The Canadian Country Visit of the UN Working Group on Business and Human Rights

Sara L. Seck
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About the Author

Sara L. Seck is a senior fellow with CIGI’s International Law Research Program and an associate professor at Western University’s Faculty of Law. Her research interests include corporate social responsibility; international environmental, human rights and sustainable development law; and climate change and Indigenous law, with a focus on extractive industries. In 2015, Sara was awarded the Emerging Scholarship Award by the Academy of Environmental Law of the World Conservation Union for her research on international environmental law and extractive industries. She is a member of the International Law Association’s Study Group on Business and Human Rights, and a founding member of the editorial board of the Business and Human Rights Journal, Cambridge University Press. In July 2017, Sara will be joining the Schulich School of Law at Dalhousie University. She holds a B.Mus. from Memorial University, an M.Mus. from the University of Ottawa, an LL.B. from the University of Toronto and a Ph.D. from Osgoode Hall Law School at York University.
About the International Law Research Program

The International Law Research Program (ILRP) at CIGI is an integrated multidisciplinary research program that provides leading academics, government and private sector legal experts, as well as students from Canada and abroad, with the opportunity to contribute to advancements in international law.

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The ILRP focuses on the areas of international law that are most important to global innovation, prosperity and sustainability: international economic law, international intellectual property law and international environmental law. In its research, the ILRP is attentive to the emerging interactions between international and transnational law, Indigenous law and constitutional law.

Acronyms and Abbreviations

CBCA  Canada Business Corporations Act
CSR   corporate social responsibility
EDC   Export Development Canada
HRC   Human Rights Council
ICT   information and communications technology
IFC   International Finance Corporation
MNEs  multinational enterprises
NAP   national action plan
NCP   national contact point
OECD  Organisation for Economic Co-operation and Development
OHCHR Office of the High Commissioner on Human Rights
SDGs  Sustainable Development Goals
Executive Summary

The United Nations Human Rights Council (HRC) unanimously endorsed the Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy Framework" (UNGPs) in 2011. In May 2017, members of the United Nations Working Group on Business and Human Rights will conduct a country visit to Canada. This paper will introduce the UNGPs, examine the experience of other countries visited by the working group, including the United States, which was visited in 2013, and consider what to expect during the visit to Canada. It is likely that the working group will consider implementation of the state duty to protect human rights in terms of its application both to businesses operating within Canada and to Canadian companies operating internationally. Given Canada’s prominence in global mining and ongoing contestation over respect for Indigenous rights within Canada, especially in the oil and gas sector, it is also likely that the working group will pay careful attention to implementation of law and policy in natural resource development. Following the country visit, the working group is likely to recommend that Canada develop a national action plan (NAP) for the implementation of the UNGPs. This presents an opportunity for Canada to play a leading role in clarifying the link between business and human rights, Indigenous rights, and the environment and climate change.

Introduction

From May 23 to June 1, 2017, members of the United Nations Working Group on Business and Human Rights will be conducting a country visit to Canada.1 This paper will introduce the UNGPs, unanimously endorsed by the United Nations HRC in 2011,2 and then consider what to expect from the country visit based upon previous experiences, most notably a visit to the United States in 2013.3 The paper will briefly examine implementation of the UNGPs in Canadian law and policy, including the federal government’s promotion of a corporate social responsibility (CSR) strategy for extractive companies operating abroad,4 and identify possible issues that the working group might examine during its visit. The conclusions recommend that Canada develop an NAP for the implementation of the UNGPs, as other countries have done, and suggest that this could provide an opportunity to clarify the linkage between business and human rights, Indigenous rights, and the environment and climate change.5

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5 For details on state NAPs, see UN OHCHR, “State national action plans”, online: <www.ohchr.org/EN/Issues/Business/Pages/NationalActionPlans.aspx>.
Protect, Respect and Remedy: Guiding Principles on Business and Human Rights

In June 2011, the UN HRC unanimously endorsed the UNGPs. The UNGPs are structured in chapters, following three pillars: the state duty to protect; the business responsibility to respect; and access to remedy.

Two foundational principles underlie the state duty to protect, which reflect existing state obligations under international human rights law. Principle 1 provides: “States must protect against human rights abuse within their territory and/or jurisdiction by third parties, including business enterprises. This requires taking appropriate steps to prevent, investigate, punish and redress such abuse through effective policies, legislation, regulations and adjudication.”

According to principle 2, “[s]tates should set out clearly the expectation that all business enterprises domiciled in their territory and/or jurisdiction respect human rights throughout their operations.”

The content of the state duty to protect is then elaborated in a series of operational principles in four overarching themes that touch upon the following: “general state regulatory and policy functions”; “the state-business nexus”; “conflict-affected areas”; and “ensuring policy coherence.”

The business responsibility to respect rights is presented in foundational principle 11: “Business enterprises should respect human rights. This means that they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.” This responsibility is described in the commentary as a “global standard of expected conduct for all business enterprises wherever they operate” that “exists independently of States’ abilities and/or willingness to fulfil their own human rights obligations, and does not diminish those obligations. And it exists over and above compliance with national laws and regulations protecting human rights.”

The responsibility arises in relation to all “internationally recognized human rights.” It requires business enterprises to “avoid causing or contributing to adverse human rights impacts through their own activities,” to “address such impacts where they occur” and to “seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, projects or services by their business relationships,” even if the businesses “have not contributed to those impacts.”

Business relationships “include relationships with business partners, entities in its value chain, and any other non-State or State entity directly linked to its business operations, products or services.” Moreover, the responsibility to respect “applies to all enterprises regardless of their size, operational context, ownership and structure.”

Principle 15 outlines the “policies and processes” that business enterprises should have in place in order to meet their responsibility to respect. These are a policy commitment to meet the businesses’ responsibility to respect human rights; a human rights due-diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights; and processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute.
Operational principles expand upon these requirements. Notably, human rights due diligence must go beyond an examination of material risks to the company “to include risks to rights-holders.” A clear distinction is made between the conduct of human rights due diligence and legal liability. However, should a business enterprise identify that it has “caused or contributed to adverse impacts,” the business “should provide for or cooperate in their remediation through legitimate processes.”

Access to remedy is the third pillar of the UNGPs. A single foundational principle, principle 25, informs the chapter: “As part of their duty to protect against business-related human rights abuse, States must take appropriate steps to ensure, through judicial, administrative, legislative or other appropriate means, that when such abuses occur within their territory and/or jurisdiction those affected have access to effective remedy.”

The commentary elaborates that remedies may include “apologies, restitution, rehabilitation, financial or non-financial compensation and punitive sanctions (whether criminal or administrative, such as fines), as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition.” The term “grievance” is defined as “a perceived injustice evoking an individual’s or a group’s sense of entitlement.” The UNGPs promote both state- and non-state-based judicial and non-judicial grievance mechanisms in five operational principles. Principle 31, the final principle, outlines “effectiveness criteria for non-judicial grievance mechanisms” applicable to both state-based and non-state-based mechanisms.

Following the endorsement of the UNGPs, the HRC established a Working Group on Business and Human Rights. The working group is comprised of five independent experts, representing balanced geographical regions, who are each appointed for a period of three years. Its mandate includes the promotion of effective implementation of the UNGPs and the exchange of good implementation practices, drawing upon information received from multiple sources, including governments, businesses, rights holders and civil society. It is also charged with supporting capacity-building efforts and, if asked, is to provide recommendations for the development of domestic law and policy in the area of business and human rights. The working group must work closely with other HRC special procedures, as well as the human rights treaty bodies, other relevant United Nations and international organizations, and regional human rights organizations.

The multi-stakeholder and internationally engaged nature of the mandate is further emphasized in two paragraphs that identify the importance of dialogue and cooperation across actor groups and with international organizations, including at the annual Forum on Business and Human Rights.

The importance of the UNGPs lies not only in the achievement of a global consensus on business and human rights, but also in the extent to which the responsibility to respect human rights is embedded in other international standards.

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21 Ibid at 16, Commentary to Principle 17.
22 Ibid at 17.
23 Ibid at 20, Principle 22.
24 Ibid at 22, Principle 25.
26 Ibid. A grievance may be based on “law, contract, explicit or implicit promises, customary practice, or general notions of fairness of aggrieved communities.”
27 Ibid at 23–27, Principles 26–30.
28 Ibid at 26, Principle 31.
30 Human rights and transnational corporations, supra note 2 at paras 6(a), 6(b).
31 Ibid at para 6(c).
32 Ibid at para 6(g).
33 Ibid at paras 6(h), 6(l). See e.g. ibid at para 6(h):
To develop a regular dialogue and discuss possible areas of cooperation with Governments and all relevant actors, including relevant United Nations bodies, specialized agencies, funds and programmes, in particular the Office of the United Nations High Commissioner for Human Rights, the Global Compact, the International Labour Organization, the World Bank and its International Finance Corporation, the United Nations Development Programme and the International Organization for Migration, as well as transnational corporations and other business enterprises, national human rights institutions, representatives of indigenous peoples, civil society organizations and other regional and subregional international organizations. See also A/HRC/RES/26/22, supra note 29 at paras 8, 11 and 17 on the importance of multi-stakeholder engagement for the success of the working group.
of corporate responsibility. These include the UN Global Compact, the Organisation for Economic Co-operation and Development’s (OECD’s) Guidelines for Multinational Enterprises (MNEs), the Voluntary Principles on Security and Human Rights, the International Finance Corporation’s (IFC’s) Performance Standards on Environmental and Social Sustainability and the Global Reporting Initiative, among others.

The Working Group on Business and Human Rights and Country Visits

Paragraph 6(d) of the resolution that created the working group tasks it with conducting “country visits and to respond promptly to invitations from States.” While the mandate does not elaborate on the nature of these country visits, an additional mandate paragraph highlights the importance of exploring the need to “enhance access to effective remedies” for victims of human rights violations arising from corporate activities. Furthermore, the working group is required by paragraph 6(f) to “integrate a gender perspective throughout the work of the mandate and to give special attention to persons living in vulnerable situations, in particular children.”

To date, the working group has reported on visits to seven countries, including the United States, Brazil and Mexico. The country visit to the United States, from April 22 to May 1, 2013, was its second, following its first visit to Mongolia. A full report of the US country visit is available as an addendum to a report to the HRC in 2014. Given that the United States is Canada’s closest neighbour and also a developed country, the US country visit report provides a useful template to consider as Canada prepares for its own country visit.

The working group selected specific policy themes and sectors for the US country visit. As a preliminary matter, the report considers the overall country context, including the extent to which the United States is a party to key human rights and labour conventions, and briefly examined a policy document on business and human rights published by the US government immediately before the country visit. While the working group commends the United States for taking regulatory and policy steps to prevent adverse impacts associated with US companies operating internationally, it suggests that a “rigorous and comprehensive review of the current legal and policy environment for businesses” both “at home and abroad” is necessary to ensure that businesses are “capable of meeting the expectations” in the UNGPs.

The substantive portion of the US country report begins by assessing the implementation of several key aspects of the UNGPs in US law and policy. First, the report notes the importance of achieving policy coherence across federal government agencies with regard to human rights and observes that while various initiatives were in place, this could not substitute for a comprehensive

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35 See UN Global Compact, “The Ten Principles of the UN Global Compact”, online: <www.unglobalcompact.org/what-is-gc/mission/principles>.


39 Global Reporting Initiative, online: <www.globalreporting.org/Pages/default.aspx>.

40 Human rights and transnational corporations, supra note 2 at para 6(d).

41 Ibid at para 6(e).

42 Ibid at para 6(f).


44 Ibid.

45 Ibid.

46 Ibid at para 2.


48 Ibid at paras 14–15.
“assessment of the current state of overall policy coherence and coordination between Government entities, the effectiveness of the measures undertaken, identification of good practices and gaps and challenges in the protection of rights and access to remedy.”

50 Such an assessment, suggests the working group, would be useful in the development of an NAP for implementation of the UNGPs. 51 As will be seen below in this paper, the United States published an NAP on business and human rights subsequent to the country visit.

Second, the working group considers the legal and policy measures developed by the US government to “increase transparency and reporting by companies in relation to their potential and actual human rights impacts.” 51 Next, initiatives undertaken to address human rights issues in conflict-affected areas are considered, with reference to due diligence in the supply chain of conflict minerals, and private security contracting by extractive companies. 52 Fourth, the working group considers the “State-business nexus” and whether respect for human rights is expected when financing or other support is provided by US export credit and insurance guarantee agencies. 53 Finally, attention is drawn to the need to strengthen the specific instance procedure of the national contact point (NCP) for the OECD MNE guidelines, with regard to transparency and fact-finding potential. 54

The US report continues with an extensive examination of labour standards as applied within the United States and with regard to US companies operating abroad. 55 Issues considered are low-wage labour and unfair practices, anti-trafficking initiatives, anti-child-labour initiatives and labour rights in supply chains. Access to remedy is the next section in the US report, with the working group noting the limited references to this pillar in the US government’s policy document on business and human rights. 56 The US report identifies the existence of ombudspersons housed in several federal agencies that link private citizens and businesses to address domestic human rights issues and re-emphasizes the important role that could be played by an effective NCP for the OECD MNE guidelines for issues involving US companies abroad. 57 Ultimately, the report identifies the need for “regulatory gaps, or legal or practical barriers” to be addressed so that legitimate cases seeking remedy from US-based companies, for human rights violations whether at home or abroad, can be heard. 58

The US report next considers three issues in specific contexts, of which the first, “Coal Mining in West Virginia,” and the third, “Business Impacts and Native Americans,” are of particular interest for the purpose of this paper. 59 With regard to coal mining, the working group highlights that the industry is regulated at both state and federal levels, including by the Environmental Protection Agency. Communities impacted by surface mining were “deeply divided,” and activists who were seen as “anti-coal” complained of experiencing “threats, intimidation and harassment.” 60 The concerns raised by community representatives over surface coal mining include impacts on physical and mental health, access to clean water, access to information for protection of cultural heritage and lack of consultation about planned permits. 61 Industry sources, on the other hand, expressed concern that a “general environmental agenda against coal” made it impossible to operate transparently.

49 Ibid at paras 16–18.
50 Ibid at para 18.
51 Ibid at paras 19–22 (referring to initiatives with regard to investments in Burma and revenue transparency rules for resource companies, among others).
52 Ibid at paras 23–28 (commenting favourably on the “Voluntary Principles on Security and Human Rights,” among other initiatives).
53 Ibid at paras 29–32 (commenting favourably on the alignment of environmental and social policies with IFC standards; the requirement to establish project-level grievance mechanisms; and alignment with the Equator Principles, online: <www.equator-principles.com>, and the OECD’s “Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence,” online: <www.oecd.org/tdg/scred/oecd-recommendations.htm> (OECD, “Common Approaches”).
54 Ibid at para 33. This section concludes with consideration of the need to ensure a greater role for Congress in raising awareness of business and human rights issues and addressing them in legislation and policy coherence: Ibid at paras 34–36.
55 Ibid at paras 37–57.
56 Ibid at paras 58–64.
57 Ibid at paras 60–61.
58 Ibid at paras 63–64 [noting that the country visit took place just after the US Supreme Court had issued its ruling in Kiobel v Royal Dutch Petroleum Co, 559 US ___ (2013) [Kiobel]]. On Kiobel, see also Sara L Seck, “Kiobel and the E-word: Reflections on Transnational Environmental Responsibility in an Interconnected World” (5 July 2013), Law at the End of the Day (blog), online: <http://lawatendofday.blogspot.ca/2013/07/sara-seck-on-kiobel-and-e-word.html>.
59 The second issue context identified is city government. See US Country Visit Report, supra note 3 at paras 73–76.
60 Ibid at para 68.
61 Ibid at para 69.
when engaging with local stakeholders as it would attract protests. The working group expresses concern over the nature of the allegations and recommends that responsible authorities conduct investigations and provide effective remedy to those affected. In addition, the working group clearly recommends that the coal companies themselves "ensure that they operate with respect for human rights, including by conducting due diligence on human rights issues in accordance with the Guiding Principles." The responsibility to respect human rights, and to demonstrate efforts to engage effectively with stakeholders even in the face of opposition and protest, remains in effect, despite the "divisive nature of the issue and strong opposition from some groups."  

With regard to Native Americans, the working group highlights US support for the United Nations Declaration on the Rights of Indigenous Peoples. Yet the report also points to submissions made to the working group by Indigenous peoples within the United States that raised concerns over adverse "impacts on environment, land and water and on sites of economic, cultural and religious significance" leading to displacement. The report welcomes efforts by US extractive companies to carry out human rights due diligence, in consultation with Indigenous peoples.  

Next, the US report examines specific industry sectors, beginning with consideration of how the business responsibility to respect human rights applies to financial institutions. The working group clarifies that the responsibility of financial institutions is not only "to prevent and address adverse impacts of their own activities" but also "to seek to prevent or mitigate impacts that are directly linked to their operations, products or services through their business relationships." However, bankers who met with the working group noted that "their leverage and ability to prevent adverse impacts was limited" and stressed that the understanding of how the business responsibility applies to financial institutions was evolving through various initiatives, including the OECD MNE guidelines and the United Nations Environment Programme's Finance Initiative, as well as legislative changes to domestic law definitions of fiduciary duties of asset managers. The working group also briefly considers the disproportionate impact of the recent financial crisis on vulnerable groups, especially the poor, racialized minorities and poor women.  

Finally, the report considers business and human rights issues in the information and communications technology (ICT) sector. Here, concerns are raised about the responsibility of ICT companies for compliance with "legal requirements for national security and countering terrorism," where access to private data is involved, when operating both within the United States and abroad. Other business and human rights responsibility issues raised with the ICT sector include the need to avoid conflict minerals in manufacturing supply chains and the need to address the harmful impacts of "improperly handled hazardous wastes."  

Because there has been a change in membership of the working group since the US country visit, lessons from other more recent country visits may also provide insights into what can be expected.

62 Ibid at para 70.
63 Ibid at para 72.
64 Ibid.
65 Ibid.
66 Ibid at para 77 (referring also to relevant reports of other human rights mechanisms).
67 Ibid at para 78 (rights violations cited were of "individuals to the enjoyment of the highest attainable standard of health; to an adequate standard of living, including food; to safe drinking water and sanitation; and to the right of self-determination for indigenous peoples").
68 Ibid at paras 79-80 (drawing attention to its own thematic report on business and the rights of Indigenous peoples, A/68/279).
69 Ibid at paras 81-88.
70 Ibid at para 81 (described as "an enabler of business activity, a gatekeeper of investment, an arbiter of economic risk and opportunity, and a major business sector in itself").
71 Ibid at paras 82–83 (also referencing the Equator Principles, supra note 53, the Thun Group of Banks and meetings with socially responsible investors). Note that the application of the UNGPs to financial institutions remains controversial today. See e.g. the February 2017 letter from the working group to the Thun Group of Banks: UN OHCHR, Mandate of the Working Group on the issue of human rights and transnational corporations and other business enterprises [2017] [Thun banks dispute], online: <www.ohchr.org/Documents/Issues/TransCorporations/WG_BHR_letter_Thun_Group.pdf>.
73 Ibid at paras 89–93.
74 Ibid at para 90.
75 Ibid at para 92 (recommending in part that the Electronics Industry Citizenship Coalition "ensure that its code of conduct aligns with the Guiding Principles").
76 On past and current membership of the working group, see OHCHR Working Group, supra note 1.
The most recent country visits were to Brazil, the Republic of Korea and Mexico; only Brazil’s complete country report is currently available. The Brazilian country visit was held in December 2015. Of particular interest for the purpose of this paper is the discussion of business and human rights issues arising in connection with “large-scale development projects,” also a subject of study in Brazil by its National Council on Human Rights. The Brazil country report notes that the working group heard “testimonies from affected communities about cases relating to extractive industries, agribusiness, and construction” that “illustrate recurrent concerns such as pollution, lack of consultation, inadequate government oversight, land expropriation, health impacts, and destruction of communities.” Three projects are considered in detail in the report: the construction of the Belo Monte hydro dam; the Doce River mining disaster; and construction for the 2016 Olympics. Additional specific issues considered in the report are the protection of the rights of Indigenous peoples, the risks facing human rights defenders and labour rights. Access to remedy, both state-based judicial and non-judicial, as well as non-state-based grievance mechanisms, receive attention, including the need to strengthen Brazil’s NCP for the OECD MNE guidelines to address issues arising both within Brazil and abroad. The Brazil report, like the US report, recommends that Brazil undertake to develop an NAP.

Although the full country reports on the Mexican and Korean visits are not available, a short statement made at the end of each visit provides useful insights. For example, following the visit to the Republic of Korea, the working group observed that it was struck by the absence of women in senior management positions. The Mexico statement similarly observes that “less than 5% of companies registered on Mexican stock exchanges have female CEOs.” While the Korea statement discusses supply chain responsibility and labour rights in some detail, the Mexico report focuses extensively upon Indigenous and environmental rights issues, including a toxic spill at a copper mine. The Mexico report also highlights the “alarming situation” facing human rights defenders, with “environmental human rights defenders and indigenous peoples” in particular being “targeted when they have shown opposition to development projects.”

From this brief survey, it is clear that a wide range of issues have been examined during country visits by the Working Group on Business and Human Rights. The next section will consider the Canadian context and anticipate possible areas of interest that may be the subject of scrutiny by the working group.

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78 Ibid at paras 18–45.

79 Ibid at para 19.

80 Ibid at paras 21–27.

81 Ibid at paras 28–33.

82 Ibid at paras 34–39.

83 Ibid at paras 46–47.

84 Ibid at paras 48–50.

85 Ibid at paras 51–55.

86 Ibid at paras 56–59.

87 Ibid at paras 61–62.


90 Ibid under the heading “Human rights defenders.”
Canada and Implementation of the Guiding Principles: Anticipating the Country Visit

Canada has a long-standing commitment to international human rights law and is a party to most key treaties. Canada was also an active participant in the early days of the development of the UNGPs, as the cosponsor of the resolution appointing the UN special representative on business and human rights. There are no signs, however, that Canada is considering drafting an NAP for the implementation of the UNGPs. Nevertheless, Canada has taken some action to address concerns arising from the activities of Canadian extractive companies operating internationally, most recently in the form of the 2014 revision of Canada’s CSR strategy for extractive companies operating abroad. This section will briefly consider multiple dimensions of implementation of the UNGPs that could be considered by the UN working group on its visit to Canada.

First, the importance of policy coherence on business and human rights issues across the federal government is likely to be a priority. Aside from the process used to develop Canada’s CSR strategy for extractive companies operating abroad, there is no evidence of similar efforts at the federal level targeting other industry sectors or business more generally. The working group is likely to suggest that Canada conduct an assessment of policy coherence and effectiveness as part of a process to develop an NAP.

Transparency and reporting areas are highlighted under the state duty to protect. It is likely that the federal government will point to sector-specific legislative initiatives, such as the Extractive Sector Transparency Measures Act, as well as the current review of the Canada Business Corporations Act (CBCA), which may provide for increased transparency on corporate board diversity. While a proposal to require additional disclosure of environmental and social information as part of the CBCA review was not accepted, securities law does require disclosure of environmental information for listed companies, and consideration is being given to additional disclosure requirements relating to climate change risks. However, unlike the United Kingdom and California, for example, Canada has not yet implemented legislation to require transparency in supply chains to avoid slave labour issues.

In terms of human rights issues arising in conflict-affected areas, the federal government is likely to highlight Canada’s role in the multi-stakeholder Voluntary Principles on Security and Human Rights, one of the standards promoted to

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92 Seck, “Canadian Mining”, supra note 4 at 52.
93 2014 CSR Strategy, supra note 4.
94 Seck, “Canadian Mining”, supra note 4 at 55–85 (describing the process leading to the drafting of the 2009 version of the CSR strategy).
extractive companies operating internationally under the CSR strategy. Canada does not have legislation to address conflict minerals in supply chains, although a bill of this nature has been introduced to the legislature on more than one occasion. Another topic that might be discussed with the working group is the role that Canada has played in the development of key guidance tools for human rights due diligence through the OECD, including the development of the OECD conflict minerals guidance and the recently released Guidance for Meaningful Stakeholder Engagement in the Extractive Sector.

The state-business nexus is a key component of the state duty to protect. Here, the government of Canada will likely refer to Export Development Canada’s (EDC’s) new Annual Public Forum platform for stakeholder engagement, as well as its commitment to CSR, including business ethics and environmental and social review, with strategic priorities of climate change, human rights and transparency. EDC’s adoption of both the OECD Recommendation on Common Approaches on Environment and the Equator Principles will likely be noted. The value of EDC’s compliance officer in enhancing transparency and accountability may also be a topic for discussion.

It is likely that attention will be paid to the fact that the CSR strategy for extractive companies operating abroad currently provides that companies that refuse to participate in dispute resolution processes, such as the OECD NCP or the CSR Counsellor for the Extractive Industries, will have this refusal taken into account when seeking support from the EDC or trade commissioner services when abroad. The effectiveness of Canadian state-based non-judicial remedies will certainly be a subject for discussion, and it is likely that both these mechanisms will be the subject of criticism. Notably, civil society groups have recently proposed legislation creating an independent mining ombudsperson with fact-finding powers to resolve disputes involving Canadian mining companies operating internationally. An interesting question is whether the working group will take a position on this proposal, and whether the group will also, or instead, suggest strengthening the structure of the OECD NCP process to align with best practices, including transparency and fact finding, as was suggested with regard to the US NCP.

Access to judicial remedy will likely be a topic that the working group will examine. While domestic access to justice issues remain a subject of attention within Canada, the working group is more likely to focus on how Canada’s (EDC’s) new Annual Public Forum platform for stakeholder engagement, including anti-corruption and human rights programs, may be relevant.

102 2014 CSR Strategy, supra note 4.


108 EDC, “Environment”, online: <https://www.edc.ca/EN/About-Us/Corporate-Social-Responsibility/Environment/Pages/default.aspx> (environmental and social risk management framework, including a review directive and disclosure policy).

109 EDC, “Corporate Social Responsibility”, online: <https://www.edc.ca/EN/About-Us/Corporate-Social-Responsibility/Pages/default.aspx>. Other key components of CSR at EDC are community investment and employee engagement.

110 Ibid. See also OECD, “Common Approaches”, supra note 53.

111 EDC, supra note 109; see also Equator Principles, supra note 53, and IFC, “Performance Standards”, supra note 38 (making the IFC performance standards the dominant approach to support in developing countries).

112 EDC, “Compliance Officer”, online: <https://www.edc.ca/EN/Management-and-Governance/Compliance-Officer/Pages/default.aspx>.


to consider the extent to which Canadian courts are agreeing to hear cases brought by foreign plaintiffs alleging human rights harms arising from Canadian corporate conduct abroad. At one time, there were very few such cases, but the judicial landscape has changed recently, with three such claims proceeding to trial on the merits in Canadian courts. Nevertheless, the working group may consider whether barriers remain for legitimate plaintiffs seeking transnational access to remedy.

The focus of most of the initiatives discussed above is on responsible business conduct by Canadian companies outside of Canada, but it is clear that implementation within Canada will also be a focus. It is likely that Canada will be seen as having strong labour laws (perhaps with the exception of protections for migrant agricultural workers) and that the work of human rights commissions will be viewed favourably. However, it is also likely that attention will be drawn to several areas and sectors that may be seen less favourably, including respect for Indigenous rights. For example, the Supreme Court of Canada has clarified that the Crown has a duty to consult and accommodate Indigenous peoples under section 35 of the Constitution and that the procedural aspects may be delegated. Nevertheless, controversy remains within Canada as to what precisely may be delegated. Companies, in particular those in the extractive sector, routinely do consult and reach agreements with Indigenous communities — sometimes, but not always — due to legislative requirements. When consultation does not lead to agreement, protests and blockades (and more litigation) may result. It is unclear whether domestic Canadian understandings of the duty to consult and accommodate align with the UNGPs. Irrespective of whether the state is in compliance with its own duties, businesses must still respect Indigenous rights. It would not be surprising if extractive industries (mining, oil and gas, and pipeline companies in particular) are among the sectors likely to be under the spotlight of the working group. Other sectors that may be examined include agribusiness, ICT industries and the financial sector. It is possible that attention will be drawn to the potential of subnational governments (provinces and municipalities) to play a role in protecting human rights, as was the case in the US country report. The low rate of female executives on corporate boards of

118 See especially Choc v HudBay Minerals Inc, 2013 ONSC 141, online: <http://canlii.ca/t/gfr0n>; Garcia v Tahoe Resources Inc, 2017 BCCA 39, online: <http://canlii.ca/t/gx4fk>, allowing the appeal of Garcia v Tahoe Resources Inc, 2015 BCSC 2045; Araya v Newsm Resources, 2016 BCSBC 1856, online: <http://canlii.ca/t/gv11z>.

119 See e.g. UN OHCHR, “OHCHR Accountability and Remedy Project: Improving accountability and access to remedy in cases of business involvement in human rights abuses”, online: <www.ohchr.org/EN/Issues/Business/Pages/OHCHRRudyndomesticclawsremedies.aspx>.


125 See e.g. Treaty Alliance Against Tar Sands Expansion [Treaty Alliance], online: <www.treatyalliance.org/> (listing opposition to the Kinder Morgan Trans Mountain, TransCanada Energy East, TransCanada Keystone XL, Enbridge Northern Gateway, and Enbridge Line 3 pipelines, due to concerns over both water quality and climate change).


128 See ibid at paras 81–84; Thun banks dispute, supra note 71; see also Piedra v Copper Mesa Mining Corporation, 2011 ONCA 191, online: <http://canlii.ca/t/29x4x> (arguing in part that the Toronto Stock Exchange owes a duty of care to Indigenous peoples whose rights were violated in the process of establishing a mine listed on the exchange).

129 US Country Visit Report, supra note 3 at paras 73–76.
directors in Canada may also merit consideration, as discussed in the Korea and Mexico reports.\textsuperscript{130}

One interesting question is whether the working group might link the many Canadian Indigenous rights and oil and gas industry conflicts\textsuperscript{134} to larger questions of climate change and human rights. For example, the Government of Canada explicitly recognizes that climate change could adversely affect “the spectrum of recognized international human rights norms” and that it can “worsen existing situations of poverty and fragility and create new vulnerabilities” especially for Indigenous peoples, women and children.\textsuperscript{135} Among the Canadians most vulnerable to climate change are the Inuit, as eloquently and powerfully argued by Inuk climate activist Sheila Watt-Cloutier in her recent book, The Right to Be Cold.\textsuperscript{133} Watt-Cloutier led the Inuit climate change petition to the Inter-American Commission on Human Rights in 2005,\textsuperscript{136} the first international legal action on climate change. While novel at the time, the link between climate change and the enjoyment of human rights is now increasingly accepted, as evidenced by the multiple resolutions and submissions on this topic at the HRC.\textsuperscript{137} That business has a responsibility to respect human rights and that this also applies to rights affected by climate change is argued in the recent Philippines human rights petition, in which some of the defendant “carbon majors” are Canadian companies.\textsuperscript{138}

This might be an issue for the working group to consider in Canada, both in terms of domestic and international companies operating within Canada and of Canadian companies operating outside of Canada. The issue of climate change is clearly of great concern to Indigenous peoples in Canada, who often lead opposition to controversial pipeline proposals out of concern not only for local environmental harm, but also for the impact of climate change on future generations.\textsuperscript{139}

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### Preliminary Conclusions: Time to Develop an NAP

It remains to be seen what specific issues will be raised during the working group’s country visit to Canada. Nevertheless, it seems highly likely that one outcome will be a recommendation that Canada develop an NAP for the implementation of the UNGPs. As of May 9, 2017, 14 countries have published NAPs: Colombia, Denmark, Finland, Lithuania, the Netherlands, Norway, Spain, Sweden and the United Kingdom, and, most recently, France, Germany, Italy, Switzerland and the United States.\textsuperscript{138} More than 20 other countries have committed to developing NAPs in the near future, but Canada is not listed as one.\textsuperscript{139}

While it is beyond the scope of this paper to make detailed recommendations regarding what a Canadian NAP might include, a few observations are in order. Of the NAPs drafted to date, many have tended to follow closely the principles in the UNGPs — or its three-pillar structure — but with detailed

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\textsuperscript{131} See the list of disputes in Treaty Alliance, supra note 125.


\textsuperscript{133} Sheila Watt-Cloutier, The Right to Be Cold: One Women’s Story of Protecting Her Culture, the Arctic and the Whole Planet (Toronto, ON: Penguin, 2015).

\textsuperscript{134} Inuit Circumpolar Council Canada, “Inuit Petition Inter-American Commission on Human Rights to Oppose Climate Change Caused by the United States of America” (7 December 2005), online: <www.inuitcircumpolar.com/inuitpetition-interamericancommissiononhumanrights-tooppose-climatechange-causedbytheunitedstatesofamerica.html>; see also Arctic Athabaskans’ petition against Canada: Verónica de la Rosa Jaimes, “The Petition of the Arctic Athabaskan Peoples to the Inter American Commission on Human Rights” (22 July 2013), ABlawg.org (blog), online: <http://ablawg.ca/2013/07/22/the-petition-of-the-arctic-athabaskan-peoples-to-the-inter-american-commission-on-human-rights/>.

\textsuperscript{135} UN OHCHR, “Documents and Resources: HRC Resolutions on human rights and climate change”, online: <www.ohchr.org/EN/Issues/HRAAndClimateChange/Pages/HRCAction.aspx>.

\textsuperscript{136} Greenpeace Southeast Asia and Philippine Rural Reconstruction Movement, “Petition to the Commission on Human Rights of the Philippines Requesting for Investigation of the Responsibility of the Carbon Majors for Human Rights Violations or Threats of Violations Resulting from the Impacts of Climate Change”, online: <www.greenpeace.org/seaasia/ph/PageFiles/105904/Climate-Change-and-Human-Rights-Complaint.pdf> (Canadian companies listed on page 4 of the petition include EnCana, Suncor, Canadian Natural Resources, Talisman, Nexen and Husky Energy).

\textsuperscript{137} See Treaty Alliance, supra note 125.


\textsuperscript{139} Ibid.
attention only to a subset of select principles. Of note is that while some NAPs use the phrase “corporate social responsibility” and set out a voluntary expectation for business conduct, others adopt a “business and human rights” approach that is used either interchangeably with CSR, or clearly distinguished from it. The US plan, on the other hand, adopts the language of “responsible business conduct,” which is defined as emphasizing both positive business impacts and the importance of avoiding adverse impacts. As a preliminary matter, then, it appears that the scope and purpose of a Canadian NAP could take many forms.

The majority of NAPs to date take the position that the country’s domestic legislation already safeguards human rights and therefore focus on furthering business respect for human rights — responsible business conduct or CSR — internationally. In terms of the NAPs’ subject matter, most included attention to supply chain responsibility, as well as the importance of reporting and transparency, with the Denmark plan including both human rights and climate impacts in reporting requirements. Most NAPs consider gender equality issues, while Indigenous rights were addressed in a smaller subset of NAPs. Of note, the Norway plan highlights the vulnerability of Indigenous peoples to climate change. Virtually all NAPs discuss the role of the OECD NCPs as part of the issue of access to remedy. The obligations of export credit or related agencies are addressed in detail in most NAPs, and most NAPs committed to considering the incorporation of business responsibilities for human rights into trade and investment agreements.

For example, Colombia, Denmark, Finland, Germany, Italy, Lithuania, Norway, Sweden, Switzerland and the United Kingdom all loosely follow the structure of UNGPs. The Netherlands plan and the US plan are outliers in terms of structure.


The US and Switzerland plans, for example, explicitly adopt a focus on the conduct of businesses operating abroad. See ibid. at 4; Switzerland, “Report on the Swiss strategy for the implementation of the UN Guiding Principles on Business and Human Rights” (9 December 2016) at 11/51 [Switzerland Plan], online: <https://businesshumanrights.org/sites/default/files/documents/Report%20on%20Swiss%20strategy%20for%20implementation%20of%20UNGPs.pdf>.

See e.g. the updated UK plan which refers to the G7 Leaders Declaration (7–8 June 2015) on point: “To enhance supply chain transparency and accountability, we encourage enterprises active or headquartered in our countries to implement due diligence procedures regarding their supply chains.” United Kingdom, Secretary of State for Foreign and Commonwealth Affairs, “Good Business: Implementing the UN Guiding Principles on Business and Human Rights” (May 2016) at 3 [UK Updated Plan], online: <www.gov.uk/government/uploads/system/uploads/attachment_data/file/522805/Good_Business_Implementing_the_UN_Guiding_Principles_on_Business_and_Human_Rights_updated_May_2016.pdf>.

See e.g. ibid at 4 (referring to the importance of reporting/ transparency); 8 (referring to reporting requirements under the Modern Slavery Act and Companies Act 2006); 16 (referring to the Corporate Human Rights Benchmark Initiative and the UNGP Reporting Framework); and 16 (noting a commitment to “ensure the provisions of [the] EU Directive on nonfinancial disclosure are transposed in the UK”).

Denmark, “Danish National Action Plan — implementation of the UN Guiding Principles on Business and Human Rights” (2014) at 14 [Denmark Plan], online: <www.ohchr.org/Documents/Issues/Business/NationalPlans/Denmark_NationalPlanBHR.pdf> (noting that, as of 2013, the largest Danish companies “expressly must state in their reports what measures they are taking to respect human rights and to reduce their impact on the climate.… If the company does not have policies for human rights or climate issues, this must also be disclosed”).

See e.g. Germany, “Nationaler Aktionplan: Umsetzung der VN-Leitprinzipien für Wirtschaft und Menschenrechte” (2016) at 15–16, online: <www.auswaertiges-amt.de/cae/servlet/contentblob/754590/publicationFile/222786/161221-NAP-DL.pdf> (noting domestic efforts to ensure gender parity); and 18–19 (noting the goal of empowerment of women through development projects).

For example, Indigenous issues are referred to in the plans of Colombia, Denmark, Finland, Germany, Norway, Spain, Switzerland, the United Kingdom and the United States.

Norway Plan, supra note 141 at 32, 34.

See e.g. Denmark Plan, supra note 146 at 12, 20–21 (noting that the Danish NCP is established by law and can conduct investigations abroad on its own accord).

In this regard, many of the NAPs refer to the OECD’s “Common Approaches on Export Credits and the Environment," supra note 53. See e.g. Denmark Plan, supra note 146 at 13; UK Updated Plan, supra note 144 at 8; Netherlands Plan, supra note 141 at 9.

Sweden Plan, supra note 141 at 21, 29; UK Updated Plan, supra note 144 at 11.
There is wide variation among the NAPs in terms of whether or how they choose to incorporate environmental issues. Some consider environmental issues incidentally and in passing, but do not devote attention to environmental harm as a business and human rights issue.\textsuperscript{153} Other NAPs explicitly draw a link between the environment and human rights and, in some cases, incorporate consideration of climate change throughout.\textsuperscript{154} Those that do consider the environmental dimensions of business and human rights then link to a wide variety of legal and policy measures, including reporting requirements, clauses in trade agreements, the rights of Indigenous and local communities, agricultural policy, export credit agencies and environmental crimes. Some NAPs note that attention to business responsibilities for human rights will help in implementation of Agenda 2030 and the Sustainable Development Goals (SDGs).\textsuperscript{155}

A steadily increasing number of countries are adopting NAPs on business and human rights. Some, but not all, integrate consideration of environmental issues, Indigenous issues and climate change. Canada, with its historic commitment to international human rights law and a strong commitment to Indigenous rights, environmental protection and addressing climate change, is well placed to seize the opportunity to develop a cutting-edge NAP of domestic and global significance. The country visit of the Working Group on Business and Human Rights may provide the necessary motivation to move forward.

\begin{footnotesize}
\textsuperscript{153} This was the case, for example, with the Colombia, Denmark, Finland, Germany, Lithuania, Netherlands, Sweden, Switzerland and United Kingdom plans.

\textsuperscript{154} See e.g. the Italy, Norway, Spain and United States plans. The Norway plan is particularly clear on these linkages. See Norway Plan, supra note \textsuperscript{141} at 5 (on climate change), 13 (linking human rights to environmental protection and climate change), and 32 (regarding principle 12 of the UNGPs, stating: “Impacts on the climate and the environment resulting from the enterprise’s activities, for example through land use, exploitation of natural resources, greenhouse gas emissions or releases of hazardous substances, may also have adverse impacts on a broader range of human rights, such as minority and indigenous people’s rights or the right to life, health, food, water or adequate housing. If a company is responsible for such impacts, it is also responsible for addressing them”).

\textsuperscript{155} See e.g. Switzerland Plan, supra note \textsuperscript{143} at 6/51 (referring specifically to SDGs 8, 10, 12 and 17); Sweden Plan, supra note \textsuperscript{141} at 6, 29. “The 2030 Agenda for Sustainable Development and the SDGs”, online: European Commission <http://ec.europa.eu/environment/sustainable-development/SDGs/index_en.htm>.
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