

# Canada's Mining Industry: Socially Responsible Global Leader

## Bill C-300 Will Hurt Canadian Mining Companies

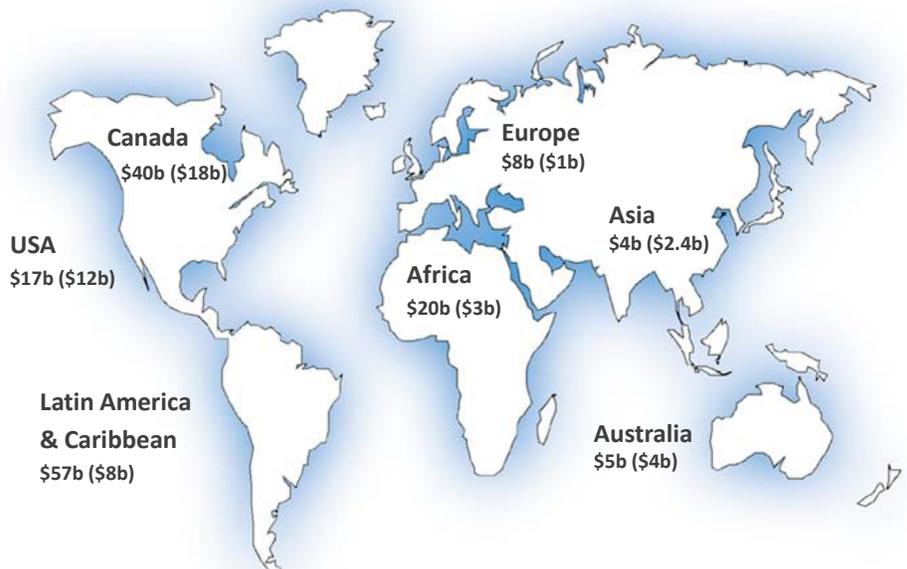
### *CANADA'S MINING INDUSTRY IS A CANADIAN ECONOMIC POWERHOUSE & GLOBAL LEADER*

Mining is central to Canada's economic brand and is one of Canada's only true global industries in which our country possesses global leadership.

The Canadian mining industry:

- Employs over 306,000 Canadians in extraction, processing and manufacturing;
- Contributes \$39 billion to Canada's GDP in 2009;
- Accounts for \$95 billion (19%) of Canada's annual goods exports;
- 75% or 1,800 of the world's exploration and mining companies were located in Canada in 2009;
- Invests in 10,000 projects in over 100 countries; and
- 81% of worldwide mining equity transactions over the past five years were handled by the TSX and its venture exchange.

**Canada's Global Presence: Total Mining Assets in 2002 and 2008**  
2008: \$111b (2002: \$30b)



Source: Company annual reports, compiled by Natural Resources Canada

### *CANADIAN MINING COMPANIES PRACTICE CORPORATE SOCIAL RESPONSIBILITY*

Canadian exploration and mining industry works continuously to improve its CSR record because it recognizes that good CSR, besides being good business, is the right thing to do. Canadian exploration and mining firms are subject to all in-country laws and are held to high expectations by numerous domestic and international institutions, policies, frameworks, and standards. Through the soon to be operational independent Canadian CSR Counsellor and Canada's well established National OECD Contact Point, there are mechanisms for people to lodge a complaint. The Canadian exploration and mining industry compares favourably with its OECD competitors in the US, the UK and Australia on widely accepted CSR initiatives, which include:

#### **International Standards and Policies**

1. **UN Global Compact**, a protocol framework for companies that are committed to sustainability and responsible business practices.
2. **Environmental and Social Standards** created by the International Financial Corp. (IFC) of the World Bank require high standards of the private sector projects it finances in emerging markets.
3. **Compliance Advisor Ombudsman**, created by the World Bank's IFC, as an independent body to address complaints from affected communities through a dispute resolution process.
4. **OECD Guidelines for Multinational Enterprises**, which set out responsible business conduct in areas such as environment, employment and industrial relations.
5. **Equator Principles**, adopted by banks to guide their project financing for extractive projects located in the developing world.
6. **Extractive Industries Transparency Initiative (EITI)**, a global transparency standard.
7. **Global Reporting Initiative (GRI) – Mining Sector Supplement**, the world's most widely used framework for sustainability reporting designed specifically for the mining industry.

8. **Voluntary Principles on Security and Human Rights** are principles jointly developed by NGOs, governments, and the extractive industry to assist companies better manage their CSR practices.
9. **Host Government National and Sub-National Statues and Regulations.**
10. **Acid drainage prevention standards** and an **international cyanide management code.**

### Canadian Standards and Policies

11. **Government of Canada's CSR policy**, *Building the Canadian Advantage*, which is the result of an extensive industry and NGO consultation process.
12. **Independent CSR Counsellor** for the extractive sector assists with resolving social and environmental issues involving Canadian companies operating abroad. The industry has actively participated in the Counsellor's consultation process, included a written submission for the Draft Rules of Procedure.
13. **Export Development Canada's CSR policies** must be observed if EDC financing is to be provided.

### Industry Created CSR Standards

14. PDAC's **e3 Plus: A Framework for Responsible Exploration**, the first comprehensive CSR guidance designed for mineral exploration around the world.
15. **Towards Sustainable Mining**, a CSR standards created by the Mining Association of Canada which is mandatory for its members.
16. **Sustainable Development Framework** commits International Council on Mining and Metals' (ICMM), members to 10 sustainable development principles and requires third-party assurance for compliance.

## *C-300 WILL DAMAGE THE GLOBAL COMPETITIVENESS OF THE CANADIAN MINING INDUSTRY*

Unlike the recently adopted US Wall Street Reform and Consumer Protection Act (H.R. 4173), which the mining industry welcomes and which has been designed with quite different objectives in mind, C-300 ignores the reality that Canada's mining industry is a globally competitive industry with a strong CSR record. No other OECD country imposes such measures on its extractive sector as those proposed by Bill C-300. Instead, Canada's OECD competitors are focused on more constructive approaches, such as the UN-based process led by John Ruggie who will make specific recommendations within the next year.

**Your vote against Bill C-300 matters.** If Bill C-300 passes the House, it will send a strong message internationally that the Parliament of Canada has lost confidence in Canadian mining companies. This will damage the image and reputation of Canadian mining companies with governments around the world. Canada's competitors will use Bill C-300 as a tool by to undermine the competitiveness of Canadian firms in the highly competitive global extraction industry.

Bill C-300 also undermines Canada's current position as the world's mining finance capital, beating London or New York, with economic consequences in Canada.

## *C-300 IS BAD LAW WITH UNINTENDED CONSEQUENCES*

**ROLE OF DFAIT:** The Department of Foreign Affairs has neither the capability, nor funds, nor experience to investigate complaints in developing countries and it has testified to this fact before Parliament. Bill C-300 won't work because foreign governments won't cooperate in investigations. Bill C-300 requires every complaint to be investigated by the Minister and every investigation will be made public by the complainant regardless of the merits of the complaint. Bill C-300 is flawed because it concentrates too much discretionary power in the Ministers of Foreign Affairs and International Trade.

**INEFFECTIVE:** Bill C-300 is impractical because it imposes a one size fits all approach to ground situations that are continuously changing and where the facts are rarely clear-cut.

**EXTRATERRITORIALITY:** Bill C-300 is effectively an extension of Canadian law into foreign jurisdictions. There has been no consultation with developing country governments. This extraterritorial application of domestic law was the principle that the Canadian Government objected to so strenuously in the 1990's with the passing of the US Helms-Burton legislation, which affected Canadian investments in Cuba.

***YOUR VOTE AGAINST BILL C-300 MATTERS. VOTE AGAINST C-300.***