

**Mining Ethics Bill (C-300) Should Come from Government,
Not Backbencher;
Good Idea Should Apply to All Sectors, Not Just Mining;
Some Concern about Imposing Our Moral Standards on
Others and about Exodus of Mining Companies from Canada**

**BDO Dunwoody Weekly CEO/Business Leader Poll
By COMPAS in *Canadian Business*
For Publication March 22, 2010**



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1.0 Overview

The CEOs and business leaders on the COMPAS business panel see some merit in M.P. John McKay's Bill C-300 to impose ethical standards on Canadian mining companies operating abroad, but they would much prefer that such legislation cover all sectors, not just mining, and be drawn up by the government.

By an overwhelming margin, panelists believe that no law should single out only one sector, mining, when seeking to impose Canadian ethical standards. By an almost equally large margin, they believe that Canada has an ethical obligation to ensure that our companies behave ethically overseas.

One hint of reservation about legislation enforcing ethical standards on Canadian companies operating overseas comes in response to a question about imposing "our moral standards on other countries," an issue on which opinion is divided. Another hint of reservation arises from some concern that such legislation would prompt Canadian mining companies to relocate their head offices to other jurisdictions.

These are the key findings from this past week's Internet survey of CEOs and business leaders on the COMPAS panel. The weekly business survey is undertaken for *Canadian Business* magazine under sponsorship of BDO Dunwoody LLP.

2.0 The Details

Panelists favour government legislation over the Member's Bill by a more than 2:1 margin, as shown in table 2a.

Some concern is expressed about the risk of driving Canadian mining companies to relocate to other countries as a result of the proposed legislation,



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as shown in table 2b. Some concern is also expressed about imposing our moral standards on other countries. But a two-thirds majority favours the view that Canada has an ethical obligation to ensure that our companies behave ethically overseas. The main concern about this particular legislation is that it is sector-focused, for which reason panelists favour its replacement by legislation coming from the government.

Table 2a: (Q5) Which of the following opinions is closest to your own? RANDOMIZE

	%
To properly and fairly treat all sectors and all issues (from bribery to violence), the legislation should come from Government rather than an individual MP	56
Parliament should defeat the bill proposed by John McKay M.P.	25
Parliament should enact the bill proposed by John McKay M.P.	7
Don't know or no opinion	12

Table 2b: (Q4) As you may know, a Liberal MP John McKay proposes Bill C-300, which would hold Canadian mining companies accountable for their conduct overseas. On a 7 point agreement scale where 1 means disagree strongly and 7, agree strongly, how much do you agree with each of the following varied opinions? RANDOMIZE

	Mean	7	6	5	4	3	2	1	DNK
No law should single out only one sector, mining, when seeking to impose Canadian ethical standards	5.8	34	35	15	8	4	3	1	1
Canada has an ethical obligation to ensure that our companies behave ethically overseas	5.0	19	30	18	12	5	9	6	1



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	Mean	7	6	5	4	3	2	1	DNK
The proposed law would harm Canada by driving mining head offices to other countries and harm companies that remain in Canada by putting them at a competitive disadvantage.	4.5	14	19	15	20	11	10	5	7
Canada should not be imposing our moral standards on other countries	4.2	17	18	10	13	15	14	13	2
The U.S. has tougher ethical standards for their companies overseas (e.g. against bribery) than Canada, and Canada should not be a follower	3.9	7	11	17	16	14	12	10	16

The following verbatims provide a nuanced sense of panel opinion:

Basically legislation often needs to come from individual members because the government fails too often to do anything, too much trying to be reelected rather than moving ahead.

Business bribery has to be stamped out worldwide if we are to maintain a level playing field. It is not good for exports when our exporters have to operate by our rules in other markets. There are far more important moral & economic issues, such as agreeing on unilateral environmental measures. We frequently attach too much importance to wrong issues.

Corruption is one of the major hurdles to openness and fairness in our global business dealings.

Payments of any nature benefit a select few and ultimately end up costing all, not only in monetary value but in an attitude of greed.



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If it is not acceptable within Canada (which is the case), it should not be acceptable to Canadian corporations or individuals that operate outside of Canada

There should be a code of conduct in place but it should apply to all Canadian companies doing business in other countries. Unfortunately, there are some countries where bribery is the only way that one can conduct business. And there lies the dilemma.

3.0 Methodology

The COMPAS web-survey of CEOs and leaders of small, medium, and large corporations was conducted March 11 - 15, 2010. Respondents constitute an essentially hand-picked panel with a higher numerical representation of small and medium-sized firms.

Because of the small population of CEOs and business leaders from which the sample was drawn, the study can be considered more accurate than comparably sized general public studies. In studies of the general public, surveys of n=105 are deemed accurate to within approximate 9.6 percentage points 19 times out of 20. The principal and investigator on this study is Conrad Winn, Ph.D.

