

**Government of Canada Annual Report to the
Voluntary Principles on Security and Human Rights Initiative
(2023 calendar year)**

A. Commitment to the Voluntary Principles

Commitment to the Rules of the VPI

1. Statement of commitment or endorsement of the Voluntary Principles.

Canada is committed to the Voluntary Principles on Security and Human Rights (VPs) as a tool to help anticipate and mitigate risks associated with the deployment of public and private security, particularly in the extractive sector. Canada supports the Voluntary Principles Initiative (VPI) as a forum that promotes multi-stakeholder dialogue, mutual learning, relationship building and collaborative problem-solving, making it possible to respond effectively to security and human rights challenges.

Canada welcomes the addition of new members to the VPI and discussions on expanding the scope of the Initiative. The Voluntary Principles' risk assessment approach and its strong emphasis on communication training and confidence-building have led to widespread use and application of the VPs, including by non-members and companies operating in complex environments.

2. Statement of commitment to implement National Plan(s).

N/A

B. Domestic Policies, Laws, and Regulations

3. As related to the Voluntary Principles, describe relevant policies, legislation, procedures, and/or guidelines relevant to promoting and protecting human rights, consistent with international human rights obligations.

Domestic promotion and protection of human rights:

Canada is party to the seven principal United Nations human rights conventions and covenants (also known as treaties). As a party to these treaties, Canada agrees to respect and ensure the human rights of all individuals within its territory and subject to its jurisdiction, without discrimination of any kind. Under Canada's federal system of government, responsibility for ensuring respect for human rights is shared between federal, provincial and territorial governments.

Canada's domestic framework for the protection of human rights includes numerous guarantees for those in vulnerable situations:

- Human rights are constitutionally entrenched in the *Canadian Charter of Rights and Freedoms* (adopted in 1982), which sets out those rights and freedoms that Canadians believe are necessary in a free and democratic society. The *Charter* applies to all government activities, at the federal, provincial, and territorial levels. It includes protections related to fundamental freedoms; democracy; mobility; life, liberty and personal security; equality; official languages; minority language education rights; Canada's multicultural heritage and Indigenous Peoples' rights.
- Canada's Constitution contains additional protections for the rights of First Nations, Inuit and Métis peoples of Canada. These include rights over lands and to self-government.
- Human rights are implemented in Canada through numerous federal, provincial and territorial government policies and programs.

More information on Canada's domestic legal framework for human rights protection can be found in Canada's core document on the website of the UN Office of the High Commissioner for Human Rights.

Forced labour

In July 2020, Canada made amendments to the Customs Tariff, prohibiting the import of goods manufactured wholly, or in part, through forced labour. In addition, Canada's free trade agreements include obligations to address child and forced labour and Canada provides technical assistance to support partner countries in respecting these labour protections.

Canada's first supply chain legislation, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act)* came into force on January 1, 2024. This transparency legislation contains reporting requirements for certain private sector entities and Canadian government institutions to identify steps taken to prevent and reduce the risk that forced or child labour was used by them or in their supply chains. It expands the current import ban on goods made with forced labour, including forced child labour, to include goods made with child labour under specific conditions, including circumstances that would be contrary to Canadian law. Annual reports must be submitted to the Minister of Public Safety annually and are maintained in a publicly available electronic registry on Public Safety Canada's website.

International promotion and protection of human rights:

An obligation in the United Nations Charter is to promote universal respect for, and observance of, human rights and fundamental freedoms. Canada fulfills this obligation through international assistance, bilateral cooperation and active engagement with United Nations fora and human rights mechanisms.

Voices at risk: Canada's guidelines on supporting human rights defenders

Canada's guidelines on supporting human rights defenders provide a clear statement of Canada's commitment to advancing respect for human rights. These guidelines provide practical advice, tools and resources to Canadian officials working in Canada and abroad on how to support the vital work of

human rights defenders who promote human rights, often at great risk to themselves, their loved ones and the organizations and movements they represent. The Guidelines reflect Canada's feminist foreign policy, including an understanding that human rights defenders have intersecting identities (such as race, age, disability, ethnicity, religion, sexual orientation, and gender identity), and experience numerous and concurrent forms of discrimination, harassment, and marginalization.

Canada's Feminist International Assistance Policy

Canada's Feminist International Assistance Policy commits Canada to providing international assistance that is human rights-based and inclusive. This means that all people have the same human rights, regardless of sex, race, ethnicity, national or ethnic origin, colour, religion, language, sexual orientation, gender identity, age, ability, and other aspects of identity. In keeping with this policy, Canada is supporting women's leadership and decision-making in climate change mitigation and adaptation, resilience-building, and sustainable natural resources management.

Canada's National Action Plan on Women, Peace and Security

In 2023, Foundations for Peace: Canada's National Action Plan on Women, Peace and Security (2023-2029) was established. The Action Plan sustains a focus on advancing the women, peace and security agenda internationally and includes commitments that will be implemented domestically. It strengthens Canada's commitments to the full and meaningful inclusion of diverse women in all matters of peace and security. Canada's National Action Plan is one of the only Action Plans globally to formalize an official role for civil society.

Responsible Business Conduct Abroad (RBC)

The Government of Canada expects Canadian companies operating abroad to respect human rights, operate lawfully, and conduct their activities in a socially and environmentally responsible manner consistent with international principles and standards on RBC. These include the VPs, the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. Endorsement of the VPs is part of Canada's approach to RBC abroad, particularly as it relates to the extractive and agro-business sectors.

Launched in 2022, Canada's Responsible Business Conduct Abroad Strategy (RBC) provides support to Canadian companies active abroad to enable them to abide by relevant laws, respect human rights in their operations (including their supply chains), and adopt best practices and internationally respected guidelines (the *UN Guiding Principles on Business and Human Rights* and the *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct*). Work is underway to implement the strategy focusing on the following:

- Development of a standard on due diligence reporting to provide guidance to Canadian companies.
- Introduction of a digital RBC Attestation for Canadian companies to access Trade Commissioner Service (TCS) services.
- Establishment of a network of RBC Champions in Canada and Abroad.

Inclusive Approach to Trade

As part of its Trade Diversification Strategy, Canada is advancing an inclusive approach to trade that seeks to share the benefits and opportunities that flow from trade widely, including with women, small and medium enterprises, and Indigenous Peoples. Efforts to date have focused on engaging with Canadians before, during and after trade negotiations, conducting comprehensive and ongoing Gender Based Analysis (GBA) Plus of trade negotiations, and expanding gender responsive and inclusive trade content in trade agreements. Canada is also engaging with international partners such as the World Trade Organization (WTO), the G7, G20 and the Organisation for Economic Co-operation and Development and Asia-Pacific Economic Cooperation to promote and advance gender responsive and inclusive trade initiatives.

Since 2021, in response to concerns about human rights violations in China's Xinjiang region, Canadian companies that have business ties to that region are required to sign the Xinjiang Integrity Declaration to receive support from Canada's Trade Commissioner Service. The Declaration acknowledges that the company is aware of Canadian law with respect to the prohibition of forced labour, recognizes the Government of Canada's expectations with respect to the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and UN Guiding Principles on Business and Human Rights and is aware of the human rights situation in Xinjiang.

4. Within the context of the Voluntary Principles and in accordance with national and international law, describe how the government takes appropriate steps to prevent, investigate, punish, and redress human rights abuses within its territory and/or jurisdiction by third parties, including extractive companies and public and private security providers.

Canada's Domestic Policy

All levels of governments in Canada (federal, provincial, and territorial) have adopted legislation prohibiting discrimination on various grounds. Individuals can pursue and seek redress for violations of anti-discrimination codes by third parties through federal and provincial/territorial human rights commissions, tribunals, or the courts. There are various avenues of redress for individuals who believe they are victims of human rights abuses committed in Canada by third parties.

- Canada's Criminal Code, which applies in every jurisdiction in Canada, provides a means of preventing, investigating, punishing, and providing redress for human rights abuses by third parties, most notably in relation to the right to life and security of the person.
- Legislation in relation to labour and employment helps to ensure that workers in both the public and private sectors have a safe and healthy workplace, are subject to fair employment practices, and can organize collectively.
- Some jurisdictions in Canada also have laws in place to protect individuals' privacy rights vis-à-vis both public- and private-sector entities.
- Certain provisions in the common law (judge-made law, which applies in most jurisdictions across Canada) contain remedies for abuses by third parties of some human rights. For example, damages (including compensation) may be sought for certain intentional or

negligent behaviour that causes harm, wrongful dismissal from employment, defamation of character, libel or infringement of property rights.

Canada's international policy for dispute resolution

Canada's dispute resolution mechanisms are anchored in the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises. This includes:

The Canadian Ombudsperson for Responsible Enterprise (CORE)

Established in 2019, the CORE, is mandated to:

- Promote the implementation of the *UNGPs* and the *OECD Guidelines*.
- Advise Canadian companies on their policies and practices with respect to RBC.
- Review allegations of human rights abuses arising from the operations of a Canadian company abroad in the mining, oil and gas and garment sectors.
- Offer informal mediation services.
- Provide advice to the Minister for International Trade on any matter relating to their mandate.

The office of the CORE began accepting cases in 2021 and published its first set of initial assessment reports in July 2023.

Canada's National Contact Point (NCP)

Canada's National Contact Point (NCP) is a non-judicial mechanism mandated to help facilitate – through dialogue and mediation – the resolution of disputes around observance of the OECD Guidelines for Multinational Enterprises by multinational enterprises operating in or from Canada. Canada's NCP can address a wide range of complaints, including on human rights, the environment, employment, and industrial relations. Canada's NCP is an interdepartmental committee comprising participants from eight federal departments.

C. Promotion and Implementation

5. Describe how the government publicly communicates its commitment to the Voluntary Principles.

As an active participant in the VPI, Canada shares information about implementation through this annual public report, as well as by providing updates to the relevant working groups of the Steering Committee. General information on the VPs and Canada's RBC Strategy and international RBC standards is available to the public on websites maintained by Global Affairs Canada and Innovation, Science, and Economic Development Canada.

In 2023, Canadian officials promoted the VPs at various natural resources and/or responsible business events and engagements, including at the Prospectors and Development Association Conference in March in Toronto.

6. Describe how the government conducts outreach to, and awareness-raising activities with, NGOs, extractive companies, and governments to encourage them to implement the Voluntary Principles and/or join the Voluntary Principles Initiative.

Canadian officials engage regularly with civil society, industry associations (including the Mining Association of Canada) and extractives companies to discuss and promote human rights and the voluntary principles in the natural resource sector.

Multilaterally, Canada promotes internationally recognised RBC standards, including the VPs, at the OECD, the G7, the G20, the Asia Pacific Economic Co-operation, the Organization of American States, the United Nations Forum on Business and Human Rights, the Francophonie, and the Commonwealth.

In 2023, Canada's diplomatic missions abroad continued to be actively engaged in the VPI In-Country Working Groups and other outreach, promotion, and implementation activities including:

- Peru: Canada hosted the second meeting of the working group in January 2023. The group is revising the Terms of Reference and exploring the possibility of becoming a formal working group.
- Brazil: In 2023, Canada continued to participate in the Brazil Working Group by attending quarterly meetings and supporting the Secretariat's visit to Brazil for the launch of the National Working Group on the Voluntary Principles.
- Ecuador: In 2023, the Embassy of Canada sponsored a workshop on responsible mining for parliamentarians. Canada's Ambassador to Ecuador leads a group of foreign missions (US, UK, Australia, Peru, and Chile) that conducts outreach on a wide range of mining topics, including equitable distribution of royalties and the creation of a framework for prior informed consent and human rights.
- Mexico: In 2023, the Canadian Embassy in Mexico conducted information sessions for Canadian diplomatic staff across Mexico to promote responsible business conduct, including the VPs.
- Chile: In 2023, the Embassy of Canada hosted a public, multisectoral seminar and panel discussion on business and human rights, co-organized with the government of Chile and the Chilean Canadian Chamber of Commerce.

7. Describe how the government promotes the Voluntary Principles within its own government.

Canada's engagement in the VPI is a responsibility of Global Affairs Canada, a government department led by the Minister of Foreign Affairs, the Minister of International Trade, and the Minister of International Development. The portfolios of each of these ministers intersects with the VPs. Canada's promotion of the VPs and engagement in the VPI involves the engagement of various divisions within

Global Affairs Canada (thematic, geographic, trade, legal), as well as Canadian embassies and high commissions abroad, and other Canadian government departments.

The training that Canada's Trade Commissioners receive prior to being posted abroad includes the VPs as part of the Responsible Business Conduct theme. This training provides Trade Commissioners with tools to support Canadian companies conduct business abroad in a socially and environmentally responsible manner consistent with internationally recognized standards and practices.

8. Describe government engagement in the VPI.

Canada has been an active member of the Government Pillar of the VPI since 2009. Canada joined the Steering Committee in 2015. Canada chaired the VPI in 2011-2012, 2016-2017, and 2021-2023. Canada is an active member of the VPI and attends the plenary and actively engages in working group and discussions with all members.

Canada provided funding to the project "Enhancing Gender Equality through the Voluntary Principles." to enhance the effectiveness of the initiative in addressing gender considerations and to identify the unique human rights risks faced by groups in vulnerable situations. In 2023, the project published an Implementation Guidance Companion Tool – Operationalizing the Voluntary Principles Through the Lens of Protecting and Respecting the Unique Needs and Rights of Women and Other Disadvantaged Groups.

9. Describe how the government works with companies, communities, and civil society organizations on Voluntary Principles implementation.

The VPs are part of the internationally recognised guidelines and standards related to responsible business conduct (RBC) that Global Affairs Canada promotes to Canadian companies active abroad. This is done through Canada's Trade Commissioner Service network of over 160 trade offices and over 1,000 Trade Commissioners worldwide. The VPs as a tool for preventing and mitigating human rights abuses are used by staff across Global Affairs Canada in the context of international diplomacy and the promotion of human rights in multilateral and bilateral settings.

Canada's diplomatic missions abroad provide support to Canadian companies for implementation of RBC best practices, including the VPs. Since 2019, Canada has supported in-market initiatives through a dedicated Responsible Business Fund. This fund allows Canadian missions abroad through Canada's Trade Commissioner Service to facilitate workshops, seminars, roundtables, and information product dissemination to promote international guidelines and best practices, including the VPs.

10. Describe how the Government engages with companies on issues related to company risk assessment.

Canada is engaged in international norm-setting initiatives such as the OECD Due Diligence Guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas, which promotes a risk-based approach and provides risk mitigation measures. Canada participates in the working group

for the OECD Due Diligence guidance for Meaningful Stakeholder Engagement in the Extractive Sector, which assists companies in identifying potential human rights impacts of security operations and recommends implementation of the VPs. Canada participates in the Kimberley Process Certification Scheme to regulate the international trade in rough diamonds and reduce the flow of conflict diamonds. Canada contributed to the development of the 2021 Kimberley Process Declaration on Supporting Principles for Responsible Diamond Sourcing as Best Practices.

Canada's Trade Commissioner Service network is an information and support focal point for Canadian companies operating abroad, including in conflict-sensitive areas. Canada makes extensive use of Trade Commissioners at embassies abroad to actively implement Canada's RBC abroad approach and advise Canadian firms on responsible business practices. Moreover, Canada is a vocal supporter of the Model Clauses for Agreements between Government Security Forces and Companies with Respect to Security and Human Rights, a tool that is included in Canada's promotion of the VPs and the VPI.

Under the International Police Peacekeeping and Peace Operations (IPP) Program, Canadian Policing members are deployed to international peace support operations or other stabilization missions. The international deployment of Canadian police officers contributes to reducing crime, instability, and fragility in countries where they are engaged. All participating police members must complete training on human rights, gender diversity and sexual and gender-based violence. Canada also promotes the training of public security providers with international assistance through its Anti-Crime Capacity Building Program, which includes a focus on security sector reform and training.

11. Describe how the Government engages with companies around engagement with public and private security forces.

Canada strongly supports efforts to ensure that territorial, contracting and home states involved in the services of private military and security companies (PMSCs) understand, respect and act in a manner that is consistent with international human rights and humanitarian law. Canada was one of 17 States involved in the development of the "Montreux Document on Pertinent International Legal Obligations and Good Practices for States related to Operations of Private Military and Security Companies during Armed Conflict" in 2008. It was also involved in the development in 2010 of the "International Code of Conduct (ICoC) for Private Security Service Providers" to promote respect for human rights, compliance with international humanitarian law (IHL) and the responsible provision of security services by PMSCs. In 2016, Canada became one of seven State members of the "International Code of Conduct for Private Security Providers' Association" (ICoCA) which oversees implementation of the code of conduct. Canada continues to promote both of these instruments in our contracting policy for PMSCs.

In public procurement bidding processes, Global Affairs Canada favourably evaluates security firms that are ICoCA members and which include human rights awareness and training as an integral part of their corporate mandate and/or mission statement. Furthermore, in 2018, consistent with Canada's policy of zero tolerance for sexual exploitation and abuse, Canada helped to develop ICoCA's guidelines in this regard.

B. Lessons and Issues

12. To help determine what best practices and lessons learned can be leveraged going forward, provide a summary of issues from this reporting year, as well as plans or opportunities to advance the Voluntary Principles for the government.

- There are opportunities to continue streamlining the governance structure of the VPI and to seek greater efficiency, particularly with regard to administrative matters. This should enable the Steering Committee to focus on broader, more strategic issues facing the initiative.
- There are opportunities to continue to further advance gender equality and inclusion dimensions within the VPs.
- In the context of human rights due diligence legislation being developed in various jurisdictions, there are opportunities to promote and further discuss the benefits of a balanced approach that combines mandatory and voluntary measures.
- Canada looks forward to engaging collaboratively in measures aimed at strengthening and improving the VPI and enabling it to keep pace in an evolving world.