



Ottawa, Canada K1A 0G2

January 29, 2024

The Honourable Judy A. Sgro, P.C., M.P.  
Chair  
Standing Committee on International Trade  
House of Commons  
Ottawa, ON K1A 0G6

Dear Ms. Sgro:

Pursuant to Standing Order 109 of the House of Commons, I am pleased to respond on behalf of the Government of Canada to the recommendations made in the Report of the Standing Committee on International Trade titled: *Canadian Mining and Mineral Exploration Firms Operating Abroad: Impacts on the Natural Environment and Human Rights*, tabled in the House of Commons on September 18, 2023.

I thank the Committee for its study of the natural environment and human rights impacts of Canadian mining and mineral exploration firms abroad, to which four Committee meetings were dedicated. I also wish to thank the public servants, industry, academic, and civil society representatives who were among the witnesses that appeared or provided written submission. The study and the report demonstrate the Committee's commitment to assessing the impacts of Canadian mining companies operating abroad. The recommendations identified in the Committee's report have been carefully considered.

I was also pleased to note that Committee members recognize the importance of responsible business conduct for furthering Canada's presence abroad and trade relationships. The Government's objective in responding to the recommendations of the Committee is to uphold the Government of Canada's commitments to responsible business conduct abroad. This includes commitments to human rights, environmental protection, gender equality and the rights of Indigenous peoples.

The Government's Response to the two recommendations of the Committee is presented below:

**Recommendation 1: That the Government of Canada, in consultation with relevant stakeholders, consider new or modified strategies, policies and other measures that would further promote and enhance corporate social responsibility and responsible business conduct in the foreign operations of Canadian firms, including those in the mining and mineral exploration sector.**

The Government acknowledges this recommendation and government initiatives are ongoing.

The Government of Canada expects Canadian companies active abroad to abide by all relevant laws, to respect human rights in their operations, and to adopt voluntary best practices and internationally respected guidelines on responsible business conduct, such as the *UN Guiding Principles on Business and Human Rights* and the *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct*. Responsible business conduct is central to many priorities for Canada, including the respect for human rights, taking action on climate change, promoting inclusive trade, upholding the rights of Indigenous Peoples, amplifying our Feminist Foreign Policy, including the Feminist International Assistance Policy, and eradicating forced labour.

With the evolving regulatory and legislative environment in recent years, Canada has become one of the most progressive countries in the world with its array of responsible business measures and initiatives.

Following the evaluation of Canada's Enhanced Corporate Social Responsibility Strategy and extensive consultations with a wide range of stakeholders in 2020-2021, Canada launched its 2022 Responsible Business Conduct Abroad Strategy (the "Strategy"), which applies to all Canadian companies active abroad, regardless of size, sector, or scope. The Strategy sets priorities for the Government, through the Trade Commissioner Service and partners, to support Canadian companies abroad to adopt world leading responsible business practices, mitigate risks, and contribute to a strong and inclusive economy. Key elements of the Strategy action plan are being implemented, including the new Canadian Responsible Business Conduct Due Diligence Standard, targeted advice, and guidance for clients of Canada's Trade Commissioner Service, and risk assessment tools for Canadian companies active abroad.

The Canadian RBC Due Diligence Standard for Canadian companies abroad is being developed jointly with industry, civil society, and academia. This initiative will benefit a wide range of Canadian companies operating internationally, including those in the mining sector, to better address environmental, social, and economic impacts of their activities.

The Strategy strengthens Canada's balanced approach to responsible business conduct, which includes preventative measures, such as providing advice and guidance for Canadian companies active abroad; regulation and legislation in select areas, including on corruption, transparency, and forced labour; and access to dispute resolution, through two non-judicial mechanisms, the National Contact Point for Responsible Business Conduct, and the Canadian Ombudsperson for Responsible Enterprise.

The Government of Canada, with input from all stakeholders and other government departments, continues to explore further ways to support Canadian companies active abroad in achieving world-leading responsible business practices.

For example, in Budget 2023, the Government committed to introduce legislation in 2024 to eradicate forced labour from Canadian supply chains and to strengthen the import ban on goods produced using forced labour. The Government of Canada is working to build on the *Fighting*

*Against Forced Labour and Child Labour in Supply Chains Act* passed into law in May 2023 to strengthen Canada's supply chain legislation, which could include incorporation of due diligence obligations, to help ensure Canadian companies active abroad adopt responsible business practices.

The Government is committed to promoting responsible business conduct, increasing supply chain transparency, and developing effective measures to enhance Canadian companies' due diligence.

**Recommendation 2: That the Government of Canada undertake a review of the authorities of, and explore all options for expanding the mandate of, the Canadian Ombudsperson for Responsible Enterprise. The goal of this review is to ensure that the Ombudsperson is able to review complaints—adequately and in a timely manner—relating to alleged violations of human rights and harm to the natural environment associated with the foreign operations of Canadian firms falling within the Ombudsperson's mandate. This review should involve consultations with relevant stakeholders.**

The Government welcomes this recommendation and commits to undertaking a review of the operations and effectiveness of the office of the Canadian Ombudsperson for Responsible Enterprise.

The Government of Canada's non-judicial approach to dispute resolution reflects the objectives of the *UN Guiding Principles on Business and Human Rights* and the *OECD Guidelines on Responsible Business Conduct*, and provides for accessible, low-cost, and constructive dispute resolution that is focused on finding solutions and affecting change.

In establishing the Canadian Ombudsperson for Responsible Enterprise (the "CORE") in 2019, the Government considered a full range of options informed by stakeholder views, legal opinions, and policy considerations. The CORE's mandate, as set out in the Order in Council, is indicative of those considerations and reflects the Government's longstanding approach to voluntary and collaborative dispute resolution.

The CORE reports directly to the Minister Export Promotion, International Trade and Economic Development and is empowered with the tools and resources to carry out its mandate, and to promote human rights abroad.

Since the appointment of the CORE in 2019 (the first in Canada), the Office, through public consultations, established operating procedures to conduct reviews and became fully operational and started accepting cases in March 2021. Since this date, the CORE has submitted two annual reports, tabled in the House of Commons, has conducted a study on child labour in the garment industry, and has conducted many outreach activities to promote the CORE and responsible business conduct. Since July 2023, the CORE has published 9 initial assessment reports stemming from active complaints and has engaged in many cases to assess the alleged issues involving Canadian companies.

In October 2022, the Minister of Small Business, Export Promotion and International Trade issued a Statement of Priorities and Accountabilities to the CORE outlining the Government's expectations for the office, specifically on reporting requirements and communications.

Given the important role that the CORE plays as part of Canada's broader responsible business conduct policy framework, the fact that the current CORE's term is set to expire in April 2024, and the public interest in the activities of its office, the Government welcomes the Committee's recommendation and believes this is an appropriate time to assess the CORE's performance. As such, the Government is committed to conducting, starting in 2024 and over a 6-month period, a review of the CORE to assess its effectiveness and progress to date.

The Government would like to thank the Committee for its report and for its continued interest in responsible business conduct.

Sincerely,

A handwritten signature in blue ink that reads "Mary Ng". The signature is written in a cursive, flowing style.

The Honourable Mary Ng, P.C., M.P.