

National Roundtables on Corporate Social Responsibility (CSR) and the Canadian Extractive Industry in Developing Countries

Background

Over a period of several years, a number of presentations were made to a subcommittee of the Standing Committee on Foreign Affairs and International Trade (SCFAIT) on the activities of petroleum and mining companies in countries such as Colombia, Sudan, the Democratic Republic of Congo and the Philippines. Concerns over certain incidents in developing countries resulted in a report that the standing committee submitted to the Government of Canada in June 2005.

The report, *Mining in Developing Countries and Corporate Social Responsibility*, argued that more should be done to ensure that Canadian mining companies operating overseas conduct their activities in a socially and environmentally responsible manner and in conformity with international human rights standards.

It called on the federal government to take several actions. These included: strengthening existing CSR programs and policies or establishing new ones; developing stronger incentives to encourage Canadian mining companies to conduct their activities in a socially and environmentally responsible way; monitoring the activities of Canadian mining companies, especially those operating in conflict zones; and establishing clear legal norms in Canada to ensure Canadian companies and residents are held accountable when there is evidence of environmental or human rights violations associated with Canadian mining companies.

The federal government's response came in October 2005. It noted that there were a number of practical policy challenges in translating many of the standing committee's recommendations into practice. Among them were finding an acceptable method of measuring CSR performance, choosing from among a proliferation of CSR codes and standards, and establishing a consensus on the boundaries between governments, companies and stakeholders.

The government noted that there was a need to strengthen the host country's capacity to regulate corporate activities. It also pointed out that, while it could influence Canadian mining companies, this may not be true of companies that are incorporated in Canada or listed on a Canadian stock exchange but based abroad.

The government decided these issues could best be examined in a series of four national roundtables that would review the actions of Canadian petroleum and mining companies overseas.

The objective of the roundtables would be to generate a report to Parliament presenting "recommendations for government, NGOs (non-governmental organizations), labour organizations, businesses and industry associations on ways to strengthen approaches to managing the external impacts of international business activities to benefit both businesses and the communities within which they work." Specifically, the roundtables would examine measures that could be taken during the next one to three years to enable Canadian extractive sector companies operating in developing countries to meet or exceed leading CSR best practices.

A government steering committee was established to run the roundtables. Led by the Department of Foreign Affairs and International Trade, it included representatives from eight federal government departments and was assisted by an advisory group representing the extractive industries, NGOs, aboriginals and academia.

PDAC director Dennis Jones represented the association on the advisory group (the Mining Association of Canada was also represented) and PDAC executive director Tony Andrews acted as the "industry focal point" for the roundtable process.

As background for the roundtables, the PDAC commissioned two studies. The first, produced by Carol Odell and Ana Carolina Silva, involved identifying and analyzing some of the highest profile controversies and conflicts involving Canadian mining and exploration abroad to determine “the truth behind human rights complaints and corporate social responsibility” in the mineral industry. The results of this study were later published in the *CIM Magazine*, June/July 2007. A copy of this six-page article is available [here](#).

The second study involved a legal opinion by Appleton & Associates on the recommendations contained in the SCFAIT report and in certain submissions to the roundtables. That opinion is available [here](#).

The two-day roundtable sessions took place from June to December 2006 in Vancouver, Calgary, Toronto, and Montreal. Each consisted of a public forum and an in camera session at which invited experts made presentations on specific issues. In addition, there were working sessions of the steering committee and advisory group in Ottawa.

Discussion at the roundtables centred on five themes: CSR standards and best practices; incentives supporting the implementation of CSR standards and best practices; verification and assurance of CSR performance and the formulation of a dispute resolution process; support (such as tools and training) for the implementation of CSR standards; and building the host countries’ governance of resources.

The final report of the advisory group, which was released on March 29, 2007, sets out recommendations for a CSR framework of good conduct for Canadian mining, oil and gas companies operating abroad.

If implemented, the CSR framework would establish standards and reporting obligations for Canadian companies and would also create an ombudsman office to investigate and assess complaints and to evaluate compliance with the standards. Procedures for withholding government services to companies in cases of serious non-compliance are contained in the report as is support for the development of tools to promote good practice in the extractive sector and adherence to the CSR framework.

Copies of the 91-page report are available in English and French. The English version is [here](#), and the French version is [here](#). A media advisory, issued on the same day, summarizes the key recommendations contained in the report. [Click here](#) for a copy.

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