



Canadian Commercial Corporation
Corporation Commerciale Canadienne

Human Rights Due Diligence Instruction

1. Effective Date

The President has approved this Instruction. It takes effect on April 8, 2019. All subsequent changes are highlighted in the “Document History” section at the end of the Instruction.

2. Executive Sponsor

VP, Legal Services, General Counsel & Corporate Secretary (VP Legal).

3. Background

This document defines the business processes to be followed in the Corporation’s aim to ensure human rights are core guiding principles in its business transactions.

This Instruction will guide CCC to operate in a manner consistent with the policies of the Government of Canada, and in particular, with the Canada’s commitments to respect, protect and promote human rights domestically and internationally. CCC must take into account the government’s policy to build long-term bilateral relationships in the interests of peace and security while at the same time ensuring its transactions comply with Canada’s human rights obligations and international standards. The complexity of these factors creates the backdrop to CCC’s operations particularly with respect to its transactions in the defence and security sector and the infrastructure sector.

4. Application

This Instruction applies to all of the Corporation’s business lines and their related export transactions. Exporters means Canadian exporters/suppliers that seek to use CCC services.

5. Compliance and Monitoring

All CCC employees must comply with this Instruction, related policies, instructions and guidelines and all subordinate unit specific procedures as it pertains to the conduct of all

CCC operations. It is incumbent upon each employee to know and abide by the content of this Instruction. Further, it is the responsibility of their respective Managers and Executive to ensure that:

- All employees are made aware of the policies, instructions, guidelines and procedures that govern daily work activities, especially during the orientation phase of a new employee or an employee transferred from another business unit within CCC;
- All employees are continuously monitored in the application of all relevant policies, instructions and procedures during the conduct of daily business operations; and,
- Cyclical review of policies, instructions, guidelines and procedures take place as defined in the Policy Governance Framework; and that any resultant amendments or amendments otherwise derived from lessons learned be forwarded to VP, Corporate Services, & Chief Financial Officer (CS&CFO) for overall policy suite reconciliation.

6. Context

- 6.1 Forming part of the larger Responsible Business Conduct (RBC) Framework, this document defines the business processes to be followed in the Corporation's aim to ensure CCC's business practices have human rights as core guiding principles. Through incorporating human rights into the transactional due diligence and risk assessments, the Corporation seeks to identify, prevent or mitigate human rights impacts in CCC transactions. CCC also seeks to promote cooperation, transparency and responsible action in international trade with respect to human rights both with its exporters and with foreign government buyers.
- 6.2 The Corporation is committed to meeting its responsibility to respect human rights and establish processes to assess human rights impacts in accordance with the standards and criteria in *The UN Guiding Principles on Business and Human Rights*, the *OECD guidelines for Multinational Enterprises* and the *United Nations Arms Trade Treaty (ATT)*, with Canada's accession through *Bill C-47*.
- 6.3 This Instruction is designed to ensure that CCC establishes and ensures the effectiveness of its human rights due diligence process to account for human rights impacts that may be affected by its transactions. This Instruction parallels the Integrity Compliance Instruction and Integrity Compliance Guidelines and complements the assessments and work of the Corporation in the field of anti-bribery and corruption.

7. Instruction Requirements

7.1 CCC Human Rights Committee – Role:

7.1.1 The Corporation shall establish a Human Rights Committee (HRC) composed of cross-functional representatives from across the Corporation to review human rights issues, perform due diligence on transactions, and to make recommendations for policy, practice, procedures and control improvements to management. The HRC reports to the Risk and Opportunities Committee (ROC) comprised of CCC's senior management. This group, in turn, reports to the Board of Directors that has oversight and provides governance for CCC policies involving Responsible Business Conduct policies, practices and processes.

7.1.2 The HRC is responsible for ensuring human rights due diligence is completed for all transactions that contain a human rights trigger. Triggers for assessment include transactions involving:

- Defence or security goods or technology (including cyber technology);
- Buyer/end-user is the military, police, security or armed forces;
- The mandate of the buyer raises human rights concerns; and
- Infrastructure transactions.

7.2 Human Rights Due Diligence

The human rights due diligence process includes the following steps:

7.2.1 The Integrity Compliance Instruction includes a Due Diligence Questionnaire for each line of business of the Corporation. The questionnaire includes a section aimed at assessing the human rights risk of the transaction. The following categories (not meant to be exhaustive) are included in the document:

- Product/Project
- Buyer/End-User/End-Use
- Litigation History (human rights/labour rights)
- Exporter/Buyer Governance (Policies and Practices)
- Human Rights Risk and (re)Mediation Management

- Disclosure

The Due Diligence Questionnaire contains a “Certificate of Compliance” which must be signed by a senior officer of the Exporter. The Certificate of Compliance contains a declaration / certification in regards to the accuracy of the responses.

7.2.2 The information provided in 7.2.1 above, is provided in a timely fashion to CCC’s HRC. The information provided by the Exporter will be reviewed, verified and supplemented by information from the project officer, manager and/or director and the Government of Canada (Global Affairs Canada, the Department of National Defence etc.), as appropriate. All responses provided will be assessed by the HRC for a determination of findings, risks and possible human rights impacts using the Human Rights Due Diligence Guidelines. At the initial stages of a pursuit, the HRC will outline its findings to the Risk and Opportunities Committee (ROC). As the pursuit progresses, the findings, risk assessment, impacts and recommendations of the HRC will be updated, monitored and reported to the Project Officers and ROC throughout the life cycle of the project.

7.2.3 Recognizing that CCC’s involvement in the defence and security sector is informed by the direction and policy of the Government of Canada, CCC will consult with Global Affairs Canada for its sensitive defence sector transactions. CCC will rely on Global Affairs Canada to provide information from its subject matters experts on:

- The country (including the region if relevant) in question – including human rights findings;
- The foreign government buyer and end user as applicable;
- The human rights record of the foreign government buyer and end-user;
- Export controls applicable to the transactions;
- The policy of the Government of Canada with respect to the bilateral relationship as relevant to this transaction; and
- Other relevant information that would impact a decision to proceed or not to proceed with a transaction or other action.

7.2.4 CCC will inform the Minister’s office of any sensitive transactions. CCC will engage with the Minister’s office and his department to ensure a mutual understanding of which types of transactions constitute sensitive transactions.

7.2.5 The VP Legal is responsible for ensuring the form and content of the Due Diligence Questionnaire and the Human Rights Due Diligence Guidelines are relevant and up-to-date and includes input from the VP, BD&S, VP D&CM and VP CS&CFO. With the recommendation of the HRC, ROC may approve changes to the Human Rights Due Diligence Questionnaire and Human Rights Due Diligence Guidelines, as required.

7.4 **Certification of Projects - Triggering Human Rights Due Diligence**

7.4.1 All involved officers are responsible for ensuring a project will not receive certification until the human rights due diligence is completed in a satisfactory manner, updated when necessary and reported to ROC. Current and expired due diligence documentation associated with a project file will be retained by the HRC.

7.4.2 Prior to contract signature and as part of the certification process, the HRC will make recommendations that may include representations or commitments from the Exporter and/or buyer/end-user regarding responsible business conduct and human rights.

7.5 **Contract Management - Monitoring of the Project:**

All CCC employees, in conjunction with the HRC, are responsible for ensuring that:

7.5.1 Once the project is underway, human rights risk mitigation remains active and vigilant according to the requirements specific in the certification. Where monitoring reveals issues of concern, those issues will be addressed promptly with sensitive issues being reported to HRC, ROC, the Board and the Minister as warranted.

7.6 **Training:**

The VP Legal, VP BD&S, VP CS and CFO and VP D&CM are responsible for ensuring that:

7.6.1 All CCC employees are provided with a training session on this Instruction and the subject of human rights in general when assuming a position for the first time and on a recurring annual basis.

7.7 **Reporting**

The VP Legal is responsible for ensuring that:

7.7.1 Human rights findings and risks (transactional or otherwise) will be reported to the HRC and ROC and, where warranted, to Senior Management and to the Board. Sensitive issues will also be reported to the Minister.

7.7.2 Information surrounding CCC transactions will be disclosed in accordance with the Transparency and Accountability Policy.

8. **References**

8.1 External

- 8.1.1 The United Nations Guiding Principles on Business and Human Rights
- 8.1.2 The OECD Guidelines for Multinational Enterprises
- 8.1.3 The United Nations Arms Trade Treaty
- 8.1.4 The Export and Import Permits Act.

8.2 Internal

- 8.2.1 Responsible Business Conduct Framework
- 8.2.2 Code of Conduct
- 8.2.3 Human Rights Policy
- 8.2.4 Human Rights Due Diligence
 - 8.2.4.1 Key triggers and internal guidelines
 - 8.2.4.2 Background
 - 8.2.4.3 Exporter Questions (Defence and Security/Infrastructure)
- 8.2.5 Transparency and Accountability Policy

9. **Exceptions**

The President must approve any exception to this policy with original, written evidence placed on the project file or with the Executive Sponsor as applicable; and, a copy of

such approval forwarded to Quality Management & Process Analyst CS & CFO / QM & P.

10. Enquiries

Enquiries regarding the content of this Instruction may be forwarded to the VP Legal or the Human Rights Committee.

Document History

Original	Version 1.0
Approval: Name	M. Zablocki
Approval: Title	President
Approval: Date	April 8, 2019
Amendment History	
Version/Date	Change Summary
Note: Add Rows as Required	