

**THE INITIATIVE OF THE
VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN
RIGHTS**

GOVERNANCE RULES

As approved by the Plenary on September 16, 2011

**VOLUNTARY
PRINCIPLES**
ON SECURITY + HUMAN RIGHTS

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Section I. GENERAL PROVISIONS

- Paragraph 1. Name. The name of the initiative is the “Initiative of the Voluntary Principles on Security and Human Rights” (“Voluntary Principles Initiative.”)
- Paragraph 2. Mission Statement. The Voluntary Principles Initiative, which is comprised of three Pillars (companies, governments, and non-governmental organizations (“NGOs”)) seeks to: actively promote universal respect for human rights in the provision of security for extractive industry activities in a manner guided by the Voluntary Principles on Security and Human Rights (“Voluntary Principles”); strengthen implementation and accountability; and increase the number of Voluntary Principles Initiative Participants. The Voluntary Principles are a set of principles, set forth in Appendix 1, that are intended to guide companies in maintaining the safety and security of their operations within an operating framework that ensures respect for human rights and fundamental freedoms.
- Paragraph 3. This document sets forth commitments and shared understandings by the Participants regarding participation in the Voluntary Principles Initiative. The Voluntary Principles and this document do not create any legally binding obligations or standards under international or domestic law.

Section II. DEFINITIONS

- Paragraph 1. These terms have the following definitions when used in this statement of the governance rules:
- “Annual Plenary Meeting” means the meeting of the full Plenary, held once a year, which all Participants are expected to attend, in accordance with the Participation Criteria, referenced in Section VI and set forth in Appendix 2.
 - “Annual Report” means the report that each Participant submits on an annual basis describing efforts to implement or assist in the implementation of the Voluntary Principles, pursuant to the Participation Criteria, referenced in Section VI and set forth in Appendix 2, and the Reporting Guidelines referenced in Section VIII and set forth in Appendix 5.

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- “Applicant Company” means a company that has requested admission to the Voluntary Principles Initiative, pursuant to the Voluntary Principles Framework for the Admission of New Companies, referenced in Section V and set forth in Appendix 3.1.
- “Applicant Government” means a Government that has requested admission to the Voluntary Principles Initiative, pursuant to the Voluntary Principles Framework for the Admission and Participation of New Governments, referenced in Section V and set forth in Appendix 3.2.
- “Applicant NGO” means an NGO that has requested admission to the Voluntary Principles Initiative, pursuant to the Voluntary Principles Framework for the Admission of New NGOs, referenced in Section V and set forth in Appendix 3.3.
- “Applicant Observer” means an organization that has requested admission to the Voluntary Principles Initiative as an Observer.
- “Close Consultation” means the act of consulting with the Plenary through communications directed either to the three Pillars collectively, or individually, and the provision of time for intra-Pillar dialogue with regard to the subject matter(s) at issue in the communication.
- “Consensus” means absence of objection by any Participants present at the time of a decision. Participants may participate by proxy, except where proxy voting is not allowed.
- “Corporate Pillar” means all Participants that are companies including both (i) those companies that have been approved as Participants pursuant to the Voluntary Principles Framework for the Admission of New Companies set forth in Appendix 3.1, and (ii) those companies that were approved prior to the drafting of the Voluntary Principles Framework for the Admission of New Companies.
- “Engaged Government” means a government that has been admitted to the Voluntary Principles Initiative pursuant to the Voluntary Principles Framework for the Admission and Participation of New Governments, referenced in Section V and set forth in Appendix 3.2, but has not yet been approved as a “Participant Government.”
- “Extraordinary Plenary Meeting” means any meeting of the Plenary other than the Annual Plenary Meeting.
- “Formal Voluntary Principles Activity” means any activity that has been approved by the Plenary in order to ensure that the work of the Voluntary Principles Initiative is conducted in a manner consistent with its stated mission.

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- “Government Chair” means, in any given year, the Participant Government that is to host such year’s Annual Plenary Meeting. The Government Chair also chairs Steering Committee meetings and any Extraordinary Plenary Meetings held during its tenure.
- “Government Pillar” means all Participants that are either Participant Governments or Engaged Governments.
- “Host Government” means the government of a country in which a Participant is operating.
- “Inactive Participant” means a Participant that is temporarily unable to exercise its rights as a Participant after it has been declared to be inactive by the process set forth in Section III, Paragraph 3(a)(f), pursuant to the criteria identified in Section XIII, Paragraph 2, and the Participation Criteria.
- “In-country Implementation Process” means a country-based multi-stakeholder process that has been established by Participants, as described in Section IV, Paragraph 2.
- “Invited Guests” means any individual or entity that the Steering Committee invites to attend a meeting pursuant to Section III, Paragraph 4 (b)(1)(a) and Section III, Paragraph 4(c)(2)(a).
- “Observer” means an organization that (i) has been approved to attend certain proceedings of the Voluntary Principles Initiative pursuant to the Voluntary Principles Framework for the Admission of Observers set forth in Appendix 4 or (ii) was granted Observer status prior to the adoption of the Voluntary Principles Framework for the Admission of Observers.
- “NGO Pillar” means all Participants that have been approved as Participants pursuant to the Voluntary Principles Framework for the Admission of New NGOs set forth in Appendix 3.3.
- “Participant” means any government, company, or NGO that participates in the Voluntary Principles Initiative, per the Participation Criteria, that has not been declared to be an Inactive Participant. Participant status is gained by (i) being a founding participant of the Voluntary Principles, (ii) being approved pursuant to the admission procedures in place before the adoption of entry criteria, or (iii) being approved pursuant to the relevant entry criteria referenced in Section V and set forth in Appendices 3.1-3.3.
- “Participant Government” means a government that was either a founding participant at the launch of the Voluntary Principles or a government that has been approved pursuant to the Voluntary Principles Framework for the

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Admission and Participation of New Governments, referenced in Section V and set forth in Appendix 3.2.

- “Participation Criteria” means the foundational Voluntary Principles governance document, adopted unanimously at the 2007 Annual Plenary Meeting, which is referenced in Section VI and set forth in Appendix 2.
- “Pillar” means one of the three stakeholder groups of Participants: governments, companies and NGOs.
- “Plenary” means the body consisting of all Participants, per the Participation Criteria, that is described in Section III, Paragraph 2(a), and that serves as the main decision-making body for the Voluntary Principles Initiative.
- “Proxy Voting” means a voting process as set forth in Section III, Paragraph 3(a)(2)(c) and Paragraph 3(b)(2)(b)(i).
- “Secretariat” means the primary administrative body for the Voluntary Principles Initiative, described in Section III, Paragraph 2(c).
- “Steering Committee” means the primary executive body for the Voluntary Principles Initiative, as described in Section III, Paragraph 2(b).
- “Steering Committee Members” means the Participants serving on the Steering Committee at any given time, pursuant to the guidelines set forth in Section III, Paragraph 2(b).
- “Voluntary Principles” means the Voluntary Principles on Security and Human Rights, as set forth in Appendix 1.
- “Working Group” means a group that has been established by the Plenary, or by the Steering Committee, in close consultation with the Pillars, to focus on specific issues, as described in Section IV, Paragraph 1.

Section III. GOVERNANCE OF THE VOLUNTARY PRINCIPLES INITIATIVE

Paragraph 1. Structure. Participants in the Voluntary Principles Initiative are organized as follows:

- (a) The Three Pillars:
 1. The Corporate Pillar. The Corporate Pillar consists of all Participants that are companies. There is no limit on the number of companies that can be members of the Corporate Pillar.
 2. The Government Pillar. The Government Pillar consists of Participant Governments or Engaged Governments. There is no

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limit on the number of governments that can be members of the Government Pillar.

3. The NGO Pillar. The NGO Pillar consists of all Participants that are non-governmental organizations. There is no limit on the number of NGOs that can be members of the NGO Pillar.

- (b) Observers. Observers are permitted to partake in activities of the Voluntary Principles Initiative provided they strictly follow all requirements set forth in Appendix 4.

Paragraph 2. Institutional Bodies. The institutional bodies of the Voluntary Principles Initiative are:

- (a) The Plenary. The Plenary is the main decision-making body of the Voluntary Principles Initiative.

1. The Plenary consists of all Participants.
2. A Participant may be represented at a Plenary meeting by as many individuals as such Participant deems appropriate.
3. One Participant in the Government Pillar serves as the Government Chair for the Plenary. During its tenure, the Government Chair hosts the Annual Plenary Meeting and any Extraordinary Plenary Meeting and chairs Steering Committee meetings.
 - i. The Government Chair is selected each year by the Government Pillar.
 - ii. The position of Government Chair rotates between Participants in the Government Pillar. New Participants in the Government Pillar are added to the end of the rotation order.
 - iii. The term of the Government Chair is one (1) year. The term is non-renewable, unless otherwise decided by the Plenary.

- (b) The Steering Committee. The Steering Committee is the primary executive body for the Voluntary Principles Initiative.

1. The Steering Committee consists of Participants from each of the three Pillars (each Participant, a “Steering Committee Member.”).
 - a. Each Pillar is represented by at least two (2) and no more than four (4) Steering Committee Members.

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- b. Each Pillar has four (4) votes. Voting authority for each Pillar is evenly distributed among the Steering Committee Members representing that Pillar.
 2. Steering Committee Members representing each Pillar are selected by each of the three Pillars under arrangements determined by the respective Pillar.
 - a. One Steering Committee Member from the Government Pillar is the Government Chair.
 - b. Each of the Pillars may decide to replace any of its representatives on the Steering Committee at any time. The replacement Steering Committee Member serves the remainder of the term of the original Steering Committee Member.
 3. More than one person may take part in each Steering Committee meeting on behalf of any one Steering Committee Member.
 4. A Steering Committee Member may designate any Participant from the same Pillar to represent that Steering Committee Member at a Steering Committee meeting.
 5. Each Steering Committee Member serves a term of two (2) years.
 - a. After two (2) consecutive terms, a Steering Committee Member must take a one (1) year break.
 - b. Notwithstanding the foregoing, and to the extent practicable, a Steering Committee Member continues to serve until its successor has been named.
 - c. The terms of Steering Committee Members begin and end at the conclusion of the Annual Plenary Meeting. In the event that a Steering Committee Member is unable to serve its full term, a replacement is selected by the corresponding Pillar. The replacement Steering Committee Member serves the remainder of the term of the original Steering Committee Member.
- (c) The Secretariat. The Secretariat is the primary administrative body for the Voluntary Principles Initiative.
 1. To fulfill the duties of the Secretariat, the Steering Committee may, with the approval of the Plenary, (i) make arrangements with third-party organizations; or (ii) recruit and hire employees.

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2. If a third-party organization is selected to serve as Secretariat, the terms of such arrangement are set by the Steering Committee in close consultation with the Pillars.

Paragraph 3. Responsibilities and Decision-Making Authority of the Plenary, the Steering Committee, and the Secretariat.

(a) The Plenary.

1. The responsibilities of the Plenary include, but are not limited to:
 - a. approving the annual work plan and annual budget for the Steering Committee and the Secretariat;
 - b. establishing implementation priorities, goals, and objectives;
 - c. approving Formal Voluntary Principles Activities, as necessary, in order to ensure that the work of the Voluntary Principles Initiative is conducted in a manner consistent with its stated mission;
 - d. establishing Working Groups;
 - e. deliberating and voting on any recommendation put forward by the Steering Committee regarding implementation and governance issues;
 - f. deliberating and voting on any recommendation put forward by the Steering Committee to declare a Participant to be Inactive;
 - g. deliberating and voting on any recommendation put forward by the Steering Committee to reinstate an Inactive Participant;
 - h. deliberating and voting on any recommendation put forward by the Steering Committee to modify the governance document;
 - i. deliberating and voting on any recommendation put forward by the Steering Committee to modify the Voluntary Principles;
 - j. deliberating and voting on any other proposals put forward by the Steering Committee;
 - k. expelling a Participant;

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- l. selecting one Participant from each Pillar, not to include Participants serving on the Steering Committee, to conduct an annual review of the finances and budget of the Voluntary Principles Initiative in preparation for the Annual Plenary Meeting;
- m. approving Voluntary Principles Initiative documents for public release;
- n. removing a third-party Secretariat prior to the expiration of relevant arrangements;
- o. dissolving the Voluntary Principles Initiative;
- p. approving the creation of staff positions;
- q. approving any proposal for external funding for the Voluntary Principles Initiative; and
- r. other responsibilities necessary to conduct the activities set forth in a-p, above.

2. Consensus and Voting

- a. The Plenary makes a good faith effort to make all decisions by Consensus.
- b. If Consensus is not possible, matters may be decided by a formal vote. At least seventy-five percent (75%) of the Participants from each Pillar that are voting at an Annual Plenary Meeting or Extraordinary Plenary Meeting must vote affirmatively in order for a vote to be carried.
 - i. Each Participant is only entitled to one (1) vote.
 - ii. Any Participant may recuse itself from a specific vote.
 - iii. A Participant NGO is to recuse itself from a vote in regards to a fellow Participant that it has a financial or material relationship with that is relevant to the Voluntary Principles.
- c. At any Extraordinary Plenary Meeting, a Participant that is unable to take part in a vote may authorize another Participant to act on its behalf by proxy. A written copy of the authorization must be provided to the Secretariat prior to the vote. Proxies may be delivered by email.

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- d. For any Annual Plenary Meeting or Extraordinary Plenary Meeting, quorum is to be fifty-one percent (51%) of each Pillar. At any Extraordinary Plenary Meeting, quorum is to include proxies.
- (b) The Steering Committee.
1. The joint responsibilities of the Steering Committee include, but are not limited to:
 - a. In close consultation with the Pillars,
 - i. developing the objectives, timetables, and budgets to support the goals identified and approved by the Plenary at the Annual Plenary Meeting in the annual work plan;
 - ii. establishing Working Groups;
 - iii. considering policy issues specific to the Voluntary Principles Initiative;
 - iv. ensuring that the multi-stakeholder nature of the Voluntary Principles Initiative is maintained and fully reflected in the work of the Voluntary Principles Initiative at all levels;
 - v. representing the Plenary in making any decisions to approve applications of all applicants, and Invited Guests;
 - vi. approving the national plans of Engaged Governments;
 - vii. identifying and overseeing outreach to potential Participants;
 - viii. approving the agendas and arrangements for the Annual Plenary Meeting and any Extraordinary Plenary Meetings; and
 - ix. approving Voluntary Principles Initiative documents for public release.
 - b. Making recommendations for consideration by the Plenary regarding:

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- i. any proposal that a Participant be declared an Inactive Participant by the Plenary pursuant to the process set forth in Section XIII.
 - ii. the annual costs attributable to each Participant in the Government and Corporate Pillars for presentation to the Plenary at the Annual Plenary Meeting, pursuant to Section X, Paragraph 1;
 - iii. the extension of the terms of Observers approved pursuant to the Voluntary Principles Framework for the Admission of Observers.
- c. consulting regularly with Participants from all three Pillars to ensure understanding and communication of Participant priorities, comments, suggestions, and concerns;
- d. conducting regular meetings in order to ensure that the work of the Voluntary Principles Initiative is conducted in a manner consistent with its stated mission;
- e. establishing timetables and deadlines for Steering Committee work;
- f. approving agendas for Steering Committee meetings;
- g. overseeing any dispute resolution conducted pursuant to the processes and procedures referenced in Section VII, and set forth in the Participation Criteria at Appendix 2;
- h. with the approval of the Plenary, overseeing selection of a third-party Secretariat; or recruiting and hiring of persons to staff an internal Secretariat with the approval of the Plenary.
- i. overseeing and directing the work of the Secretariat;
- j. in coordination with the Secretariat,
 - i. overseeing the production of documents for review at any Plenary Meeting, including the delivery of those documents for Plenary review on a schedule that, to the extent practicable, provides all Participants with a reasonable time in which review the documents prior to the meeting;
 - ii. developing and submitting the annual work plan and budget for Plenary approval;

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1. The recommended annual budget, including the costs attributable to each Corporate Pillar and Government Pillar Participant pursuant to Section X, Paragraph 1, is to be distributed to the Plenary at least one month prior to the Annual Plenary Meeting.
 - k. deciding on any administrative matters necessary to conduct the work of the Steering Committee;
 - l. approving the disbursement of budgeted funds in excess of three thousand dollars (\$3000) and approval of unbudgeted expenditures in excess of three thousand dollars (\$3000), not to exceed the budget approved by the Plenary;
 - m. ensuring that there is an annual review of the finances and budget of the Voluntary Principles Initiative by three Participants (one from each Pillar, representing Participants who are not Steering Committee Members) in preparation for the Annual Plenary Meeting;
 - n. reviewing financial disclosures submitted by NGO Pillar Participants, pursuant to Section X, Paragraph 5.
 - o. authorizing a representative from the Secretariat to sign checks from the Voluntary Principles Management Account;
 - p. in coordination with the Secretariat, overseeing the financial accounting and auditing practices of the Voluntary Principles Initiative and presenting a statement of accounts to the Plenary;
 - q. Other responsibilities necessary to conduct the activities set forth in a-p, above.
2. Consensus and Voting
 - a. The Steering Committee makes a good faith effort to make all decisions by Consensus.
 - b. If Consensus is not possible, matters may be decided by a formal vote. At least eight (8) out of twelve (12) votes with at least two (2) from each Pillar must be cast affirmatively in order for a vote to be carried.

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- i. Any Steering Committee Member that is unable to take part in a vote may authorize another Steering Committee Member of the same Pillar to act on its behalf by proxy, by delivering a written copy of the authorization to the Secretariat prior to the vote. Proxies may be delivered by email.
 - c. A Steering Committee Member representing the NGO Pillar is to recuse itself from a vote concerning a fellow Participant with which such NGO has a financial or material relationship provided that such relationship could be deemed reasonably relevant to the Voluntary Principles.
- (c) The Secretariat.
 1. Responsibilities of the Secretariat include, but are not limited to:
 - a. supporting the Government Chair with the coordination of the Annual Plenary Meeting and any face-to-face meetings of Participants held during the year, including Extraordinary Plenary Meetings;
 - b. supporting the work of the Plenary and the Steering Committee, including by preparing meeting minutes;
 - c. managing engagement with applicants to the Voluntary Principles;
 - d. facilitating the work of any Working Groups formed by the Plenary or the Steering Committee;
 - e. facilitating dispute resolution proceedings and close consultations between Participants;
 - f. maintaining the Voluntary Principles website;
 - g. overseeing the financial accounts held by, or for, the Voluntary Principles Initiative;
 - h. reporting regularly to Steering Committee regarding Secretariat activities; and
 - i. at the direction of the Steering Committee:
 - i. preparing the annual work plan and annual budget;
 - ii. overseeing the financial accounting and auditing practices of the Voluntary Principles Initiative; and

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- iii. in a manner consistent with annual work plan and annual budget:
 - 1. Engaging stakeholders and responding to inquiries regarding the Voluntary Principles;
 - 2. Developing case studies on best practices;
 - 3. Providing administrative support to In-Country Implementation Processes;
- j. at the direction of the Steering Committee and/or Plenary:
 - i. Researching and drafting reports on specific issues;
- k. day-to-day administrative decision-making;
- l. the disbursement of budgeted funds totaling fewer than one thousand dollars (\$1000) and unbudgeted expenses totaling fewer than five hundred dollars (\$500) on behalf of the Voluntary Principle Initiative;
 - i. If approved by the Steering Committee, signing checks from the Voluntary Principles Management Account; and
- m. other responsibilities necessary to conduct the activities set forth in a-l, above.

Paragraph 4. Meetings of the Plenary and the Steering Committee

(a) General Rule on Communications between Participants.

- 1. As stated in the Participation Criteria, in order to facilitate the goals of the Voluntary Principles Initiative and to encourage full and open dialogue, all proceedings of the Voluntary Principles Initiative are on a non-attribution and non-quotation basis.
 - a. Certain categories of internal documents, including minutes, and other documents as identified by the Steering Committee, in close consultation with the Pillars, or by the Plenary, may be prepared in a manner that attributes statements to specific Participants and their representatives.

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2. All Voluntary Principles Initiative documents are to be considered confidential unless the Plenary or the Steering Committee, in close consultation with the Pillars has approved them for public release. Documents that are primarily related to the activities of a specific Participant are not to be approved for public release without the express permission of that Participant. No confidential documents are to be distributed to non-Participants except as required by valid legal process or otherwise required by law.
 3. Notwithstanding the provisions in this Paragraph 4(a), Participants may publish their own Voluntary Principles Annual Reports, provided such Annual Reports do not contain confidential information about any other Participant unless that Participant has consented to the release of the information.
 4. As stated in Appendix 4, Observers are required to sign a statement acknowledging the confidentiality provisions which all Participants in the Voluntary Principles Initiative are expected to follow, as set forth in the Participation Criteria.
- (b) Plenary Meetings.
1. The Plenary meets in-person no less frequently than annually. In general, a Plenary meeting is a forum to review implementation progress, share best practices, address governance issues, set priorities and approve the annual work plan and budget.
 - a. The Steering Committee may authorize Invited Guests to attend specific Plenary meetings. Such Invited Guests are to be informed of the confidentiality requirements of the Voluntary Principles Initiative as set forth in Section III, Paragraph 4(a) and are required to provide written acknowledgment of such requirements.
 2. Annual Plenary Meetings are hosted and chaired by the Government Chair. As set forth in the Participation Criteria, Participants are expected to attend the Annual Plenary Meeting.
 - a. The dates for the Annual Plenary Meeting are determined by the Government Chair and distributed in writing to the Plenary by the Government Chair (or the Secretariat, at the request of the Government Chair) at least four (4) months before the meeting.
 - b. The agenda for the Annual Plenary Meeting is proposed by the Government Chair in close consultation with the Steering Committee and the Secretariat, and approved by the Steering Committee.

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- c. The approved agenda for the Annual Plenary Meeting is distributed to the Plenary by the Government Chair (or by the Secretariat, at the request of the Government Chair) no less than one (1) month before the meeting.
 - d. The agenda for the Annual Plenary Meeting is to include, at a minimum, the following orders of business:
 - i. Announcement of Steering Committee Members;
 - ii. Announcement of Government Chair for the immediately following year; and
 - iii. Presentation for approval of the annual work plan and annual budget for the Steering Committee and Secretariat.
 - iv. Requests to extend the terms of any Observers approved to attend certain Voluntary Principles Initiatives proceedings pursuant to the Voluntary Principles Framework for the Admission of Observers set forth in Appendix 4.
 - e. The Steering Committee, in coordination with the Secretariat, oversees the production of documents for the Annual Plenary Meeting, including the delivery of those documents to the Plenary for review prior to the meeting.
3. Extraordinary Plenary Meetings may be organized by the Government Chair with the approval of the Steering Committee. As set forth in the Participation Criteria, Participants are expected to attend Extraordinary Plenary Meetings as appropriate and commensurate with resource constraints.
- a. Extraordinary Plenary Meetings may be held either in-person or through the use of teleconferencing technology.
 - b. The announcement of an in-person Extraordinary Plenary Meeting is distributed to the Plenary in writing at least three months in advance of the proposed date(s).
 - c. The announcement of an Extraordinary Plenary Meeting via teleconference is distributed to the Plenary in writing at least three weeks in advance of the proposed date(s).
4. Attendance at Plenary meetings is limited to Participants, Engaged Governments, the Secretariat, Observers, and Invited Guests as deemed necessary by the Steering Committee.

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5. The Secretariat prepares minutes for each Plenary meeting.
 - a. The Secretariat distributes these minutes to the Participants no later than six (6) weeks after the meeting.
 - i. Members of the Steering Committee may report any corrections to the minutes to the Secretariat within two (2) weeks.
 - b. If no corrections are made to the minutes by the Steering Committee, the Secretariat is to distribute the minutes to the Plenary.
 - i. Members of the Plenary may report any corrections to the minutes to the Secretariat within two (2) weeks.
 - c. Once all corrections from the Steering Committee and the Plenary have been incorporated into the minutes from the Plenary meeting, the Secretariat posts the minutes to the password-protected portion of the Voluntary Principles website and notifies the Plenary that it has done so.
- (c) Steering Committee Meetings.
1. The Steering Committee meets, as necessary, to conduct the business of the Voluntary Principles Initiative.
 - a. To the extent possible, Steering Committee meetings are to be held on a monthly basis.
 - i. The Government Chair proposes the date and time for each meeting of the Steering Committee.
 - b. Meetings of the Steering Committee are ordinarily held via teleconference.
 - c. The agenda for each monthly meeting is proposed by the Government Chair in close consultation with the Steering Committee and the Secretariat.
 - i. The agenda for each monthly Steering Committee meeting is distributed to the Steering Committee by the Government Chair (or the Secretariat, at the request of the Government Chair) no fewer than one (1) week in advance.

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- ii. Additional items may be added to the agenda for the monthly Steering Committee meeting before or during the meeting if either (a) there is no objection or (b) there are at least eight (8) Steering Committee votes affirmatively supporting the addition.
 - d. Any Steering Committee Member may propose that a special meeting of Steering Committee be held, either in-person or via teleconference.
 - i. If a Steering Committee Member proposes an in-person meeting of the Steering Committee, this proposal is to be submitted to Steering Committee Members at least four (4) weeks in advance.
 - ii. If a Steering Committee Member proposes a meeting of the Steering Committee via teleconference, this proposal is to be submitted to the members of the Steering Committee at least one (1) week in advance.
 - iii. A proposal for a special meeting of the Steering Committee is to be approved if either (a) there is no objection or (b) there are at least eight (8) Steering Committee votes affirmatively supporting the proposal.
- 2. Except as provided herein, attendance at Steering Committee meetings is limited to Steering Committee Members and representatives of the Secretariat.
 - a. The Steering Committee authorize Invited Guests to attend specific Steering Committee meetings, as necessary, to address specific issues or concerns. Third parties are to be informed of confidentiality requirements of the Voluntary Principles Initiative as set forth in Section III, Paragraph 4(a) and are required to provide written acknowledgement of such requirements
 - b. As set forth in Section III, Paragraph 2(b)(4), a Steering Committee Member that is unable to attend a particular meeting may designate another Participant from the same Pillar to attend that meeting in its place, and should inform the Steering Committee of such arrangements prior to the meeting. That Participant replacing such absent Participant has all the responsibilities and privileges of the Steering Committee Member it replaces.

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3. The Secretariat prepares minutes for each meeting of the Steering Committee.
 - a. The Secretariat distributes these minutes to the Steering Committee no later than two (2) weeks after the meeting.
 - b. Members of the Steering Committee may report any corrections to the minutes to the Secretariat within one (1) week.
 - i. Once any corrections from the Steering Committee have been incorporated into the minutes, the Secretariat posts the minutes to the password-protected portion of the Voluntary Principles website and notifies the Plenary that it has done so.

Section IV. WORKING GROUPS AND IN-COUNTRY IMPLEMENTATION PROCESSES

Paragraph 1. Working Groups. The Plenary or the Steering Committee, in close consultation with the Pillars, may create Working Groups to focus on specific issues.

- (a) Participation in a Working Group is open to any interested Participant.
- (b) Upon invitation by the Steering Committee, Observers may join in specific Working Group meetings, pursuant to Appendix 4.
- (c) Working Groups may be chaired by the Secretariat or one of the Participants.
- (d) A Working Group may continue work until the group's mandate is complete and/or the Steering Committee or Plenary decides to end its mandate.

Paragraph 2. In-Country Implementation Processes.

- (e) In-Country Implementation Processes are country-based multi-stakeholder processes aimed at strengthening implementation of the Voluntary Principles in a specific country.
- (f) As appropriate, Participants may form ad hoc country- or region-specific groups to support In-Country Implementation Processes.

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Section V. ENTRY CRITERIA AND ADMISSION PROCESS

Paragraph 1. The entry criteria and admission processes for all three Pillars are stated in the following documents:

- (a) Voluntary Principles Framework for the Admission of New Companies, set forth in Appendix 3.1;
- (b) Voluntary Principles Framework for the Admission and Participation of New Governments, set forth in Appendix 3.2; and
- (c) Voluntary Principles Framework for the Admission of New NGOs, set forth in Appendix 3.3.

Paragraph 2. The entry criteria and admission process for Observers is stated in the Voluntary Principles Framework for the Admission of New Observers, set forth in Appendix 4.

Section VI. PARTICIPATION CRITERIA

Paragraph 1. The Participation Criteria for all Participants are set forth in Appendix 2.

Section VII. DISPUTE RESOLUTION

Paragraph 1. Any concerns relating to the administration of these governance rules may be conveyed by a Participant, in writing, to the Steering Committee.

- (a) The Steering Committee is to consider any concerns raised with regard to the administration of these governance rules. Within twenty-one (21) days from receipt of such concern, the Steering Committee may either (i) submit its written views on the concern to the Participant raising such concern, or (ii) refer the matter to the Plenary for further consideration.
 - 1. If the matter is referred to the Plenary, the Participant raising the concern may submit an additional explanation of its concern to the Plenary in writing.
 - 2. If the matter is referred to the Plenary, the Secretariat is to prepare any additional documentation necessary to facilitate the Plenary's review.

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Paragraph 2. Any concerns related to a Participant's meeting of the Participation Criteria or a Participant's sustained lack of efforts in implementing the Voluntary Principles may be raised pursuant to the dispute resolution process set forth in the Participation Criteria, Appendix 2.

- (b) If the Secretariat is requested to facilitate formal consultations, pursuant to the Participation Criteria, the Secretariat should convene a meeting, in person or via teleconference, as soon as is practicable, with the Participants to the dispute in order to develop a guiding framework for those consultations.

Section VIII. REPORTING

Paragraph 1. Each Participant reports annually to the Plenary on its efforts to implement the Voluntary Principles.

- (a) These reports are to be drafted in a manner consistent with the Voluntary Principles Reporting Guidelines, as set forth in Appendix 5.

Paragraph 2. Any Participant's status may be reviewed and such Participant may be declared inactive if it fails to submit an Annual Report that meets criteria specified in the Reporting Guidelines.

Paragraph 3. The Secretariat is responsible for producing a Summary Annual Report each year highlighting good practice and progress in Participants' implementation of the Voluntary Principles. The Summary Annual Report is not to reference specific Participants and is made public.

Paragraph 4. Notwithstanding the provisions in this Section or in Section III, para. 4(a), Participants may publish their own Voluntary Principles Annual Reports, provided such Annual Reports do not contain confidential information about any other Participant unless that Participant has consented to the release of the information.

Section IX. USE OF THE VOLUNTARY PRINCIPLES

Paragraph 1. The Voluntary Principles may be implemented by any interested party.

Section X. FINANCE

Paragraph 1. Cost Sharing. Corporate Pillar and Government Pillar Participants are expected to share the costs of administering the Secretariat.

- (a) Each year, the Steering Committee makes a recommendation to the Plenary, at the Annual Plenary Meeting, regarding an annual budget and the associated costs that are attributable, in equal amounts, to each Corporate Pillar and Government Pillar Participant for that year.

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1. After Plenary approval of an annual budget, the Secretariat distributes to each Corporate Pillar and Government Pillar Participant a request for the expected payment, along with documentation to describe the nature of the costs and how the costs were allocated among the Corporate Pillar and Government Pillar Participants.
2. Each Corporate Pillar and Government Pillar Participant is expected to submit payment to the Secretariat no later than sixty (60) days after receipt of the request.
3. The Steering Committee may recommend to the Plenary that any Corporate Pillar or Government Pillar Participant that fails to make the expected financial contribution be declared an Inactive Participant.

(b) Engaged Governments.

1. During its first year of “engaged” status, an Engaged Government is expected to pay an amount equal to half of the costs allocated to a Participant Government.
 - a. The Engaged Government is expected to share in the costs of administering the Secretariat on the same basis as a Participant Government thereafter.
 - b. A Government’s inability to share in any of the costs would be addressed on a case by case basis..

Paragraph 2. On an annual basis, in preparation for the Annual Plenary Meeting, each of the three Pillars is to select a Participant to review, for the previous year, the finances and budget of the Voluntary Principles Initiative including the statements of any accounts held in connection with the Voluntary Principles Initiative. Participants selected for this review are not to be Steering Committee Members. The three Participants should submit the findings of this review to the Plenary at the Annual Plenary Meeting. The Steering Committee is to ensure that this financial review occurs on an annual basis.

Paragraph 3. Accounts/Fund Management. At the direction of the Steering Committee, the Secretariat is to administer a bank account for the Voluntary Principles Initiative, the “Voluntary Principles Management Account.”

- (a) Upon approval by the Steering Committee, a representative from the Secretariat may be granted the authority to sign checks from the Voluntary Principles Management Account.
 1. As stated in Section III, Paragraph 3(c)(1)(1), the Secretariat is authorized to disburse budgeted funds totaling fewer than one

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thousand dollar (\$1000) and unbudgeted expenses totaling fewer than five hundred dollars (\$500) on behalf of the Voluntary Principle Initiative.

- a. Any disbursement totaling greater than twenty-five dollars (\$25) must be documented with receipts.
- (b) Funds in the Voluntary Principles Management Account are used to pay administrative costs of the Voluntary Principles Initiative, including those costs connected to the administration of the Secretariat. Funds in the Voluntary Management Account that are used for other purposes or activities falling within the objectives of the Voluntary Principles Initiative, as defined by the annual work plan approved by the Plenary, are to be accounted for separately.

Paragraph 4. The Steering Committee may appoint an external, independent auditor to annually audit the Voluntary Principles Management Account, and to present a written audit report to the Steering Committee. The Steering Committee is responsible for developing reporting and auditing arrangements with respect to the Voluntary Principles Management Account.

Paragraph 5. Each Participant in the NGO Pillar is required to disclose all sources and amounts of income, with details on the purpose of funds received from other Participants in the Voluntary Principles Initiative.

- (a) This disclosure is to be made on an annual basis.
- (b) The disclosure report is to be submitted to the Steering Committee, via the Secretariat, at the same time as the Participant submits its Annual Report. The Steering Committee is responsible for reviewing these disclosures.

Section XI. MODIFICATION

Paragraph 1. These governing rules may be modified by the Plenary.

Section XII. DISCONTINUATION

Paragraph 1. Any Participant may discontinue its participation in the Voluntary Principles Initiative at any time.

- (a) A Participant should endeavor to submit a written notification of discontinuation to the Secretariat. Immediately upon receipt, the Secretariat will distribute the notification to the members of the Steering Committee.
- (b) A Participant's discontinuation is effective upon receipt of the written notification by the Steering Committee.

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Paragraph 2. A Participant that discontinues its participation in the Voluntary Principles Initiative is not entitled to any refund of payments already made pursuant to Section X, Paragraph 1.

Section XIII. EXPULSION AND INACTIVE PARTICIPANTS

Paragraph 1. A decision to expel a Participant is made by the Plenary pursuant to the Participation Criteria, set forth in Appendix 2.

Paragraph 2. A Participant may be declared an Inactive Participant as a result of:

- (a) such Participant's failure to submit an Annual Report consistent with the Participation Criteria and the Reporting Guidelines set forth in Appendices 2 and 5;
- (b) categorical refusal to engage with another Participant as provided in the Participation Criteria; or
- (c) failure to pay dues in accordance with Section X, Paragraph 1.

Paragraph 3. Decisions to declare a Participant to be Inactive are made by the Plenary pursuant to Section III, Paragraph 3(a)(f).

Paragraph 4. An Inactive Participant that wishes to be declared an Active Participant may submit a letter to the Steering Committee setting forth the basis of its request. The Steering Committee will distribute the request to the Plenary for a determination pursuant to Section III, Paragraph 3(a)(f).

Paragraph 5. Participants that wish to recommend that a Participant be either expelled or declared an Inactive Participant should raise their concerns, in writing, to the Steering Committee.

- (d) The Steering Committee is to consider any concerns raised by a Participant about another Participant and may recommend that the Plenary expel a Participant or declare a Participant an Inactive Participant.

Section XIV. DISSOLUTION

Paragraph 1. The Voluntary Principles Initiative may be dissolved by the Plenary.

Paragraph 2. Such dissolution is to be affirmatively approved by at least seventy-five percent (75%) of each Pillar.

APPENDICES

- (1) The Voluntary Principles on Security and Human Rights**
- (2) The Participation Criteria**
- (3) Entry Frameworks for Participants**
 - 1. The Voluntary Principles Initiative Framework for the Admission of New Companies**
 - 2. The Voluntary Principles Initiative Framework for the Admission and Participation of New Governments**
 - 3. The Voluntary Principles Initiative Framework for the Admission of New NGOs**
- (4) The Voluntary Principles Initiative Framework for the Admission of Observers**
- (5) The Initiative of the Voluntary Principles on Security and Human Rights Draft Reporting Guidelines**

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APPENDIX 1 – THE VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS

THE VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS

Introduction

Governments of the United States, the United Kingdom, the Netherlands and Norway, companies in the extractive and energy sectors (“companies”), and non-governmental organizations (“NGOs”), all with an interest in human rights and corporate social responsibility, have engaged in a dialogue on security and human rights.

The Participants recognize the importance of the promotion and protection of human rights throughout the world and the constructive role business and civil society — including non-governmental organizations, labor/trade unions, and local communities — can play in advancing these goals. Through this dialogue, the Participants have developed the following set of voluntary principles to guide companies in maintaining the safety and security of their operations within an operating framework that ensures respect for human rights and fundamental freedoms. Mindful of these goals, the Participants agree to the importance of continuing this dialogue and keeping under review these principles to ensure their continuing relevance and efficacy.

Acknowledging that security is a fundamental need, shared by individuals, communities, businesses, and governments alike, and acknowledging the difficult security issues faced by companies operating globally, we recognize that security and respect for human rights can and should be consistent;

Understanding that governments have the primary responsibility to promote and protect human rights and that all parties to a conflict are obliged to observe applicable international humanitarian law, we recognize that we share the common goal of promoting respect for human rights, particularly those set forth in the Universal Declaration of Human Rights, and international humanitarian law;

Emphasizing the importance of safeguarding the integrity of company personnel and property, companies recognize a commitment to act in a manner consistent with the laws of the countries within which they are present, to be mindful of the highest applicable international standards, and to promote the observance of applicable international law enforcement principles (e.g., the UN Code of Conduct for Law Enforcement Officials and the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials), particularly with regard to the use of force;

Taking note of the effect that companies' activities may have on local communities, we recognize the value of engaging with civil society and host and home governments to contribute to the welfare of the local community while mitigating any potential for conflict where possible;

Understanding that useful, credible information is a vital component of security and human rights, we recognize the importance of sharing and understanding our respective experiences regarding, inter alia, best security practices and procedures, country human rights situations, and public and private security, subject to confidentiality constraints;

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Acknowledging that home governments and multilateral institutions may, on occasion, assist host governments with security sector reform, developing institutional capacities and strengthening the rule of law, we recognize the important role companies and civil society can play in supporting these efforts;

We hereby express our support for the following voluntary principles regarding security and human rights in the extractive sector, which fall into three categories, risk assessment, relations with public security, and relations with private security:

Risk Assessment

The ability to assess accurately risks present in a company's operating environment is critical to the security of personnel, local communities and assets; the success of the company's short and long-term operations; and to the promotion and protection of human rights. In some circumstances, this is relatively simple; in others, it is important to obtain extensive background information from different sources; monitoring and adapting to changing, complex political, economic, law enforcement, military and social situations; and maintaining productive relations with local communities and government officials.

The quality of complicated risk assessments is largely dependent on the assembling of regularly updated, credible information from a broad range of perspectives — local and national governments, security firms, other companies, home governments, multilateral institutions, and civil society knowledgeable about local conditions. This information may be most effective when shared to the fullest extent possible (bearing in mind confidentiality considerations) between companies, concerned civil society, and governments.

Bearing in mind these general principles, we recognize that accurate, effective risk assessments should consider the following factors:

Identification of security risks. Security risks can result from political, economic, civil or social factors. Moreover, certain personnel and assets may be at greater risk than others. Identification of security risks allows a company to take measures to minimize risk and to assess whether company actions may heighten risk.

Potential for violence. Depending on the environment, violence can be widespread or limited to particular regions, and it can develop with little or no warning. Civil society, home and host government representatives, and other sources should be consulted to identify risks presented by the potential for violence. Risk assessments should examine patterns of violence in areas of company operations for educational, predictive, and preventative purposes.

Human rights records. Risk assessments should consider the available human rights records of public security forces, paramilitaries, local and national law enforcement, as well as the reputation of private security. Awareness of past abuses and allegations can help companies to avoid recurrences as well as to promote accountability. Also, identification of the capability of the above entities to respond to situations of violence in a lawful manner (*i.e.*, consistent with applicable international standards) allows companies to develop appropriate measures in operating environments.

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Rule of law. Risk assessments should consider the local prosecuting authority and judiciary's capacity to hold accountable those responsible for human rights abuses and for those responsible for violations of international humanitarian law in a manner that respects the rights of the accused.

Conflict analysis. Identification of and understanding the root causes and nature of local conflicts, as well as the level of adherence to human rights and international humanitarian law standards by key actors, can be instructive for the development of strategies for managing relations between the company, local communities, company employees and their unions, and host governments. Risk assessments should also consider the potential for future conflicts.

Equipment transfers. Where companies provide equipment (including lethal and non-lethal equipment) to public or private security, they should consider the risk of such transfers, any relevant export licensing requirements, and the feasibility of measures to mitigate foreseeable negative consequences, including adequate controls to prevent misappropriation or diversion of equipment which may lead to human rights abuses. In making risk assessments, companies should consider any relevant past incidents involving previous equipment transfers.

Interactions Between Companies and Public Security

Although governments have the primary role of maintaining law and order, security and respect for human rights, companies have an interest in ensuring that actions taken by governments, particularly the actions of public security providers, are consistent with the protection and promotion of human rights. In cases where there is a need to supplement security provided by host governments, companies may be required or expected to contribute to, or otherwise reimburse, the costs of protecting company facilities and personnel borne by public security. While public security is expected to act in a manner consistent with local and national laws as well as with human rights standards and international humanitarian law, within this context abuses may nevertheless occur.

In an effort to reduce the risk of such abuses and to promote respect for human rights generally, we have identified the following voluntary principles to guide relationships between companies and public security regarding security provided to companies:

Security Arrangements

Companies should consult regularly with host governments and local communities about the impact of their security arrangements on those communities.

Companies should communicate their policies regarding ethical conduct and human rights to public security providers, and express their desire that security be provided in a manner consistent with those policies by personnel with adequate and effective training.

Companies should encourage host governments to permit making security arrangements transparent and accessible to the public, subject to any overriding safety and security concerns.

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Deployment and Conduct

The primary role of public security should be to maintain the rule of law, including safeguarding human rights and deterring acts that threaten company personnel and facilities. The type and number of public security forces deployed should be competent, appropriate and proportional to the threat.

Equipment imports and exports should comply with all applicable law and regulations. Companies that provide equipment to public security should take all appropriate and lawful measures to mitigate any foreseeable negative consequences, including human rights abuses and violations of international humanitarian law.

Companies should use their influence to promote the following principles with public security: (a) individuals credibly implicated in human rights abuses should not provide security services for companies; (b) force should be used only when strictly necessary and to an extent proportional to the threat; and (c) the rights of individuals should not be violated while exercising the right to exercise freedom of association and peaceful assembly, the right to engage in collective bargaining, or other related rights of company employees as recognized by the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

In cases where physical force is used by public security, such incidents should be reported to the appropriate authorities and to the company. Where force is used, medical aid should be provided to injured persons, including to offenders.

Consultation and Advice

Companies should hold structured meetings with public security on a regular basis to discuss security, human rights and related work-place safety issues. Companies should also consult regularly with other companies, host and home governments, and civil society to discuss security and human rights. Where companies operating in the same region have common concerns, they should consider collectively raising those concerns with the host and home governments.

In their consultations with host governments, companies should take all appropriate measures to promote observance of applicable international law enforcement principles, particularly those reflected in the UN Code of Conduct for Law Enforcement Officials and the UN Basic Principles on the Use of Force and Firearms.

Companies should support efforts by governments, civil society and multilateral institutions to provide human rights training and education for public security as well as their efforts to strengthen state institutions to ensure accountability and respect for human rights.

Responses to Human Rights Abuses

Companies should record and report any credible allegations of human rights abuses by public security in their areas of operation to appropriate host government authorities.

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Where appropriate, companies should urge investigation and that action be taken to prevent any recurrence.

Companies should actively monitor the status of investigations and press for their proper resolution.

Companies should, to the extent reasonable, monitor the use of equipment provided by the company and to investigate properly situations in which such equipment is used in an inappropriate manner.

Every effort should be made to ensure that information used as the basis for allegations of human rights abuses is credible and based on reliable evidence. The security and safety of sources should be protected. Additional or more accurate information that may alter previous allegations should be made available as appropriate to concerned parties.

Interactions Between Companies and Private Security

Where host governments are unable or unwilling to provide adequate security to protect a company's personnel or assets, it may be necessary to engage private security providers as a complement to public security. In this context, private security may have to coordinate with state forces, (law enforcement, in particular) to carry weapons and to consider the defensive local use of force. Given the risks associated with such activities, we recognize the following voluntary principles to guide private security conduct:

Private security should observe the policies of the contracting company regarding ethical conduct and human rights; the law and professional standards of the country in which they operate; emerging best practices developed by industry, civil society, and governments; and promote the observance of international humanitarian law.

Private security should maintain high levels of technical and professional proficiency, particularly with regard to the local use of force and firearms.

Private security should act in a lawful manner. They should exercise restraint and caution in a manner consistent with applicable international guidelines regarding the local use of force, including the UN Principles on the Use of Force and Firearms by Law Enforcement Officials and the UN Code of Conduct for Law Enforcement Officials, as well as with emerging best practices developed by companies, civil society, and governments.

Private security should have policies regarding appropriate conduct and the local use of force (e.g., rules of engagement). Practice under these policies should be capable of being monitored by companies or, where appropriate, by independent third parties. Such monitoring should encompass detailed investigations into allegations of abusive or unlawful acts; the availability of disciplinary measures sufficient to prevent and deter; and procedures for reporting allegations to relevant local law enforcement authorities when appropriate.

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All allegations of human rights abuses by private security should be recorded. Credible allegations should be properly investigated. In those cases where allegations against private security providers are forwarded to the relevant law enforcement authorities, companies should actively monitor the status of investigations and press for their proper resolution.

Consistent with their function, private security should provide only preventative and defensive services and should not engage in activities exclusively the responsibility of state military or law enforcement authorities. Companies should designate services, technology and equipment capable of offensive and defensive purposes as being for defensive use only.

Private security should (a) not employ individuals credibly implicated in human rights abuses to provide security services; (b) use force only when strictly necessary and to an extent proportional to the threat; and (c) not violate the rights of individuals while exercising the right to exercise freedom of association and peaceful assembly, to engage in collective bargaining, or other related rights of company employees as recognized by the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

In cases where physical force is used, private security should properly investigate and report the incident to the company. Private security should refer the matter to local authorities and/or take disciplinary action where appropriate. Where force is used, medical aid should be provided to injured persons, including to offenders.

Private security should maintain the confidentiality of information obtained as a result of its position as security provider, except where to do so would jeopardize the principles contained herein.

To minimize the risk that private security exceed their authority as providers of security, and to promote respect for human rights generally, we have developed the following additional voluntary principles and guidelines:

Where appropriate, companies should include the principles outlined above as contractual provisions in agreements with private security providers and ensure that private security personnel are adequately trained to respect the rights of employees and the local community. To the extent practicable, agreements between companies and private security should require investigation of unlawful or abusive behavior and appropriate disciplinary action. Agreements should also permit termination of the relationship by companies where there is credible evidence of unlawful or abusive behavior by private security personnel.

Companies should consult and monitor private security providers to ensure they fulfill their obligation to provide security in a manner consistent with the principles outlined above. Where appropriate, companies should seek to employ private security providers that are representative of the local population.

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Companies should review the background of private security they intend to employ, particularly with regard to the use of excessive force. Such reviews should include an assessment of previous services provided to the host government and whether these services raise concern about the private security firm's dual role as a private security provider and government contractor.

Companies should consult with other companies, home country officials, host country officials, and civil society regarding experiences with private security. Where appropriate and lawful, companies should facilitate the exchange of information about unlawful activity and abuses committed by private security providers.

VOLUNTARY PRINCIPLES GOVERNANCE RULES

APPENDIX 2 – PARTICIPATION CRITERIA

INITIATIVE OF THE VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS

PARTICIPATION CRITERIA

Participants

- Governments
- Companies
- Non-Governmental Organizations

Overview

At the 2007 Annual Plenary Meeting in Washington DC, the Participation Criteria were formally adopted. The Participation Criteria articulate the responsibilities of current and future members of the Voluntary Principles Initiative; it is anticipated that the Participation Criteria will further strengthen implementation and accountability, increase the number of Voluntary Principles Initiative Participants, and encourage more robust and constructive dialogue among Participants.

Some of the key features of the Participation Criteria include: minimum requirements for participation; a dispute resolution process to raise concerns about the performance of a Participant; accountability mechanisms that include the possibility of expulsion; and more transparent procedures for accepting new members.

Additionally, the criteria enshrine a commitment by Participants to report publicly on their implementation of, and/or their assistance in the implementation of the Voluntary Principles.

Voluntary Principles Participation Criteria

Participants confirm that the core objective of the Voluntary Principles is to “guide companies in maintaining the safety and security of their operations within an operating framework that ensures respect for Human Rights and fundamental freedoms.” Participants acknowledge that engagement and dialogue among the Participants are central to reaching this objective.

To facilitate the goals of the Voluntary Principles and encourage full and open dialogue, Participants confirm that all proceedings of the Voluntary Principles process are on a nonattribution and non-quotation basis and no distribution of documents to non-Participants is permitted except as required by valid legal process or otherwise required by law.¹

¹As stated in Appendix 4, Observers are required to sign a statement acknowledging the confidentiality which all Participants in the Voluntary Principles Initiative are expected to follow, as set forth in the Participation Criteria.

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All Participants are expected to meet the following criteria:

1. Publicly promote the Voluntary Principles;
2. Proactively implement or assist in the implementation of the Voluntary Principles;
3. Attend the Annual Plenary Meeting and, as appropriate and commensurate with resource constraints, other sanctioned extraordinary and in-country meetings;
4. Communicate publicly, at least annually, on efforts to implement or assist in the implementation of the Voluntary Principles;
5. Prepare and submit to the Steering Committee, one month prior to the Annual Plenary Meeting, an Annual Report on efforts to implement or assist in the implementation of the Voluntary Principles according to criteria determined by the Participants;
6. Participate in dialogue with other Voluntary Principles Participants;
7. Subject to legal, confidentiality, safety, and operational concerns, provide timely responses to reasonable requests for information from other Participants with the aim of facilitating comprehensive understanding of the issues related to implementation or assistance in implementation of the Voluntary Principles.

In Addition:

- A Participant may be declared inactive if it fails to submit an Annual Report that meets mutually determined criteria (Participation Criteria number 5, above) and/or categorically refuses to engage in direct dialogue with another Participant.²
- Participants are permitted to raise concerns regarding whether any other Participant has met the Participation Criteria and, where appropriate, concerns regarding sustained lack of efforts to implement the Voluntary Principles. The ultimate goal of all concerns raised with regard to performance under the Voluntary Principles should be to strengthen individual and collective efforts to implement or assist in implementing the Voluntary Principles through constructive engagement.
- Corporate and Government Pillar Participants are expected to pay contributions for Secretariat services.
- Participants are to seek to resolve any concerns through direct dialogue with another Participant. If direct dialogue fails to resolve the issue, a Participant may submit its concerns to the Steering Committee. If determined by the Steering Committee that these concerns are based on reliable information and that the Voluntary Principles Initiative would be strengthened by further consultations, the matter is to be referred to the Secretariat within 60 days of its submission to the Steering Committee. The Secretariat is

² Engaging with another Participant refers to engagement in good faith.

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to facilitate formal consultations between the interested Participants, subject to the requirement of confidentiality set forth in this document. In no more than six months, the Participants involved in these consultations may present the matter to the Plenary at an Annual or Extraordinary Plenary Meeting. The Plenary is to decide what, if any, further action is appropriate. The Plenary's role is to make recommendations that strengthen and/or support implementation of the Voluntary Principles. A party to a complaint may request the Steering Committee to conduct a status review of a Participant's efforts to implement the Plenary's recommendation. The Steering Committee, on its own discretion, may also initiate this review. Categorical failure to implement the Plenary's recommendations within a reasonable period as defined by that Plenary will result in inactive status.

- The Participant raising the concerns and the Participant about whom the concerns are raised may present their position to the Steering Committee or Plenary, as the case may be, but otherwise do not participate in decisions to expel a Participant. In the event concerns are raised about more than one Participant, the decisions with respect to each Participant are to be reached separately.
- To facilitate the goals of the Voluntary Principles and to encourage full and open dialogue, Participants acknowledge that implementation of the Principles is continuously evolving and affirm that the Voluntary Principles do not create legally binding standards and participation in, communications concerning, and alleged failures to abide by the Voluntary Principles are not to be used to support a claim in any legal or administrative proceeding against a Participant. This does not preclude any Participant from criticizing the conduct of any other Participant, publicly or privately, subject to the requirement of confidentiality set forth in this document.

VOLUNTARY PRINCIPLES GOVERNANCE RULES

APPENDIX 3.1 – VOLUNTARY PRINCIPLES INITIATIVE FRAMEWORK FOR ADMISSION OF NEW COMPANIES

VOLUNTARY PRINCIPLES INITIATIVE FRAMEWORK FOR ADMISSION OF NEW COMPANIES

Governments, companies in the extractive sector, and non-government organizations, all with an interest in human rights and corporate social responsibility, have engaged in a dialogue on security and human rights. Participants recognize the importance of the promotion and protection of human rights throughout the world and the constructive role business and civil society – including non-governmental organizations, labor/trade unions and local communities – can play in advancing these goals.

1. Admissions Process

- 1.1 Any company in the extractive industry may formally request admission to the Voluntary Principles Initiative (hereinafter referred to as “Applicant Company”).
- 1.2 The request for application is to be made in writing to the Secretariat using the Action Plan Form (Annex 1).
- 1.3 Applicant Company is welcome to join the Voluntary Principles Initiative if there is consensus among Participants, as represented by the Steering Committee, that the organization meets the entry criteria below. If consensus cannot be reached, then the matter is resolved through an open vote by at least 75% of the members of each Pillar(government, NGO, and company). The approval or rejection of the application is communicated to the Secretariat through the Steering Committee, and the Secretariat will advise the applicant of the decision.
- 1.4 If an application has been rejected, the Applicant Company may appeal. The request for reconsideration of the application request is to be reviewed by the Steering Committee, and consideration of the application may be repeated following subsequent dialogue between the Steering Committee and the Applicant Company, taking into consideration arguments brought forward by the Applicant Company.

2. Entry Criteria

- 2.1 To be considered for entry, Applicant Company is expected to submit an Action Plan (Annex 1).

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- 2.2 Applicant Company commits to proactively implement and/or assist in the implementation of the Voluntary Principles and to fulfill the roles and responsibilities described in the Participation Criteria.
- 2.3 Applicant Company recognizes a responsibility to maintain the safety and security of its operations within an operating framework that ensures respect for human rights and fundamental freedoms and to act in a manner consistent with the laws of the countries within which they are present, to be mindful of the highest applicable international standards, and to promote the observance of applicable international law enforcement principles (e.g. the UN Code of Conduct for Law Enforcement Officials and the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials), particularly with regard to the use of force, and as it relates to security and extractives.

3. Corporate Pillar Participants

- 3.1 Corporate Pillar Participants are inter alia:
- a) Eligible to participate fully in all aspects of the Voluntary Principles, including governance and other decision-making forums, and
 - b) Expected to fulfill the Participation Criteria.

VOLUNTARY PRINCIPLES GOVERNANCE RULES

ANNEX 1: COMPANY ACTION PLAN

General information

1. Name of company
2. Name, department and job title of primary contact person
3. Address of headquarters

Existing Human Rights related implementation

Please provide examples of how your company already implements, or supports implementation of the Voluntary Principles.

4. Describe company policies or codes of conduct that you have in place, or plan to put in place, with regard to security and human rights. If available, provide concrete examples of how your company currently implements security and human rights principles and/or practices in your operations.
5. Provide information on how your company already cooperates with existing Voluntary Principles Participants on security and human rights issues. Specify which countries and which companies, governments, or NGOs your company cooperates with.

Action plan for implementation of Voluntary Principles

6. List the countries in which implementation of the Voluntary Principles is of particular interest or relevance to your company.
7. Explain what type of presence (e.g. operating company, joint venture, minority investor, etc) your company has in the countries identified in the previous response.
8. Explain how your company would contribute to implementation / support of implementation and advancement of the Voluntary Principles if it became a Participant. Please indicate whether your response relates to company, country, and/or global levels, and also include an indicative timeframe.
9. Explain how the Voluntary Principles will enhance or assist the current efforts of your company and/or future plans.
10. Please attach any additional information that might help in the consideration of your request (e.g. relevant extracts from your Annual Reports or CSR reports).

VOLUNTARY PRINCIPLES GOVERNANCE RULES

APPENDIX 3.2 – VOLUNTARY PRINCIPLES INITIATIVE FRAMEWORK FOR THE ADMISSION AND PARTICIPATION OF NEW GOVERNMENTS

VOLUNTARY PRINCIPLES INITIATIVE FRAMEWORK FOR ADMISSION AND PARTICIPATION OF NEW GOVERNMENTS

Recalling the Voluntary Principles Participation Criteria, which state that the core objective of the Voluntary Principles is to "guide companies in maintaining the safety and security of their operations within an operating framework that ensures respect for human rights and fundamental freedoms" and that "engagement and dialogue among the Participants are central to reaching this objective",

Recognizing that it is fundamentally incompatible with and contrary to the objectives and spirit of the Voluntary Principles for any Government involved in the Voluntary Principles to commit acts of genocide, crimes against humanity, or widespread or systemic war crimes,

and

Recognizing the wish to welcome more governments in to the Voluntary Principles, the Voluntary Principles Participants have decided as follows:

1. Admission Process

1.1 Any Government may formally request admission to the Voluntary Principles Initiative (hereinafter referred to as "Applicant Government"). The request is to be made in writing to the Secretariat and is to include a statement of the Applicant Government's commitment to the Voluntary Principles. See Annex B for suggested elements to be included in a Letter of Intent.

1.2 An Applicant Government is admitted to the Voluntary Principles Initiative as an Engaged Government with the benefits and responsibilities set forth in Section 2 unless it is excluded from participation under the terms set forth in Section 1.5. The status of "Engaged Government" applies irrespective of whether the Government is home or host to extractives companies, a combination of such or is a Government without such affiliations.

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1.3 Engaged Governments may at any time request status as Participant Government under the terms set forth in Section 3 and with the benefits and responsibilities set forth in Section 4. The status of “Participant Government” applies irrespective of whether the Government is home or host to extractives companies, a combination of such or is a Government without such affiliations.

1.4 Participation in the Voluntary Principles Initiative does not constitute endorsement by the Voluntary Principles Participants of the human rights performance of the Government.

1.5 An Applicant Government is not to be admitted to the Voluntary Principles Initiative if:

- a) a Participant Government uses its veto power to exclude the Applicant Government. This veto power is to be exercised solely on the basis that a Participating Government has grave concerns that an Applicant Government is committing acts of genocide, crimes against humanity, widespread or systemic war crimes or has other grave concerns with regard to its willingness to implement or assist in the implementation of the Voluntary Principles. A proposal to admit a vetoed Government can be submitted to the Government Pillar if the Corporate or NGO Pillars support the admission of that Government. The proposal may be accompanied with a request for consultations with the Government Pillar. Any Participant Government may use its veto power on the same basis as the initial veto or
- b) the Corporate or NGO Pillars propose the exclusion of the Applicant Government (the “Proposal”) and there is consensus within the Government Pillar on this Proposal. If consensus cannot be reached, then at least 75% of the Government Pillar must support the Proposal. Such Proposals may be introduced solely on the basis that there are grave concerns that the Applicant Government is committing acts of genocide, crimes against humanity, widespread or systemic war crimes or the proposing pillar has other grave concerns with regard to its willingness to implement or assist in the implementation of the Voluntary Principles.

1.6 An Engaged Government’s status is to be reviewed under the procedures set forth in 1.5 if any pillar makes an affirmative determination that the Engaged Government is committing acts of genocide, crimes against humanity, or widespread or systemic war crimes.

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1.7 An Applicant Government that is not admitted under the terms set forth in Section 1.5 or an Engaged Government excluded under the terms set forth in Section 1.6, may at any time submit a renewed request for admission.

2. Engaged Governments

Engaged Governments may inter alia:

- a) Attend and contribute to events organized by the Voluntary Principles Initiative, including appropriate sessions at Annual or Extraordinary Plenary Meetings,
- b) Seek advice and support from the Secretariat for Voluntary Principles-recognized activities,
- c) Contribute to discussions regarding implementation of the Voluntary Principles, including sharing of experiences and best practices.

3. Advancement to status as Participant Government

3.1 An Engaged Governments may at any time request the Steering Committee to initiate a process enabling it to gain status as a Participant Government. Such a process would require that the Engaged Government develops and implements a national plan (hereinafter: “the Plan”) consistent with the framework set out in Annex A. The Plan is to focus on steps to promote security and human rights in the extractives industry of the Engaged Government’s country.

3.2 The Plan is to be presented to the Steering Committee for approval. The Steering Committee is to indicate a time-frame for the Government’s reporting to the Steering Committee on progress in implementing the Plan.

3.3 The Steering Committee is to decide if and when a Government has made significant progress in implementing the Plan enabling it to gain status as a Participant Government. As necessary, the Steering Committee may recommend assessments in order to determine the level of progress by the Government. This may include organizing an in-country review mission consisting of a group of Voluntary Principles Participants.

4. Participant Governments

4.1 Participant Governments are inter alia:

- a) Included in the Government Pillar with the veto powers set forth in Section 1.5,

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- b) Eligible to participate fully in all other aspects of the Voluntary Principles Initiative, including governance and other decision-making forums, and
- c) Expected to fulfill the Participation Criteria.

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ANNEX A: PLAN FRAMEWORK

Overview of Entry Process for becoming a Participant Government

1. Governments interested in joining the Initiative of the Voluntary Principles on Security and Human Rights (“Voluntary Principles Initiative”) should submit a Letter of Intent to the Steering Committee. This initiates the process enabling them to gain eventual status as a Participant Government.
2. If the Letter of Intent is accepted by the Steering Committee, in consultation with the Plenary, the Voluntary Principles Secretariat informs the interested government that it has gained Engaged Government status.
3. Within 18 months of becoming an Engaged Government, the Government should submit a National Plan (“Plan”) to the Steering Committee outlining the steps it intends to take to promote the objectives of the Voluntary Principles Initiative.
4. If the Plan is accepted by the Steering Committee, in consultation with the Plenary, the Voluntary Principles Secretariat informs the Engaged Government that it has gained Participant status.

Elements of a Letter of Intent

See Annex B for suggested elements to be included in a Letter of Intent.

Elements of the Plan

The Plan should outline the steps the Engaged Government plans to take to promote and implement the Voluntary Principles. The Plan should include a road map that sets out clear objectives, a plan of activities and a timetable for promotion and implementation. The Plan should be developed by the Engaged Government in consultation with, and drawing on input, from relevant government agencies (e.g. commerce, defense, justice, energy, and economic issues). The Engaged Government should also consult with embassies and missions in countries where the Voluntary Principles are relevant, and with industry and civil society. Consultations should continue on promoting and implementing the Voluntary Principles even when a country achieves Participant status.

The Plan should include details of how the Engaged Government intends to:

- a. demonstrate commitment to and implement the Voluntary Principles on Security and Human Rights both domestically and overseas;
- b. promote the Voluntary Principles and encourage companies, NGOs and other governments to join the Voluntary Principles Initiative and implement the Voluntary Principles;

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(Examples of potential activities designed to promote and implement the Voluntary Principles include regular multi-stakeholder roundtables; establishing interdepartmental Voluntary Principles promotion strategies; demarches; administering training; developing national legislation; joint Government-Corporate-NGO outreach; presentations at international fora).

The Plan might also include:

1. details of appropriate laws, regulations, policies, and/or procedures which are designed to ensure that actions of public or private security providers are consistent with applicable international law and humanitarian law, or provide details of what steps will be taken to enact such laws, regulations and policies. This could include human rights training and education for security providers;
2. details on how the Government intends to promote the observance of applicable international law enforcement principles, particularly with regard to the use of force;
3. an explanation of the Government's efforts to ensure accountability and respect for human rights and to mitigate human rights abuses. The Government could also detail how it holds perpetrators accountable by taking actions including investigating, prosecuting, and/or other measures that effectively address human rights abuses or prevent them.

Voluntary Principles Initiative Timeframe for Engaged Governments

1. Engaged Governments should, on a quarterly basis, update the Steering Committee on progress of their drafting of the Plan.
2. Governments should transition from Engaged Government to Participant Government status within 18 months of becoming an Engaged Government. However, some flexibility may be required in this transition period as governments are expected to provide a large amount of information in the Plan. If a Plan is not submitted within 18 months, the Steering Committee and Secretariat should work with the Engaged Government to ensure that a Plan is submitted within 6 months after the end of the 18-month period.
3. For a period of one (1) month following submission of the Plan, the Steering Committee should review the Plan and work to clarify issues related to the Plan with the Engaged Government. If ongoing collaborative work (between the Steering Committee and the Engaged Government) is needed, the Steering Committee should inform the Engaged Government, set a new timeline and work with the Government to address outstanding issues in a timely fashion.

Note - Financial Commitments and Reporting as an Engaged Government

Engaged Governments are expected to pay a percentage equal to one half of the costs attributed to a Participant during their first year of Engaged Government status. The Government is expected to share in the costs as a Participant thereafter. A Government's inability to share in any of the costs would be addressed on a case by case basis.

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All Governments, both Engaged and Participant, should expect to produce an Annual Report in accordance with the requirements set forth in Appendix 5.

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ANNEX B: LETTER OF INTENT

The Letter of Intent may include (but is not limited to) incorporating the following elements:

Express interest in joining the Initiative of the Voluntary Principles on Security and Human Rights:

- Describe your commitment to adhering to the Voluntary Principles.
- Identify what ministry will manage the Voluntary Principles, as well as any other ministries and/or bureaus which may contribute and/or have a stake in implementing the Voluntary Principles.

Describe and identify experience with the extractive sector:

- Include information outlining the number of transnational and/or national extractive companies operating in your country.
- Identify the size of mining and extractive-related components in terms of numbers of companies (both home and transnational for which your country is host), size(s) of companies, and estimated fiduciary investments.
- Name some of the large transnational and national companies in your country.
- Cite national and/or transnational companies with operations in the country that work efficiently and effectively.
- Identify experience(s) with transnational and/or national companies operating in areas of armed conflict and/or areas where significant security operations pose risks of human rights abuse.

Describe how the Voluntary Principles may be of Assistance to Your Country's Efforts:

- Distinguish ways in which your country could both contribute to and learn from the Voluntary Principles Initiative and participate in the multi-stakeholder approach of the Voluntary Principles Initiative.
- Explain how the Voluntary Principles Initiative multi-stakeholder forum could help identify practical guidelines and build upon best practices for your government.
- Explain how your government can contribute to the knowledge-base on issues related to the intersection of security and human rights and provide its own unique perspective. Cite examples when possible.

Highlight what your government is currently doing that relates to the Voluntary Principles:

- Cite specific interest in, or current experience your country has undertaken that involves the Voluntary Principles.
- Identify and cite examples of what your government is doing on its own, with businesses, and with members of civil society to collaborate and work on multi-stakeholder initiatives to discuss issues of human rights. (Examples are holding monthly multi-stakeholder roundtables, administering training, developing national legislation etc...)
- Explain how current or future initiatives may be forming the beginning of an in-country action plan for addressing security and human rights in the extractive sector.
- Describe how participating in, or being members of, other initiatives (such as the Extractive Industry Transparency Initiative) may work in tandem with your government's participation in the Voluntary Principles Initiative.

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Commitment to business & human rights initiatives:

- Share how your government intends to raise international awareness and standards for the Voluntary Principles and contribute to improving human rights.
- Describe your commitment to the Voluntary Principles to help reduce the risk of human rights abuses in extractive projects specifically in volatile zones.
- Explain why the Voluntary Principles are beneficial to the interests of your government and the national and transnational companies within your country.
- Share ideas for future initiatives to implement the Voluntary Principles in your country.
- Indicate your initial thoughts and/or examples on what may be included in your national action plan.
- Identify companies in your country that are already Voluntary Principles Initiative members, and describe how you can work with them to promote the Voluntary Principles.
- Share regional dynamics and issues around security and human rights and identify ways in which joining the Voluntary Principles Initiative can help alleviate or proactively address these issues.

Please identify the department where participation in the Voluntary Principles Initiative will be managed and the points of contact.

Send to:

Mr. Gare Smith
Secretariat
Initiative of the Voluntary Principles on Security and Human Rights
Foley Hoag LLP
1875 K Street, N.W.
Suite 800
Washington, D.C. 20006-1238

Or email: voluntaryprinciples@foleyhoag.com

VOLUNTARY PRINCIPLES GOVERNANCE RULES

APPENDIX 3.3 – VOLUNTARY PRINCIPLES INITIATIVE FRAMEWORK FOR ADMISSION OF NEW NGOS

VOLUNTARY PRINCIPLES INITIATIVE FRAMEWORK FOR ADMISSION OF NEW NGOS

The criteria below outline the expectations for new applicants and existing NGO Participants of the Initiative of the Voluntary Principles on Security and Human Rights (“Voluntary Principles Initiative”).

Criteria 1-2 establish the expectations of Participants in terms of commitment to the Voluntary Principles Initiative and its underlying values, and an applicant/Participant’s ability to contribute to the process.³ Independence is considered a prerequisite for fulfilling the role of NGOs in the Voluntary Principles Initiative. Criteria 3 is intended to ensure that the NGO Participants in the Voluntary Principles Initiative are able to demonstrate independence from other Participants.

1. Admission Process

- 1.1 Any NGO may formally request admission to the Voluntary Principles Initiative (hereinafter referred to as “applicant NGO”).
- 1.2 The request is made in writing at any time to the Secretariat and is to include a statement of the Applicant NGO’s commitment to the Voluntary Principles and describe the activities they undertake or plan to undertake relevant to the Voluntary Principles.
- 1.3 Proposals regarding entry of new Applicant NGOs are put before the Steering Committee for consideration.
- 1.4 An Applicant NGO is welcome to join the Voluntary Principles Initiative if there is consensus among Participants, as represented by the Steering Committee, that the organization meets the entry criteria below. If consensus cannot be reached, then the matter is to be resolved through an open vote by at least 75% of the members of each Pillar(government, NGO, and company). The approval or rejection of the application is communicated to the Secretariat through the Steering Committee, and the Secretariat advises the Applicant NGO of the decision.
- 1.5 If an application has been rejected, the Applicant NGO may appeal. The application request may be reconsidered and the process may be repeated following subsequent dialogue between the Steering Committee and the Applicant NGO, taking into consideration arguments brought forward by the Applicant NGO.

³ These criteria do not concern participation in in-country Voluntary Principles Processes.

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2. Entry Criteria

- 2.1 The NGO should have an established record and reputation for the promotion of respect for human rights and/or promotion of human security/peace.
- 2.2 Formal commitment to sustained and public promotion of the Voluntary Principles and commitment to the Voluntary Principles Initiative Participation Criteria.
- 2.3 Willing and capable to contribute to the international Voluntary Principles Initiative process; if based in host country, willing and capable to contribute to national in-country process.
- 2.4 The NGO must be independent and should not be compromised, in its ability to defend the rights and interests of victims of violence and human rights violations and to contribute to holding accountable corporate and state Voluntary Principles Participants because of financial or other relationships with Voluntary Principles Participants or otherwise. The structure and governing rules of the NGO should guarantee its not-for-profit nature of the NGO and its ability to act independently.

3. Participant NGOs

- 3.1 Participant NGOs are inter alia:
 - a. Eligible to participate fully in all aspects of the Voluntary Principles Initiative, including governance and other decision-making forums, and expected to fulfill the Participation Criteria;
 - b. Required to recuse themselves from any voting concerning a fellow Participant with which such NGO has a financial or material relationship provided that such relationship could be deemed reasonably relevant to the Voluntary Principles.
 - c. Required to disclose all sources and amounts of income, with details on the purpose of funds for those from other Participants in the Voluntary Principles Initiative.

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APPENDIX 4 – VOLUNTARY PRINCIPLES INITIATIVE FRAMEWORK FOR ADMISSION OF OBSERVERS

VOLUNTARY PRINCIPLES INITIATIVE FRAMEWORK FOR ADMISSION OF OBSERVERS

The criteria below outline the entry process and expectations for new Observers of the Voluntary Principles Initiative. It is not intended to apply to the International Committee of the Red Cross, the International Council on Mining & Metals, or the International Petroleum Industry Environmental Conservation Association, each of which have been granted status as a permanent Observer.

1. Admission Process

- 1.1 At any time, an organization (hereinafter referred to as “Applicant Observer”) may formally request to attend proceedings of the Voluntary Principles Initiative as an Observer.
- 1.2 The request is made in writing to the Secretariat. The request should include a statement describing the activities the Applicant Observer undertakes, or plans to undertake, that are supportive of the objectives of the Voluntary Principles Initiative. The request should describe the organization and its interest in becoming an Observer. The request should also reflect the Applicant Observer’s relevant expertise, for example in human rights and/or the extractive industry, and should demonstrate that the Applicant Observer is willing, and has the capacity to, contribute to the Voluntary Principles Initiative. Finally, the request should identify any legal, regulatory, or administrative actions that the Applicant Observer has pursued, or intends to pursue, against any Voluntary Principles Participant.
- 1.3 An Applicant Observer’s request is to be delivered to the Steering Committee for its consideration, in consultation with the Plenary.
- 1.4 An Applicant Observer is approved to attend Voluntary Principles Initiative proceedings if its request is approved by the Plenary, as represented by the Steering Committee. As noted in Paragraph 3.2, an Observer may participate in meetings of specific Working Groups only upon invitation by the Steering Committee.
- 1.5 The approval or disapproval of an Applicant Observer’s request is to be communicated to the Applicant Observer by the Secretariat.
- 1.6 Upon approval, an Observer is required to sign a statement acknowledging the confidentiality provisions which all Participants in the Voluntary Principles Initiative are expected to follow, as set forth in the Participation Criteria.

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- 1.7 If approved, an Observer is able to attend proceedings of the Voluntary Principles Initiative for a one-year term, with an option to extend at the discretion of the Plenary.
- i. An Observer's term is to officially begin on the date that its request is approved.
 - ii. Each year, in advance of the Annual Plenary Meeting, the Steering Committee should request that the Secretariat determine whether current Observers wish to seek extension of their terms for an additional year.
 - iii. The Secretariat is to provide the Steering Committee with a list of all Observers who wish to extend their terms for an additional year.
 - iv. The Steering Committee makes a recommendation to the Plenary regarding the extension of each Observer's term for an additional year.
 - v. At the Annual Plenary Meeting, the Plenary reviews and votes on the proposed extensions.

2. Entry Criteria

- 2.1 An Applicant Observer may not, because of its functions, role, or mandate, be qualified to be a member of one of the three Voluntary Principles Pillars.
- 2.2 An Applicant Observer should be an industry association, an international institution, or a national institution.

3. Role of Observers

- 3.1 An Observer is eligible to attend all Plenary meetings, other than proceedings from which it has specifically been excluded by decision of the Steering Committee, pursuant to Paragraph 3.3.
- 3.2 Upon invitation by the Steering Committee, an Observer may participate in meetings of specific Working Groups.
- 3.3 At any time, a member of the Steering Committee, the Plenary, or a Working Group may ask that the Steering Committee exclude an Observer from specific proceedings.
- 3.4 An Observer is not eligible to vote.

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APPENDIX 5 – REPORTING GUIDELINES

INITIATIVE OF THE VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS

DRAFT REPORTING GUIDELINES

I. Introduction

The Participation Criteria of the Initiative of the Voluntary Principles on Security and Human Rights (“Voluntary Principles Initiative”) set forth the Participant’s intent to engage in full dialogue on the implementation of the Voluntary Principles. The Criteria further state that each Participant is to report to the Plenary on its efforts to implement, and/or assist in the implementation of,⁴ the Voluntary Principles.

The purpose of the draft Reporting Guidelines is to help: (i) support transparency regarding efforts to support and implement, and/or assist in the implementation of, the Voluntary Principles; (ii) assist Participants in reporting on efforts to implement the Voluntary Principles to the Plenary; and (iii) facilitate the exchange of good practices among Participants.

The reports are *not* intended to grade implementation by one Participant against another. Participants are expected to describe their efforts to implement the Voluntary Principles each year recognizing any and all security and legal considerations, as well as practical issues related to the collection of required information.

The Reporting Guidelines are divided into four sections: (A) Commitment to the Voluntary Principles; (B) Policies, Procedures, and Related Activities; (C) Country Implementation; and (D) Lessons and Issues. Sections A-C set forth expected reporting commitments and section D is optional.⁵

Reporting using these Guidelines does not preclude the additional exchange of information between Participants, subject to the security and legal considerations noted above.

⁴ In the case of Government and NGO Participants “implement” when used throughout this document is understood to mean “support in implementation”.

⁵ Draft Reporting Guidelines are in their first iteration and may evolve based on the experience of all Participants.

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II. Reporting Content

A. Commitment

No.	General Description	Expected Reporting		
		Government	Company	NGO
1	Statement of commitment or endorsement of the Voluntary Principles.	x	x	x

B. Policies, Procedures, and Related Activities

No.	General Description	Expected Reporting		
		Government	Company	NGO
2	Relevant policies, procedures, and/or guidelines (or any changes thereof from the previous reporting year) to implement the Voluntary Principles.	x	x	x
3	Company procedure to conduct security and human rights risk assessments.		x	
4	Company procedure or mechanism to report security-related incidents with human rights implications by public/private security forces relating to the company's activities		x	
5	Company procedure to consider the Voluntary Principles in entering into relations with private security providers		x	
6	Company procedure or mechanism to address security-related incidents with human rights implications by public/private security forces relating to the company's activities		x	
7	Examples of promoting awareness of the Voluntary Principles throughout the organization or government.	x	x	x
8	Examples of promoting and advancing implementation of the Voluntary Principles internationally	x	x	x

C. Country Implementation

No.	General Description	Expected Reporting		
		Government	Company	NGO
9	Overview of country operations selected for reporting (include any notable changes from the	x	x	x

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	previous reporting year if the same country is being reported this year) ⁶			
10	Engagements with stakeholders on country implementation	x	x	x
11	Voluntary Principles considerations in the selection of private security providers and formulation of contractual agreement with private security providers, as well as arrangement with public security forces		x	
12	Examples of supporting outreach, education, and/or training of (i) relevant personnel, (ii) private security, (iii) public security, and/or (iv) civil society (e.g. local NGOs, community groups)	x ⁷	x	x
13	Company procedure to review progress on implementing the Voluntary Principles at local facilities		x	

D. Lessons and Issues

	General Description	Optional Reporting		
		Government	Company	NGO
14	Lessons or issues from this reporting year, as well as plans or opportunities to advance the Voluntary Principles for the organization	x	x	x

⁶Participants should report on operations in capital as well as in-country.

⁷Including technical / financial assistance from governments.