



Information Bulletin

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Building the Canadian Advantage: A CSR Strategy for the International Extractive Sector

What is Corporate Social Responsibility (CSR) ?

The voluntary activities undertaken by companies to operate in an economically, socially and environmentally sustainable manner beyond the minimum required by law.

The Government of Canada's Approach to CSR

The Government of Canada encourages and expects all Canadian companies working internationally to respect all applicable laws and international CSR standards, and to operate transparently and in consultation with host governments and local communities, and to develop and implement CSR best practices. Internationally-agreed upon voluntary principles are a key part of Canada's CSR approach.



Building the Canadian Advantage: A CSR Strategy for the International Extractive Sector

Building the Canadian Advantage is a comprehensive Government strategy on CSR for the Canadian extractive sector operating abroad. The Strategy responds to concerns by Canadians and international stakeholders about the environmental and social performance of Canadian mining and oil and gas firms abroad. It was informed by a series of consultations with industry, civil society and other stakeholders held in 2006 (the National Roundtables) and subsequent input from leading Canadian companies and industry associations.

Building the Canadian Advantage seeks to improve the competitive advantage of Canadian international extractive sector companies by enhancing their ability to manage social and environmental risks. It recognizes that, while most Canadian companies are committed to the highest ethical, environmental and social standards, those that lack this commitment can cause harm to communities abroad and undermine the competitive position of other Canadian companies.

Building the Canadian Advantage is founded on four complimentary pillars designed to engage multiple stakeholders and foster different aspects of CSR.

The 4 pillars of the Strategy

- 1) Support for initiatives to enhance the capacities of developing countries to manage the development of minerals and oil and gas, and to benefit from these resources to reduce poverty.
- 2) Promotion of the following widely-recognized international CSR performance guidelines with Canadian extractive companies operating abroad:
 - o OECD Guidelines for Multinational Enterprises;
 - o International Finance Corporation Performance Standards on Social & Environmental Sustainability for extractive projects with potential adverse social or environmental impacts.
 - o Voluntary Principles on Security and Human Rights for projects involving private or public security forces; and
 - o Global Reporting Initiative for CSR reporting by the extractive sector to enhance transparency and encourage market-based rewards for good CSR performance.
- 3) The Office of the Extractive Sector CSR Counsellor to assist stakeholders in the resolution of CSR issues pertaining to the activities of Canadian extractive sector companies abroad.
- 4) The CSR Centre of Excellence to encourage the Canadian international extractive sector to implement these voluntary performance guidelines by developing and disseminating high-quality CSR information, training and tools.

For more information:

Government of Canada CSR Strategy for Extractive Industries:

<http://www.international.gc.ca/trade-agreements-accords-commerciaux/ds/csr.aspx>

CSR Counsellor:

http://www.international.gc.ca/csr_counsellor-conseiller_rse/index.aspx

CSR Centre of Excellence:

<http://www.cim.org/csr/>

NRCan tools:

<http://www.nrcan-rncan.gc.ca/mms-smm/index-eng.htm>

OECD Guidelines for Multinational Enterprises:

http://www.oecd.org/document/18/0,3343,en_2649_34889_2397532_1_1_1_1,00.html

Canada National Contact Point: www.ncp.gc.ca

International Finance Corporation Performance Standards:

<http://www.ifc.org/ifcext/sustainability.nsf/Content/PerformanceStandards>

Voluntary Principles on Security and Human Rights:

http://voluntaryprinciples.org/files/voluntary_principles_english.pdf

Global Reporting Initiative:

<http://www.globalreporting.org/Home>

