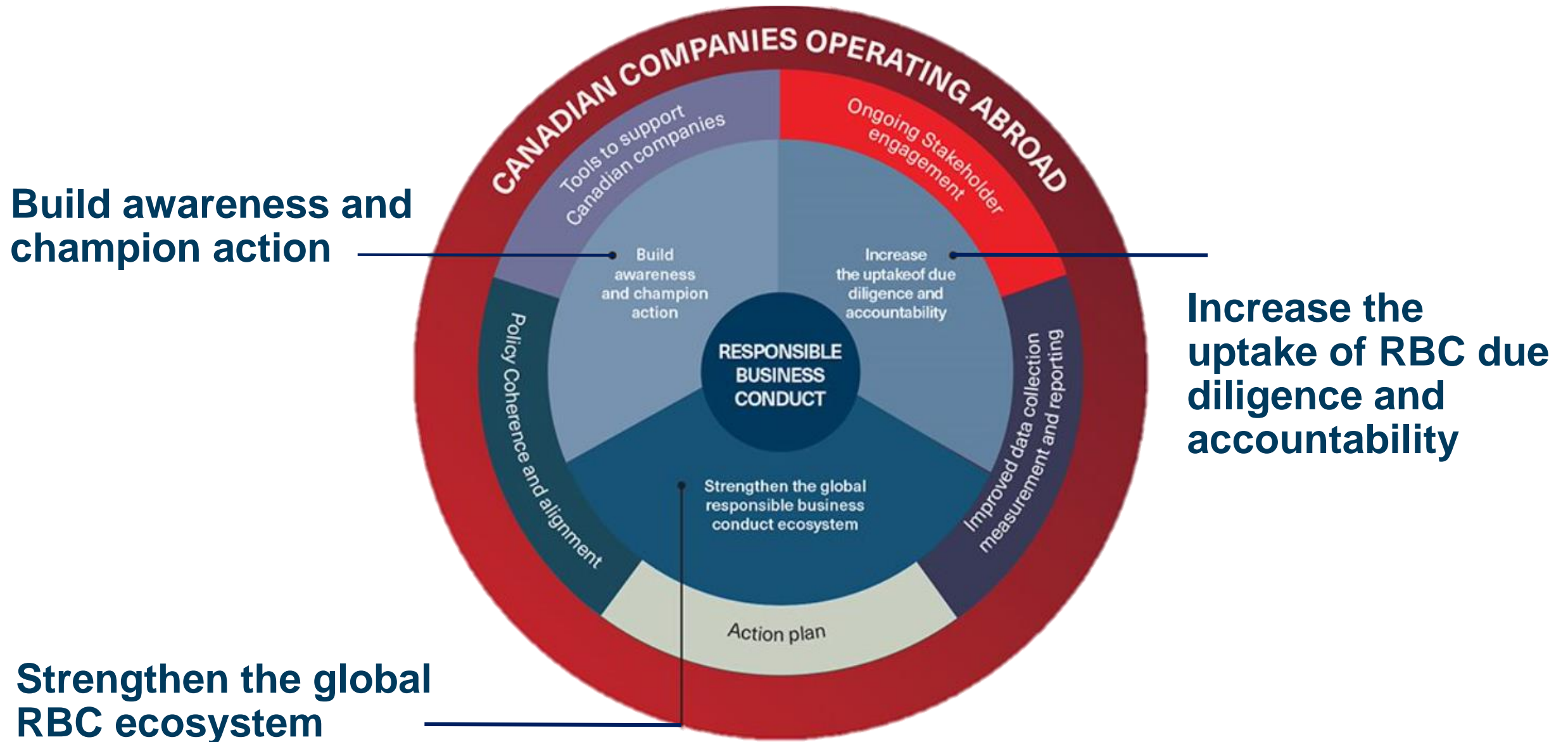


RBC Abroad: Canada's Strategy for The Future



The RBC Abroad Strategy

- Covers all companies active abroad – all sizes, all sectors
- Shift from earlier CSR strategies on extractive sector
- Result of extensive consultations
- Priority for the Government of Canada
- Action plan and evaluation
- Reflects Canada's balanced approach to RBC
 - Preventative efforts, access to remedy and targeted legislation



Strategy Commitments

- Due diligence Standard
- Enhanced digital tools – Risks Assessment Tool
- RBC Digital Attestation
- Enhance RBC communication products

RBC Due Diligence & Reporting Standard for Canadian Companies Active Abroad



RBC Due Diligence & Reporting Standard for Canadian Firms Active Abroad

- A key commitment of the Strategy
- Working with the Canadian General Standards Board
- Stakeholder-led: industry, civil society, academia and government
- Complementing existing international and Canadian reporting frameworks
- Providing a common set of indicators for Canadian companies
- Accounting for how companies address negative impacts of their activities

**Thank you
Merci**



For more information:
Canada.gc.ca/responsible-business

Join the conversation:
#ResponsibleBusinessCanada

