

1. Executive Sponsor

The Board of Directors have approved this Policy and it takes effect on April 15, 2019.

2. Definitions

NIL

3. Application, Compliance, and Monitoring

This Policy applies to all CCC employees, consultants, contractors and temporary staff. The Policy Suite Governance Policy (PG-101) shall be consulted regarding Application, Compliance and Monitoring of this document.

4. Context

The Canadian Commercial Corporation (CCC) is a Crown corporation accountable to the Parliament of Canada through the Minister of International Trade. Established in 1946, CCC's mandate is to assist Canadian exporters sell goods and services abroad and assist in the development of trade between Canada and other nations. CCC has a role in fulfilling certain components of the Government of Canada's public policy mandate including the responsibility for administering the Defense Production Sharing Agreement ("DPSA"), a treaty with the United States for defence procurement. The DPSA is an intrinsic component of the bilateral trade relationship with the United States and aims to sustain the integrated North American Defence Industrial Base, reduce trade barriers and promote Canada's highly developed research, development and manufacturing capacity in this sector.

CCC operates in a manner consistent with the policies of the Government of Canada, and in particular, with the commitments Canada has made to respect, protect and promote human rights domestically and internationally. CCC must ensure its transactions comply with Canada's human rights obligations and international standards.

5. Policy Statement

This policy document articulates CCC's commitment to respecting all internationally recognized human rights in line with the United Nations Guiding Principles on Business and Human Rights ("UN Guiding Principles") and the OECD Guidelines for Multinational Enterprises.

6. Policy Requirements

6.1 CCC's Commitment to Human Rights

6.1.1 CCC recognizes that industry standards and practices in this area for Canadian exporters continues to evolve and CCC is committed to working with the Government of Canada, experts and stakeholders to identify emerging best practices and incorporate those practices into our human rights policies and procedures.

6.1.2 CCC recognizes steps must be taken within CCC's and its exporters business practices to identify and address any actual or potential adverse human rights impacts where CCC is involved in a transaction. We manage these risks by undertaking due diligence, acting on the findings and communicating with stakeholders on how we mitigate human rights risks and impacts across our value chain.

6.1.3 Our commitment to human rights is also embedded in our revised Responsible Business Conduct policies and practices. These form a vital part of our work with Canadian exporters, their supply chains, foreign government buyers, and our shareholder, the Government of Canada. This framework supports and guides CCC's approach to governance and ethical business, sustainability, and transparency and lays the roadmap for our approach to human rights.

6.1.4 In particular, the following principles are fundamental to our human rights commitment:

(1) Right to Liberty and Security

CCC respects the right of liberty, safety and security of individuals, including freedom from torture, freedom from arbitrary arrest and the right to peaceful assembly. CCC recognizes that security forces and law enforcement personnel have a vital role to play in the protection of these rights and assesses the impact a transaction may have on these rights.

(2) Freedom of Association and Collective Bargaining

CCC respects rights of freedom of association and collective bargaining. For over twenty years, CCC and the Professional Institute of the Public Service of Canada have shared a desire to maintain harmonious and mutually beneficial relationships between management and its employees. We respect the right of workers to form or

join a trade union including the right of workers to collective bargaining without fear or reprisal, intimidation and harassment.

(3) Employment Equity, Diversity and Inclusion

CCC is committed to maintaining business environments and relationships free from discrimination, including discrimination based on: age, race, colour, religion, creed, sex, gender identity, sexual orientation, marital or family status, nationality, ethnic or place of origin, citizenship, language, political belief, pregnancy, and disability. CCC promotes a diverse and inclusive workplace.

(4) Forced and Child Labour

CCC does not condone or accept any form of modern slavery, human trafficking, or child labour. CCC expects exporters to identify and address any such practices in their operations and throughout their supply chain.

(5) Privacy

CCC recognizes an individual's right to the protection of personal information and the need for information management practices that adhere to human rights standards. CCC is cognizant of the impact that security measures can have on human rights and is committed to ensuring privacy rights are respected.

(6) Environmental Stewardship

CCC recognizes the significant implications that infrastructure projects may have on indigenous peoples, natural resources, biodiversity and water supplies. CCC anticipates and adapts to changing environmental conditions and respects sustainable practices by ensuring our exporters adhere to world-class standards in CCC transactions. CCC is committed to working with its sister Crown Corporation, Export Development Canada, a partner in infrastructure projects, in this area in promoting best practices for its transactions.

6.2 Governance and Implementation

6.2.1 CCC is committed to incorporating respect for human rights into our policies, procedures, practices and corporate culture. CCC recognizes this implementation is an iterative process that will require engagement with all stakeholders.

6.2.2 All CCC employees are required to assume and promote the principles, policies and practices to ensure respect for human rights is a core principle throughout our business. Leadership and oversight of human rights policies and practices rests with a cross-functional Human Rights Committee (HRC). The HRC reports and makes recommendations to the Risk and Opportunities Committee (ROC) that includes senior management. The independently appointed Board of Directors provides direction,

governance and oversight. The Office of the Auditor General of Canada provides additional oversight by the Government of Canada.

6.2.3 This embedded and layered approach to oversight ensures each part of our organization, including the Board and the Government of Canada, is clear about CCC's commitment and responsibility to respect human rights. We rely on the ownership by all employees to assume and promote the principles, policies and practices to ensure the respect for human rights is a core principle throughout our business.

6.2.4 In implementation, we commit to:

(1) ASSESS:

The HRC undertakes project-specific human rights due diligence, through risk assessments that include analysis of the product, end-user and human rights conditions in the country of export. The HRC reports its findings and recommendations to ROC that considers the transaction as a whole. This involves taking into account the human rights risk, along with other political, economic and public policy factors as relevant to our mandate.

As part of CCC's due diligence, the HRC consults with relevant divisions within Global Affairs Canada, including Canadian embassies and High Commissions in the buyer country regarding human rights. These consultations and CCC's due diligence are an on-going process that requires attention at regular stages in our business activities.

CCC also conducts due diligence on our Exporters' responsible business conduct, including respect for human rights.

(2) ACT:

CCC ensures effective action in response to assessment findings. This includes devising strategies and plans for preventing or mitigating risks, including using leverage with third parties. The HRC and ROC can further recommend against proceeding with a transaction if the adverse human rights risks are too high, and those risks cannot be prevented or mitigated.

CCC expects exporters to make commitments to abide by internationally recognized responsible business conduct standards including international human rights standards. CCC's due diligence requires that exporters complete CCC's due diligence form and sign a Certificate of Compliance that they will cooperate in good faith with proceedings before Canada's National Contact Point for the OECD Guidelines for Multinational Enterprises.

Drawing on CCC's due diligence, we expect exporters to identify, develop and implement policies and procedures to assess and address human rights risks in their operations and supply chains.

(3) MONITOR:

Monitoring implementation of the HRC recommendations is an important aspect of CCC's human rights program. While monitoring human rights impacts during the pursuit development stage and contract delivery phase rests with the business development and contract management teams respectively, all employees must report knowledge of any potential human rights issues to the HRC.

CCC's exporter due diligence further encourages exporters to report any information that they may receive regarding the use of the product by the end-user during the contract. CCC itself is subject to regular audits, both internal and those conducted by the Auditor General of Canada.

(4) COMMUNICATE:

We recognize the importance of transparency to demonstrate our commitment to human rights. CCC makes publicly available reporting on individual transactions, subject to the requirements of the *Access to Information Act* and any commercial confidentiality considerations. CCC records and reports internally on adverse human rights impacts through our risk assessments and will report to stakeholders on the implementation of this policy.

Further, pursuant to the implementation of the reporting requirements under the *Arms Trade Treaty*, State Parties must report annually on all exports and imports under the scope of the *Arms Trade Treaty*. CCC will, as required, support the Minister in the compilation of this report.

6.3 Grievance Mechanisms and Remediation

6.3.1 CCC's role as an intermediary between the two contracting parties in a transaction permits us to facilitate access to a remedy:

(1) Influencing Canadian exporters

CCC expects exporters to adopt policies and processes to identify and remediate human rights impacts throughout their operations, where they may be involved. CCC strives to work with exporters who have policies and mechanisms in place to respond to human rights grievances.

(2) Supporting the Government of Canada's grievance mechanisms

CCC further encourages exporters to cooperate meaningfully with the Canadian Ombudsperson for Responsible Enterprise and Canada's National Contact Point (NCP), where warranted.

(3) Reporting potential human rights violations

CCC will continue to consult with all relevant stakeholders to report allegations of human rights violations and work with stakeholders to devise plans to prevent or remediate impacts. This may include communicating with the Export Controls Division at Global Affairs Canada if CCC believes it acquires information relevant to the issuance of an export permit.

6.3.2 CCC is committed to working with the Government of Canada to identify emerging best practices in this area and will continue to promote the provision of effective grievance mechanisms.

7. Annexes

NIL

8. References

External

- [Arms Trade Treaty](#)
- [United Nations Guiding Principles on Business and Human Rights \("UN Guiding Principles"\)](#)
- [OECD Guidelines for Multinational Enterprises.](#)

Internal

- PG-102-EN CCC Code of Conduct and Business Ethics Policy
- PG-003-EN Responsible Business Conduct Framework Policy
- PG-004-EN Transparency and Accountability Policy
- PG-006-EN Disclosure of Wrongdoing Policy
- IN-001-EN Human Rights Due Diligence Instruction
- GU-004-EN Defence and Security Human Rights Due Diligence Guidelines
- GU-005-EN Infrastructure Human Rights Due Diligence Guidelines

9. Exceptions

The President must approve any exception to this policy through the use of the Exception Authorization Form found within the Policy Suite Management Procedures (PR-101-EN).

10. Enquiries

Questions and requests for interpretation/clarification should be submitted to the Vice-President of Legal Services, General Counsel and Corporate Secretary.