

## **SUMMARY REPORT OF VOLUNTARY PRINCIPLES IMPLEMENTATION EFFORTS DURING 2010**

This summary report provides an overview of Participants' efforts to implement the Voluntary Principles on Security and Human Rights ("Voluntary Principles") during the course of 2010. The report was prepared using the draft reporting guidelines first used by Participants to prepare their 2009 implementation reports, and by the Secretariat to prepare the *Summary Report of the Voluntary Principles Implementation Efforts 2009*.

The current report is intended to highlight good practice and progress in Participants' implementation of the Voluntary Principles. The reporting guidelines address four areas of implementation: (A) Commitment to the Voluntary Principles; (B) Policies, Procedures, and Implementation Activities; (C) Country Implementation; and (D) Lessons and Issues. Reporting on (A)-(C) was required of Participants; reporting on (D) was optional.

### **A. Commitment to the Voluntary Principles**

#### **1. Statement of Commitment or Endorsement of the Voluntary Principles**

All Participants have affirmed their commitment to the Voluntary Principles. The annual reports reflect a diversity of approaches in terms of the demonstration of that commitment. This diversity reflects the different functions and capacities of the members of the three pillars.

For example, several members of the Government Pillar referenced efforts to promote the Voluntary Principles internationally. Several governments reported that they had incorporated the Voluntary Principles into national strategies regarding corporate social responsibility ("CSR") or business and human rights. Government reports also referenced support of the Voluntary Principles through past, present, or future service as the Government Chair.

Members of the Corporate Pillar referenced efforts to operationalize the Voluntary Principles through specific internal standards and guidelines intended to integrate the Voluntary Principles into the management of their business operations. Many members of the Corporate Pillar referenced publication of specific statements of support for the Voluntary Principles on corporate websites or in corporate reporting.

Members of the NGO Pillar referenced efforts to promote the adoption and implementation of the Voluntary Principles, including through the dedication of staff time and program resources.

## **B. Policies, Procedures, and Related Activities**

### **2. Relevant policies, procedures and/or guidelines**

As was reflected in the *Summary Report of the Voluntary Principles Implementation Efforts 2009*, many Participants have begun to refine their implementation of the Voluntary Principles. Efforts are being made ensure that policy commitments are effectively implemented through more specific guidelines and procedures.

Members of the Government Pillar referenced efforts to engage colleagues within their governments in discussions regarding Voluntary Principles implementation. Several members of the Government Pillar also referenced work on legislation and codes of conduct intended to regulate the activities of private security companies.

Several members of the Corporate Pillar referenced new, or recently revised, policies, implementation guidelines, security standards, auditing protocols, grievance procedures, and/or assessment tools intended to facilitate the management of security and human rights concerns.

Members of the NGO Pillar referenced efforts to develop guidelines and training programs intended to facilitate Voluntary Principles implementation. Several members of the NGO Pillar referenced specific engagements or discussions with members of the Corporate Pillar regarding Voluntary Principles implementation. One member of the NGO Pillar referenced review and revisions of its own security policy.

### **3. Company procedures to conduct security and human rights risk assessments**

All corporate Participants referenced the use of security and human rights risks assessments. Generally, companies reported conducting assessments in connection with specific project stages, and/or at regular intervals depending on the nature of site. Many Participants discussed the use of criteria to classify the relative risk-category of specific sites and to identify sites for more regular, or more intensive, risk assessments.

Several Participants identified the use of third-party independent assessors to conduct specific risk assessments. Several Participants also referenced recent efforts to strengthen, or refine, their internal procedures to identify risks related to security and human rights. One member of the Corporate Pillar stated that the company had recently engaged a third-party consultant to review and evaluate risk assessment procedures at a specific country location and noted that the consultant had recommended that the company conduct a more robust risk assessment on security and human rights to address country-wide threats.

### **4. Corporate procedures or mechanisms to report incidents that have potential security and human rights implications for company operations**

The reports from the Corporate Pillar reflect diverse approaches to the reporting of incidents that have potential security and human rights implications for company operations.

One company reported that procedures for reporting and addressing human rights incidents are determined on a “case-by-case” basis, while another company reported that it has established Human Rights Compliance Officers for all international operating sites who are responsible for receiving, documenting, and following up on human rights related allegations reported at each site. Several companies reported recent efforts to develop more standardized reporting templates and procedures. Several companies also reported the existence of guidelines intended to identify the specific reporting channels that should be used for particular types of incidents.

**5. Company procedures to consider the Voluntary Principles in entering relations with private security providers**

Many members of the Corporate Pillar reported that they had use due diligence procedures to assess and screen private security providers, and that they had provided Voluntary Principles training to private security personnel. One company reported that, when evaluating private security providers, it sought to evaluate such factors as: professional reputation in the country or industry; reported cases of violence by its employees; awareness of security and human rights issues; training programs on the use of force and other Voluntary Principles-related elements; codes of conduct; and employment history.

Many companies focused their reporting on the existence of contractual mechanisms, with several companies noting that they either have, or will have in 2011, provisions in their model contract language requiring private security providers to comply with the Voluntary Principles. One company noted that its contracts with private security contractors require contractors as well as their subcontractors and agents to apply the Voluntary Principles, cooperate fully in investigations, and apply remedial actions. Another member the Corporate Pillar noted that its contracts state that all security providers are required to comply with the company’s human rights policy and the Voluntary Principles, including human rights training and the need to notify the company in the event of any human rights allegations. Finally, a member of the Corporate Pillar noted that, starting in 2011, it would mandate reference to the Voluntary Principles in all tender documents and that security providers would be required to demonstrate how the Principles are embedded in training initiatives and operational processes.

**6. Company procedures or mechanisms to address security-related incidents with human rights implications by public/private security forces relating to the company’s activities**

Companies reported a variety of mechanisms for recording and investigating security-related incidents or incidents with human rights implications. Companies referenced site-level, regional-level, and corporate-level reporting procedures, and provided varying amounts of detail on how responsibility for the investigation of incidents, and associated remediation efforts, are allocated within their companies. One company noted that site-specific Human Rights Compliance Officers are responsible for overseeing the documentation all allegations, as well as for assigning an internal team to conduct assessments of allegations. Several companies

referenced procedures for ensuring that specific allegations are reported to the proper authorities for investigation.

## **7. Examples of promoting awareness of the Voluntary Principles throughout the organization or government**

Members of the Government Pillar referenced efforts to engage other departments within their governments in informal and formal consultations regarding security and human rights concerns. Governments are also using a variety of means to transmit information regarding the Voluntary Principles, ranging from website presentations to training materials and information sessions.

Members of the Corporate Pillar are also actively engaged at promoting awareness of the Voluntary Principles within their organizations through training and ongoing dialogues with key personnel. One member of the Corporate Pillar reported that all security personnel receive training on the Voluntary Principles at least annually and more frequently at certain sites. The company noted that verbal and written testing is conducted to ensure that the training has been effective.

Several members of the Corporate Pillar reported that, during 2010, they had engaged management teams at a range of country locations in discussions about the Voluntary Principles. One company noted that a Voluntary Principles checklist has been used as part of the company's assessments of the implementation of its security policies and that this assessment process has helped managers gain a greater understanding of the Voluntary Principles. Several companies referenced the use of online training modules, internal reporting mechanisms, and other similar efforts to increase awareness of the Voluntary Principles within their organizations.

NGO Participants are also engaged in efforts to increase awareness of the Voluntary Principles within their organizations. One NGO noted that it hosts roundtables twice a year focused on the Voluntary Principles and that many staff members have become familiar with the Principles through these events. NGOs also noted that staff members have become familiar with the Voluntary Principles through organizational efforts to assist in implementation efforts. One member of the NGO Pillar also referenced staff engagement in the drafting of the Implementation Guidance Tool. Another NGO referenced efforts to promote the Voluntary Principles in the context of the International Finance Corporation's revisions of its environmental and social standards.

## **8. Examples of promoting and advancing implementation of the Voluntary Principles internationally**

Many members of the Government Pillar reported on their engagement in bilateral and multilateral dialogues and consultations with other governments, civil society, and companies regarding security and human rights concerns. One government noted that it had focused on increasing awareness of the Voluntary Principles in specific countries, including the Democratic

Republic of Congo, Ghana, Indonesia, Peru, Nigeria, Australia, and Liberia, in part through direct engagement with government officials in those countries. Another government referenced funding assistance for the development of guidance documents intended to help extractive sector companies assess human rights impact and risks.

Members of the Corporate Pillar referenced a variety of activities that increased international awareness of the Voluntary Principles. Several companies referenced efforts to promote the Voluntary Principles in fora such as the Responsible Jewelry Council, the International Council on Mining and Metals, the International Petroleum Industry Conservation Association, and the United Nations Global Compact. One company mentioned presentations at oil and gas industry conferences as well as its management of a workshop on the Voluntary Principles in Qatar. Another company referenced its engagement with the Mining and Energy Committee on Security and Human Rights ("CME") in Colombia in efforts to pilot the implementation of Voluntary Principles indicators. One member of the Corporate Pillar noted that they had recently entered into an agreement with a member of the NGO Pillar to conduct a review of the company's security and conflict management procedures at several country locations, and to revise the company's implementation manual for the Voluntary Principles.

Members of the NGO Pillar engaged in efforts to promote awareness of the Voluntary Principles through presentations at international fora, dialogues with companies and governments, and through assistance with in-country implementation efforts. Several members of the NGO Pillar referenced specific advocacy work directed at improving implementation of the Voluntary Principles by companies, including members of the Corporate Pillar.

## **C. Country Implementation**

### **9. Overview of country operations<sup>1</sup>**

Voluntary Principles Participants reported on policies, contracts, assessments, multi-stakeholder dialogues, workshops, and trainings related to human rights generally, and the Voluntary Principles specifically, in a wide range of countries, including: Algeria, Argentina, Azerbaijan, Bangladesh, Bolivia, Brazil, Burma, Chad, Chile, China, Colombia, the Democratic Republic of Congo, the Dominican Republic, Egypt, Equatorial Guinea, Georgia, Ghana, Guinea, Iraq, India, Indonesia, Kazakhstan, Kurdistan region of Northern Iraq, Liberia, Libya, Mali, Mexico, Mongolia, Mozambique, Nigeria, Pakistan, Papua New Guinea, Peru, Rwanda, South Africa, Tanzania, Trinidad & Tobago, Tunisia, Turkey, and Zimbabwe.

Although Participants reported on implementation activities in many countries, several countries were the focus of a significant number of reports, including: Colombia, the

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<sup>1</sup> Implementation efforts in these countries were also the focus of the *Summary Report of the Voluntary Principles Implementation Efforts 2009*.

Democratic Republic of Congo, Ghana, Indonesia, Nigeria, and Peru. The summary reporting below highlights specific implementation efforts in these countries.

## **10. Engagements with stakeholders on country implementation**

Members of all Pillars referenced efforts to engage in and/or support the CME in Colombia. Two members of the NGO Pillar referenced efforts to organize a two-day workshop with CME on guidelines for national level implementation of the Voluntary Principles that identified specific lessons learned from implementation efforts in Colombia.

Members of all Pillars also referenced efforts to engage with Socios Peru, a Peruvian NGO, to support Voluntary Principles implementation in that country. Several Participants worked with Socios Peru to organize a workshop in June 2010 on Voluntary Principles implementation.

One member of the Government Pillar reported that it had dedicated staff at its embassies in Jakarta, Santiago, and Bogota to focus on in-country implementation of the Voluntary Principles. This government noted that it entered into agreements with two members of the NGO Pillar to support the development of Voluntary Principles implementation tools. Another government noted that it had engaged in dialogues with companies, NGOs, and other governments regarding in-country implementation efforts. This government highlighted its engagement of other stakeholders through the Plenary of the CME in Colombia.

Members of the Corporate Pillar reported that they had engaged with stakeholders in a variety of ways to strengthen in-country implementation efforts. One member of the Corporate Pillar reported that, in 2010, it began to pilot a new engagement strategy for government stakeholders. Another Participant reported that it had developed a new communications program at its operations in Indonesia to update local communities regarding security operations. The same company reported that, during 2010, it had hosted meetings with 85 villages impacted by its operations in Azerbaijan to discuss security arrangements. Another member of the Corporate Pillar reported that it had organized community events with 10 communities in Peru to allow local community members and security personnel to engage with one another in a relaxed atmosphere and to build trust by increasing interpersonal engagement and dialogue. Another member of the Corporate Pillar referenced the formation of a Peruvian Work Group, also involving members of the Government and NGO Pillars, to promote adherence to the Voluntary Principles in Peru. Several members of the Corporate Pillar reported that they had engaged with industry peers to address implementation challenges in Nigeria and Equatorial Guinea through engagement in the U.S. Government-sponsored Overseas Security Advisory Council. Finally, one company referenced dialogues with government authorities in Australia regarding the Voluntary Principles.

Members of the NGO Pillar referenced engagements with members of the Corporate Pillar and the Government Pillar to address specific implementation challenges. One NGO referenced engagement with a mining company and government officials in Ghana to discuss establishment of an in-country process in Ghana. Another NGO referenced similar discussions

regarding the establishment of a national-level in-country implementation process in the Democratic Republic of Congo. Another member of the NGO Pillar referenced its efforts in the Democratic Republic of Congo to work with the military on security sector reform efforts. Finally, a member of the NGO Pillar reported on its engagement with a Peruvian NGO to host a workshop for companies, government, civil society, and representatives of the U.K. and U.S. embassies regarding Voluntary Principles implementation efforts in Peru.

One member of the NGO Pillar noted that it had engaged with a range of stakeholders to help support implementation efforts in Indonesia. The NGO reported that its focus has been on engaging Indonesia government authorities in considering a process for Voluntary Principles implementation by the government. Another member of the NGO Pillar reported that it had met with corporate representatives and government officials in Ghana in September 2010 to discuss the establishment of an in-country process in that country.

**11. Voluntary Principles considerations in the selection of private security providers and the formulation of contractual agreements with private security providers, as well as security arrangements with public security forces**

With regard to private security contractors, many members of the Corporate Pillar reported that they required contractors to be compliant with the Voluntary Principles. As in the 2009 annual reports, members of the Pillar also referenced due diligence with respect to private security contractors. One company noted that the contractor capacity to operate in a manner consistent with the Voluntary Principles was a key consideration during the company's selection of new private security contractors. Another member of the Corporate Pillar referenced similar considerations in its assessment of private security contractors in Iraq.

One company reported that it was engaged with the private security working group of the CME and that the working group had produced recommendations for companies to consider when carrying out human rights screening, selection of private security contractors, and training of private security personnel, including human rights provisions in contracts. The company reported that, as a result of these recommendations, it had prepared a more detailed contract annex for its private security services.

With regard to public security providers, several members of the Corporate Pillar referenced conducting due diligence on public security providers to identify concerns. Others reported on efforts to ensure that public security personnel receive training regarding the Voluntary Principles. One company indicated that it incorporated the Voluntary Principles into its memorandums of understanding with public security providers. Another company noted that its agreements with public security providers in Colombia emphasize training with respect to human rights and the need for proportionality in the use of force.

**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)**

Members of the Government Pillar referenced efforts to support in-country implementation processes as well as outreach initiatives to host country governments. Several members of the Government Pillar referenced in-country implementation efforts in the Democratic Republic of Congo, noting that it had hosted meetings of Voluntary Principles Participants engaged in activities there. Governments also noted that their embassies in Nigeria regularly promote and discuss the Voluntary Principles with relevant authorities and industries. Several governments referenced their support of the CME in Colombia. In Indonesia, one government noted that it was supporting the work of the Indonesia Centre for Ethics to raise awareness about the Voluntary Principles.

One member of the Government Pillar referenced the decision of the Voluntary Principles Plenary to strengthen in-country implementation, and stated that it is developing action plans for in-country implementation efforts and appointing local coordinators to take the plans forward. Another member of the Government Pillar reported that its officials had met with the Foreign Minister of Ghana, and other Ghanaian officials, to encourage Ghana to consider joining the Voluntary Principles.

Many members of the Corporate Pillar reported that training was a significant focus of their Voluntary Principles implementation efforts. One company noted that security personnel receive training on the Voluntary Principles at regular intervals, with the frequency tied to the risk profile of the specific site. One company noted specific efforts to facilitate training on human rights for public security personnel in Georgia, Azerbaijan, Colombia, and Pakistan. Another company reported that it used a combination of briefings, workshops, seminars, and formal training sessions to train public and private security personnel in Peru on the Voluntary Principles. Finally, one company reported that it had developed a Voluntary Principles training program in Mandarin for use with its operations in China.

Another member of the Corporate Pillar reported that its security managers in Bangladesh had worked with police field commanders to provide training to local police on the Voluntary Principles. The company also reported that, in 2010, it provided training to over 500 private security personnel in Bangladesh on the Voluntary Principles. Another company reported that, in 2010, it provided 2 to 3 hours of training specifically on the Voluntary Principles to 88% of security employees, 100% of the security contractors, and 100% of the government security personnel associated with its operations in Ghana.

Members of the NGO Pillar described efforts to work with a range of stakeholders, including members of the Corporate Pillar, on training initiatives and project level-implementation. One NGO reported that it had worked with three companies, including two Voluntary Principles Participants, to develop training materials for project-level implementation. The NGO also reported that it had also worked with another member of the NGO Pillar to draft a “National-Level Implementation Guidance Note” for use by companies,



governments, and civil society to encourage national-level implementation of the Voluntary Principles.

Members of the NGO Pillar also referenced efforts, in tandem with members of the Government Pillar, to promote the development of an International Code of Conduct for Private Security Contractors.

### **13. Company procedure to review progress on implementing the Voluntary Principles at local facilities**

One company reported that, over the last several years, it has been developing community-focused management standards, which include a Voluntary Principles checklist intended to facilitate self-audits of implementation efforts. The company also reported that, in 2010, it established a corporate review panel to guide the implementation of its incident reporting and management standards.

Many members of the Corporate Pillar referenced internal assessment processes, with sites being assessed at a frequency tied to their overall risk profile. One member of the Corporate Pillar noted that its corporate standard on the Voluntary Principles calls for internal and external audits and the development of action plans to address concerns. Another company reported that it had developed a standard evaluation framework to assess its performance with regard to the Voluntary Principles, and that this framework includes performance indicators on risk assessments, transparency, response procedures, training, and contracting. The company reported that recently published the executive summaries of two of its reviews online.

Several members of the Corporate Pillar referenced the use of independent monitoring assessments of Voluntary Principles implementation at specific sites.

## **D. Lessons Learned, and Recommendations**

Participants identified a wide variety of lessons and recommendations with regard to the Voluntary Principles generally, as well as with regard to implementation efforts specifically.

### **Voluntary Principles Governance**

- A Participant stated that it believed that the Voluntary Principles could bring “greater value” to all Participants through increased implementation efforts, stronger accountability measures, and a more comprehensive governance structure.
- Another Participant stated that it was concerned about the decentralized nature of the Voluntary Principles governance structure, the “differing expectations” of Participants with regard to implementation efforts, and the lack of a “robust” accountability structure. Similarly, another Participant referenced concerns about the lack of progress on public reporting and independent validation of Voluntary Principles implementation.

- One Participant stated that all Participants should focus on expanding membership, and that it was important for all Participants to be able to demonstrate that the Voluntary Principles can make “a real difference” on the ground.

#### Implementation -- Engagement with Stakeholders

- A Participant noted the importance of a “shared vision” between members of the Government Pillar in order to successfully engage host governments and stated that coordination on the ground was crucial.
- Similarly, another Participant referenced the need for coordinated outreach to external stakeholders “at the field level.”
- One Participant observed that it was important to communicate the Voluntary Principles to country security forces upon arrival at project sites. Another Participant observed that “early internal engagement” on security-related concerns was key.
- Another Participant noted that Voluntary Principles implementation at partner-operated projects “remains a challenge,” particularly where the operator is not a member of the Voluntary Principles. The Participant noted that national legal frameworks can be important in getting appropriate “buy-in” from project partners.
- A Participant observed that there is often a lack of coalescence among Voluntary Principles Participants around advocacy for the inclusion of the Voluntary Principles in inter-governmental processes and in the texts of international financial institution documents. The Participant suggested that establishing a means by which a formal statement could be made by all Voluntary Principles Participants in favor of the inclusion of such references may be of value.
- One Participant noted that it was important to ensure that national governments and local institutions recognize the value of the Voluntary Principles, and that they understand this value in the context of their own national interests and goals.
- A Participant suggested that Voluntary Principles Participants should look for opportunities to work more closely with “like-minded partners,” including the U.N. Special Representative on Business and Human Rights, the Extractive Industries Transparency Initiative, and the Organization for Economic Cooperation and Development.

#### Implementation -- Management Systems

- One Participant noted the need to avoid “one size fits all” approaches to implementation.

- A Participant stated that it was important to ensure that implementation of the Voluntary Principles was done consistently regardless of nature of the specific operating environment.
- Another Participant stated that adjusting existing management systems to reflect human rights considerations, rather than creating an entirely new management system, can be a successful approach.
- A Participant noted that there was a need for more tools to support Voluntary Principles implementation and expressed the hope that all Participants could focus on tool development and good practice sharing in the coming year, including an effort to reach out beyond “formal” Voluntary Principles Participants and the extractive industry.
- Another Participant noted that it is important to periodically evaluate the effectiveness of training programs.
- Several Participants raised concerns regarding access to remedies. One Participant noted that it is important to ensure anonymity for reporters, victims, and assailants because a “fear of retaliation” can undermine systems intended to facilitate the reporting of human rights violations. Another Participant referenced the need to ensure adequate access to remedies not only for staff and contractors, but also for third parties and local communities.
- One Participant noted the importance of direct dialogue with affected communities, and the usefulness of media as a tool to inform local communities about the Voluntary Principles specifically and about security and human rights concerns generally.