

National Roundtables on Corporate Social Responsibility and the Canadian Extractive Sector in Developing Countries

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**Statement of UNICEF Canada
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The Canadian extractive sector and HIV/AIDS in developing countries

UNICEF Canada commends the Standing Committee on Foreign Affairs and International Trade for its discerning Fourteenth Report addressing the conduct of the Canadian extractive sector in developing countries.

I recently returned from the Democratic Republic of the Congo (DRC), long ravaged by a civil conflict which has led to the deaths of 4 million of its citizens since 1998. Canadian companies are active there in the extractive sector, and there is much to say about the responsibilities and accountabilities of companies in zones of conflict, their influence on the course of such conflicts and the role that they can play in supporting social services in the communities in which they operate.

But the DRC is also locked in another battle – against the AIDS pandemic, which continues to ravage the country and so many of its neighbours, taking a particularly heavy toll on children through infection, early death, loss of parents and support systems. This morning, I would to address corporate social responsibility in the Canadian extractive sector in the context of HIV/AIDS.

A recent survey of Canadian Energy and Mining Companies with operations in areas with high HIV/AIDS prevalence rates indicated that, of the 41 companies surveyed, only nine reported that they had assessed the risk posed by HIV/AIDS and of those nine, only seven reported having a formal policy and response to combat HIV/AIDS. Clearly, there is much work to be done among the Canadian extractive sector in this area.

The right to health and to survival is universal. People have inalienable rights, whether or not their governments are able to protect or monitor them. We have many clear instruments that spell out the universal rights of all people. In particular, the rights of children – the most vulnerable and affected populations – are clearly documented in the UN Convention on the Rights of the Child, ratified by all countries but two.

If States are sanctioned against abusing human rights, and you and I can be prosecuted for abusing the rights of others, there is little moral or legal ground to exempt corporations from responsible conduct.

It is not enough to refrain from perpetrating abuses of the rights of children and others in affected communities. Human rights are not only to be protected – they are to be provided for proactively. Rights to such things as security of the person, and freedom of association, can be protected. Rights to such things as health, and survival, must be provided for.

The widespread impacts of HIV/AIDS, not only health, but on education, protection, security and employment, have led to increasing violations of basic human rights. UNICEF works with governments, civil society and the private sector in developing countries to address the impacts of HIV/AIDS on children and their families through programmes to prevent infection among young people, to prevent the transmission of the virus from mother to child, and to provide care, treatment and support to children infected and affected by the disease.

It is in the interests of transnational corporations, as well as their responsibility, to join in the fight against HIV, starting with their own workforces. Instruments such as the OECD Guidelines and the Global Compact set forth that transnational corporations and other businesses shall provide a safe and healthy working environment, and contribute to the realization of the highest attainable standard of health.

The economic reasons for meeting these responsibilities are also clear. Because the HIV pandemic is hitting hardest at people in their most productive years, it is diminishing the supply of labour (both skilled and semi-skilled) and reducing income for many workers in the extractive sector. Increased absenteeism is raising labour costs for employers and valuable skills and experience are lost. Stigma and discrimination negatively affect production and workplace morale. According to the ILO, some mining companies estimate that 40 per cent of their workforce in South Africa may be infected with HIV. One company estimated that AIDS adds US\$4 to \$10 to the cost of producing each ounce of gold.

Not only is HIV/AIDS having an impact on the productivity of the extractive sector, but the activities of the extractive industry also impact significantly on the health and survival of children in HIV/AIDS-affected communities. Men who migrate to work in mines are often away from their families for extended periods, with limited opportunities for relaxation and leisure, and find themselves in situations where casual or new sexual relationships may be attractive. The resulting risk of HIV infection has long-reaching impacts, including infection of the primary partner at home, the then likely transmission of the disease to a child during pregnancy, birth and breastfeeding, the orphaning of children and the loss of family income. Children – girls in particular - deprived of basic familial and community support systems risk being exploited and abused, excluded from access to the education and health care that can help protect them against HIV infection. Too often, they in turn become infected.

There is much work that has been done already to address HIV/AIDS in the world of work and in the extractive sector in particular. The International Labour Organization has developed a Code of Practice on HIV/AIDS in the World of Work and a manual for implementing the Code. It includes case studies and guidance for the mining sector. The implementation of the Code, particularly in areas highly-affected by HIV/AIDS, should be a priority for all those associated with the extractive sector, be they governments, corporations or employees.

To ensure that children grow up to be healthy and happy productive members of society, companies must embrace practices and policies which support, in tandem, not only the prevention of HIV infection among men and women engaged by the extractive sector, but also the treatment, care and support of the employees and their families who are affected by the disease. This includes:

- supporting voluntary and confidential testing and counselling,

- the provision of antiretrovirals and medicines to fight opportunistic infections,
- programmes and policies to eliminate stigma and discrimination in the workplace,
- employee and family assistance programmes, and
- linkages with government and community-based groups, to ensure strong holistic support for children and adults infected and affected by the disease.

The companies that combine application of voluntary standards, such as the ILO Code of Practice, with the will to do the right thing and the conviction that what is right for affected employees, families and communities is also good for the company bottom line, shareholder value and industry strength – those companies are salutary examples of good corporate citizenship.

Companies which fail to respect international human rights norms and do not actively provide for the rights of the most vulnerable, risk not only the sustainability of communities but also the viability of their enterprise – and the hastening of stronger legislative conditioning of their enterprise.

Good corporate citizens at a minimum:

- apply human rights impact assessments, including a specific focus on the rights and well-being of children;
- subsequently invest in the provision of rights-based social equity, and we are saying that investing in the implementation of the ILO Code of Practice on HIV/AIDS and the World of Work is the most responsible option in many communities;
- establish corporate or industry-wide ombudspersons to monitor and publicly report on progress.

The Government of Canada, at a minimum, should:

- strengthen its missions and offices to investigate and monitor the social impacts of the Canadian extractive industry in developing countries and fragile states, including conflict-affected areas, and address complaints which arise;
- work with the extractive sector to disseminate and adhere to better industry-wide practices, based on the conduct of exemplary firms and the progressive realization of the standards encoded in the Global Compact, the OECD Guidelines and other developing international norms including the ILO Code;
- support international efforts to strengthen human rights-based norms for corporate conduct; and
- direct assistance to fragile and developing States to improve their governance and human rights monitoring institutions, with particular attention to extractive industries.

Thank you.