

SUMMARY OF VOLUNTARY PRINCIPLES IMPLEMENTATION EFFORTS DURING 2012

This report provides an overview of Participants' efforts to implement the Voluntary Principles on Security and Human Rights (the "Voluntary Principles") during 2012. The information contained in this report reflects the individual annual reports submitted by Participants in the Initiative of the Voluntary Principles on Security and Human Rights (the "Voluntary Principles Initiative") in anticipation of the 2013 Annual Plenary Meeting.

Each year, Participants' annual reports provide considerable detail on implementation efforts and outreach activities in countries all over the world. The summary report is intended to highlight good practice and progress in Participants' implementation efforts. This year's reports included information on Participants' activities in the following countries: Afghanistan, Algeria, Angola, Argentina, Australia, Azerbaijan, Bangladesh, Bolivia, Brazil, Cameroon, Canada, Chad, Chile, China, Colombia, Democratic Republic of Congo, Dominican Republic, Egypt, El Salvador, Equatorial Guinea, Eritrea, Ethiopia, Finland, France, Gabon, Georgia, Germany, Ghana, Guatemala, Guinea, India, Indonesia, Iraq (including the Kurdistan Region of Iraq), Japan, Jordan, Kenya, Kazakhstan, Laos, Liberia, Libya, Madagascar, Mauritania, Mexico, Mozambique, Myanmar, The Netherlands, Nigeria, Norway, Oman, Pakistan, Panama, Papua New Guinea, Peru, the Philippines, Qatar, Republic of the Congo, Russia, Saudi Arabia, Sierra Leone, Singapore, South Africa, South Sudan, Sudan, Switzerland, Tanzania, Thailand, Trinidad & Tobago, Turkey, Uganda, United States, United Kingdom, Vietnam, Zambia, and Zimbabwe.

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The structure of this report follows the Voluntary Principles Draft Reporting Guidelines.¹ These guidelines were first used by Participants to prepare annual reports in advance of the 2010 Annual Plenary Meeting.² The Guidelines are intended to:

- (i) support transparency regarding efforts to implement (and/or assist in the implementation of) the Voluntary Principles;
- (ii) assist Participants in reporting on efforts to implement the Voluntary Principles; and
- (iii) facilitate the exchange of good practices among Participants.³

¹ The Initiative of the Voluntary Principles on Security and Human Rights, Governance Rules, Appendix 5, *Voluntary Principles Draft Reporting Guidelines*. All Participants are required to submit an annual report each year.

² Therefore, this is the fourth year that Participants have prepared their annual reports in a manner guided by the Reporting Guidelines.

³ The Initiative of the Voluntary Principles on Security and Human Rights, Governance Rules, Appendix 5, *Voluntary Principles Draft Reporting Guidelines*.

There are four main sections to the Reporting Guidelines: (A) Commitment to the Voluntary Principles; (B) Policies, Procedures, and Implementation Activities; (C) Country Implementation; and (D) Lessons and Issues. Companies are required to report on all Reporting Guidelines (A)-(C). Governments and non-governmental organizations (“NGOs”) are required to report on the following Reporting Guidelines: A; B.2; B.7; B.8; C.9; C.10; and C.12. Reporting on (D) is optional for all three Pillars.

A. COMMITMENT TO THE VOLUNTARY PRINCIPLES

1. Statement of commitment or endorsement of the Voluntary Principles⁴

All Participants affirmed their commitment to the Voluntary Principles. When providing examples of specific activities that demonstrated their commitment, Participants cited a diversity of implementation, advocacy, and education activities. This diversity is reflective of the different capacities and functions of each Pillar.

All members of the Government Pillar made reference to initiatives to promote the Voluntary Principles both within their own governments as well as internationally. These outreach efforts included presentations and other public statements, as well as bi-lateral meetings with other government officials. Governments also cited ongoing efforts to implement national action plans specific to the Voluntary Principles.⁵

Government Pillar reports also referenced past, present, or future participation in specific Working Groups, on the Steering Committee, or as the Government Chair. Finally, several members of the Government Pillar stated that their commitment to the Voluntary Principles was reflected in their support for and participation in efforts to finalize the formation of the Voluntary Principles Association.

Members of the Corporate Pillar cited a range of specific policies, principles, guidelines, codes, and assurance mechanisms by which they have incorporated their commitment to the Voluntary Principles into the management of their operations. Many Corporate Pillar members referenced efforts to align their operations with the expectations established in the U.N. Guiding Principles on Business and Human Rights (the “Guiding Principles”) and noted that implementation of the Voluntary Principles is an important part of their companies’ commitment to respect human rights.

A number of companies reported that their commitment to the Voluntary Principles has been highlighted in public presentations by senior management and in their Corporate Social Responsibility (“CSR”) or sustainability reporting.

⁴ The section numbers in this report correspond to the section numbers in the Reporting Guidelines.

⁵ These are the action plans that governments submitted when they first applied to become Engaged Governments.

Several members of the Corporate Pillar cited participation in Working Groups and/or service on the Steering Committee as reflective of their commitment to the Voluntary Principles. A number of Corporate Pillar members also referenced support for the formation of the Voluntary Principles Association.

One member of the Corporate Pillar noted that, as part of its commitment, it has advocated for the utility of the Voluntary Principles in the context of the International Code of Conduct for Private Security Service Providers (“ICoC”). Finally, several Corporate Pillar members referenced their participation in the Key Performance Indicators (“KPI”) Volunteer Group,⁶ an independent initiative that is working to develop assurance mechanisms to validate implementation of the Voluntary Principles.

Members of the NGO Pillar cited efforts to promote the Voluntary Principles through education and outreach to partners and other stakeholders, both in their home countries and internationally. Several members of the NGO Pillar referenced their roles in convening roundtables and other forums to bring stakeholders together to discuss security and human rights-related concerns. NGOs also reported on public presentations or publications in which they had highlighted the Voluntary Principles and cited the benefits of Voluntary Principles implementation.

Several NGOs cited the dedication of significant staff time and resources as reflective of their commitment to the Voluntary Principles. A number of NGOs also referenced participation in Working Groups and/or service on the Steering Committee as indicative of their support for the Voluntary Principles Initiative. Finally, several NGOs noted their support for the work of the KPI Volunteer Group and the development of KPIs.

B. POLICIES, PROCEDURES, AND RELATED ACTIVITIES

2. Relevant policies, procedures, and/or guidelines

Members of the Government Pillar cited unilateral, bilateral, and multilateral efforts to promote awareness of the Voluntary Principles specifically and CSR generally. One government noted that the Voluntary Principles were incorporated into the priority actions it had developed to promote CSR at the invitation of the European Commission. Members of the Government Pillar also referenced efforts to promote other international human rights standards, including the ICoC, the Guiding Principles, and the Universal Declaration of Human Rights.

Several members of the Government Pillar noted their efforts to share information about the Voluntary Principles with other members of their own governments. They also referenced the work of dedicated personnel focused on business and human rights and CSR. One government referenced the provision of training on human rights and international human

⁶ The KPI Volunteer Group is not an official Voluntary Principles Working Group. It is an independent initiative.

rights to its armed forces. Another government cited an effort to enact legislation to establish a credit facility to promote peace and security measures, including the Voluntary Principles.

Similar to their reporting against Reporting Guideline A.1, members of the Corporate Pillar cited a range of policies, principles, and guidelines by which they have incorporated their commitment to the Voluntary Principles into the management of their operations. One member of the Corporate Pillar noted that its CSR organization has been integrated into the company's broader Health, Environment, Safety & Security organization in 2012, and that this restructuring was expected to promote the long-term sustainability of the company's human rights and security commitments. Several members of the Pillar noted that the Voluntary Principles is one of a number of international standards that have been integrated into their internal policies and guidelines: companies specifically referenced the Guiding Principles, the U.N. Global Compact, the Universal Declaration on Human Rights, the Extractive Industries Transparency Initiative, and the ILO Declaration on Fundamental Principles and Rights at Work.

Several members of the Corporate Pillar referenced toolkits, guidance materials, and assessment mechanisms specific to security and human rights-related concerns. Several Participants cited the Implementation Guidance Tools ("IGT") as a key source document for internal training initiatives. Members of the Pillar also cited the work of the independent KPI Volunteer Group and other efforts to develop performance indicators to assess implementation of the Voluntary Principles.

Several companies cited the development of new or revised policies, procedures, and guidelines designed to improve internal compliance with the Voluntary Principles. For example, one member of the Corporate Pillar reported that it had recently revised a corporate security directive that sets forth five priority areas for Voluntary Principles implementation: the establishment of formalized relationships between subsidiaries and states; the recruitment process of security personnel; the training for all security personnel; the definition of the rules applied to the transfer of equipment; and responses to human rights violations. The company has prepared an operational guide that defines specific action items for its business units related to these five priority areas.

Another member of the Corporate Pillar has recently developed a security and emergency management document that establishes minimum performance requirements for its operating divisions. These performance requirements include: identifying human rights-related security risks and encouraging relevant stakeholders to develop and manage security programs that respect human rights and fundamental freedoms; assigning single point accountability for Voluntary Principles implementation; documenting an annual gap analysis against the IGT including an improvement plan to close identified gaps; and providing notification in writing to security providers of the company's commitment to the Voluntary Principles, including the expectation that private security providers will operate consistently with the Voluntary Principles, and the request that public security providers will do the same.

A third member of the Corporate Pillar stated that it had released a new code of conduct in 2012 which is intended to align the management of its operations with the Guiding Principles. During 2012, the company conducted an internal review of its operations against the provisions of the code. Based on the results of this review, the company intends to develop guidance materials, training programs, and performance requirements related to human rights.

Many members of the NGO Pillar reported on efforts to integrate the Voluntary Principles into their policies, programs, and activities and to raise the profile of the Voluntary Principles as a relevant standard for companies seeking to operate with respect for human rights. NGOs cited their development of reports highlighting security and human rights-related concerns, as well as the production of training materials specific to Voluntary Principles implementation. A number of NGOs also reported that they had worked with members of the Corporate Pillar to conduct security and human rights assessments, to facilitate training workshops, and to develop Voluntary Principles guidance materials. Several members of the Pillar cited efforts to engage local stakeholders in host countries in dialogues regarding security and human rights.

One member of the NGO Pillar reported that it released a handbook in 2012 that explains how and why it seeks to promote the implementation of the Voluntary Principles. Another member of the NGO Pillar referenced its active engagement with the ICoC, which provides a framework for private security providers seeking to operate in accordance with international humanitarian law and international human rights standards. Other members of the NGO Pillar cited efforts to promote the Voluntary Principles with international institutions such as the World Bank and the International Finance Corporation.

Finally, one NGO noted that it had developed KPIs to assess its own commitment to the Voluntary Principles.

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

All members of the Corporate Pillar reported using risk assessments to evaluate security and human rights-related risks at project sites. Several companies stated that their sites were required to do annual risk assessments. Other companies reported that the time intervals for assessments are dependent upon initial assessments of the relative risk levels of the specific locations. Companies cited a range of factors as relevant to the establishment of a site's relative risk level, including: the potential for violence and conflict in the region or country; the existence of documented security and human rights violations; the human rights records of local security providers; and rule of law considerations.

Companies also identified a variety of different events or characteristics that might trigger security and human rights risk assessments at particular locations, including: consideration of a new country or project; a security and human rights incident at the site during the previous year; and previous identification of the site as having a high level of risk for non-compliance with the Voluntary Principles.

Several members of the Corporate Pillar reported increased efforts to include comprehensive assessments of security and human rights-related risks during the exploration phase of project development.

Companies stated that they consulted both internal and external subject matter experts in conducting risk assessments and in developing assessment tools. One company reported that risk assessments included: a review of human rights reports by governments, international agencies, and non-governmental agencies; and interviews with governmental, non-governmental and community stakeholders.

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

All members of the Corporate Pillar reported that they had established some form of mechanism by which incidents could be reported to specific personnel within the company. Several companies described the existence of multiple channels for such reporting, including the use of anonymous reporting mechanisms such as drop-boxes, as well as confidential reporting hotlines.

One company reported that each of its operating locations has a Human Rights Compliance Officer. The role of these Compliance Officers is to receive, document, and follow up on any human rights-related allegations related to the company's activities. The company reported that it has communicated the roles and responsibilities of the Compliance Officers to local communities, employees, and contractors.

Many companies provided information on escalation procedures by which reports of incidents with a certain level of severity are immediately brought to the attention of corporate-level personnel. One company stated that certain reports are brought to the attention of the Corporate Responsibility Committee of the company's Board of Directors. Several companies provided details on the types of incident reports that would immediately be brought to the attention of government authorities, including any reports of human rights-related incidents involving public security forces.

5. Company procedures to consider the Voluntary Principles when entering into relationships with private security providers

Members of the Corporate Pillar reported using a variety of approaches to ensure that the Voluntary Principles are incorporated into their engagements with private security providers. These approaches included: the use of Voluntary Principles-specific contract language; screening procedures for private security providers; and mandatory training programs for private security personnel.

Many companies reported that clauses citing the Voluntary Principles are now required in contracts with private security providers. Several companies reported making recent

changes to contracting practices with regard to private security providers. For example, one company reported that it has revised the security standard applicable to all of its operating divisions in 2012. Under the revised standard, sites are required to provide notification in writing to security providers of the company's commitment to the Voluntary Principles, including the expectation that private security providers should operate consistently with the Voluntary Principles. The standard also requires that private security contractors engaged by the company either be signatories to, or agree in writing to comply with, the ICoC.

Another company reported that, in 2012, it began to incorporate new clauses that covered security and human rights expectations into its downstream security contracts. These clauses were first utilized in the company's upstream security contracts in 2011 and require private security contractors to demonstrate compliance with the company's standards – including the Voluntary Principles -- and to communicate the company's ethics, human rights and social responsibility expectations to all employees and subcontractors.

A third company reported that, in 2012, it had created a new global template for sites and projects to use when entering into contracts with private security providers. The template includes an addendum on security and human rights. Use of the template is mandatory for all new contracts.

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

Many members of the Corporate Pillar reported that they had procedures in place to ensure that information regarding security-related incidents with human rights implications are reported to specific individuals at various levels of the company. Depending on the severity of the incident, it might be reported to country-, regional-, or corporate-level management. Several companies also provided information on incident reporting and tracking tools used to record information regarding alleged incidents and to track follow-up activities, including investigations. Companies described the roles of specific personnel in conducting internal investigations, with one company reporting that personnel independent of the operating site conducted certain internal investigations.

Several companies reported that any incidents involving public security personnel were immediately reported to government authorities. Some companies stated that certain incidents involving private security contractors are also immediately reported to government authorities. A number of companies also reported that they had procedures and policies explicitly requiring that company personnel provide full cooperation to any government officials investigating security-related incidents.

One company reported that the following steps must be taken when security-related incidents with human rights implications occur at project sites: ensure that appropriate medical care is provided to any injured person; immediately report the incident to appropriate

personnel at the regional- and corporate-level of the company; ensure the protection of any witnesses from internal or external pressure; and, if applicable, conduct an internal investigation to establish facts and responsibilities.

A number of companies noted that they conducted an analysis of the root causes of specific incidents as part of the follow-up to incident certain reports. One company reported that its efforts to analyze the root causes of incidents were reflective of a new corporate protocol.

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

Members of the Government Pillar cited a wide range of efforts to promote the Voluntary Principles through inter- and intra-departmental dialogue. Governments reported on efforts to promote greater cooperation between different departments with regard to the management of security and human rights-related concerns. Many members of the Pillar also referenced efforts to provide briefings and training on the Voluntary Principles to diplomatic personnel, including Ambassadors, as well as embassy and mission staff.

Governments also reported on their participation in regional forums and bilateral meetings intended to promote Voluntary Principles implementation. One government cited the inclusion of the Voluntary Principles in a formal multi-stakeholder dialogue focused on implementation of the Guiding Principles. Several governments referenced the development of materials and platforms intended to raise awareness regarding the benefits of Voluntary Principles implementation, including both public websites and government intranets.

Most members of the Corporate Pillar referenced training initiatives, including workshops to promote the IGT, as having raised awareness regarding the Voluntary Principles within their organizations. Several companies stated that they regularly conducted training on human rights for specific groups of employees, and referenced the inclusion of the Voluntary Principles in relevant training materials. Companies also reported that the Voluntary Principles was referenced on both their public websites and corporate intranets.

One company noted that it had developed an internal assessment tool to measure compliance with its internal security standards. The company reported that the process of developing this tool had served to raise awareness of the Voluntary Principles among managers at different sites. Similarly, a number of companies noted that efforts to produce sustainability and CSR reports had served to raise awareness of the Voluntary Principles within their organizations. The generation of public reporting was cited as having created opportunities for dialogue between different departments.

Members of the NGO Pillar also cited efforts to increase awareness of the Voluntary Principles within their organizations. Members of the NGO Pillar referenced holding staff retreats, meetings, and roundtables in order to familiarize staff throughout their organizations

with the Voluntary Principles. One member of the NGO Pillar cited outreach efforts to its country offices to encourage engagement with Voluntary Principles activities.

Another member of the NGO Pillar cited its preparation and presentation of a study on the development and implementation of an in-country process in the Democratic Republic of Congo to promote the Voluntary Principles. The NGO had presented the study to other Participants interested in outreach and implementation efforts in the country.

A number of NGOs noted efforts to integrate the Voluntary Principles into existing program areas. One NGO cited its engagement with the ICoC as having raised staff awareness regarding security and human rights concerns generally, and the Voluntary Principles specifically.

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

Many members of the Government Pillar cited unilateral and multilateral efforts to engage governments that are not currently Voluntary Principles Participants in dialogues regarding the benefits of participation in the Voluntary Principles Initiative. Several governments highlighted their contributions to the Outreach and Implementation Working Group as reflective of their commitment to raising awareness of the Voluntary Principles among both other governments and the extractive sector. Many governments referenced public speeches and documents that cited the benefits of Voluntary Principles participation and implementation.

Several governments referenced efforts to highlight the Voluntary Principles in the context of their participation in international organizations and initiatives such as the Kimberley Process, the Extractive Industries Transparency Initiative, and the ICoC and in events such as the Forum on Business and Human Rights, held in Geneva, Switzerland in December 2012. A number of governments noted that they had referenced the Voluntary Principles in submissions to the U.N. Working Group on Business and Human Rights. Governments also cited support for private institutions such as the Global Business Initiative on Human Rights and the Institute for Human Rights and Business. Members of the Pillar also reported on efforts to raise awareness regarding the Voluntary Principles among extractive sector companies, including both direct engagements with companies and presentations at extractive industry associations.

Many members of the Corporate Pillar referenced their participation in, and support for, workshops to promote the IGT as reflective of efforts to advance implementation of the Voluntary Principles by a greater number of organizations and institutions. Several companies also referenced their participation in the Outreach and Implementation Working Group. One company cited its engagement, through the Communications Working Group, in efforts to redesign the Voluntary Principles website as reflective of its efforts to improve engagement with external stakeholders regarding the benefits of Voluntary Principles implementation and participation.

Companies also referenced specific efforts to promote the Voluntary Principles with local stakeholders in the countries and regions in which they have operations. Companies hosted workshops, roundtables, and other events to provide information and foster dialogue on security and human rights-related concerns. A number of companies also cited efforts to promote the Voluntary Principles in the context of their participation in other initiatives and institutions, including the ICM, IPIECA, the U.N. Global Compact, the Responsible Jewelry Council, and the Global Business Initiative on Human Rights. One company cited engagements with socially responsible investors in which it has highlighted the benefits of its Voluntary Principles participation.

Members of the NGO Pillar referenced their participation in, or engagement with, a range of international institutions and initiatives when describing activities through which they have sought to promote the Voluntary Principles. Institutions cited by NGOs include: the Stakeholder Advisory Group of Bettercoal; the Dutch Coal Dialogue; the World Gold Council; the U.N. Working Group on Business and Human Rights; and the ICoC. A number of companies referenced specific efforts to ensure that the Voluntary Principles is cited in other guidance documents and codes, including the European Commission's draft Guidance on the Corporate Responsibility to Respect Human Rights in the Oil & Gas Sector and the World Gold Council's Conflict-Free Gold Standard. One NGO noted that it had been actively engaged in advocacy and lobbying activities with the European Commission and the European Parliament to ensure that the Voluntary Principles is incorporated into European Union CSR initiatives. Finally, several NGOs cited engagements with investors and journalists in which they had referenced the Voluntary Principles as an important standard for addressing security and human rights-related concerns.

One NGO noted that it had helped to lead workshops on the IGT in the United Kingdom, Peru, South Africa, and Indonesia. Several NGOs referenced program activities focused on security and human rights-related concerns in specific countries or regions. One NGO referenced its efforts to promote the Voluntary Principles in Nigeria and Ghana through a project funded by a member of the Government Pillar. Other NGOs referenced specific program activities in the Democratic Republic of Congo, Zimbabwe, and Tanzania. One member of the NGO Pillar referenced efforts to engage civil society in Latin America in discussions about human rights and security.

C. COUNTRY IMPLEMENTATION

9. Overview of country operations

Voluntary Principles Participants reported on policies, advising, contracts, assessments, dialogues, workshops and trainings related to security and human rights focusing on a wide range of countries, including: Afghanistan, Algeria, Angola, Argentina, Australia, Azerbaijan, Bangladesh, Bolivia, Brazil, Cameroon, Canada, Chad, Chile, China, Colombia, Democratic Republic of Congo, Dominican Republic, Egypt, El Salvador, Equatorial Guinea, Eritrea, Ethiopia,

Finland, France, Gabon, Georgia, Germany, Ghana, Guatemala, Guinea, India, Indonesia, Iraq (including the Kurdistan Region of Iraq), Japan, Jordan, Kenya, Kazakhstan, Laos, Liberia, Libya, Madagascar, Mauritania, Mexico, Mozambique, Myanmar, The Netherlands, Nigeria, Norway, Oman, Pakistan, Panama, Papua New Guinea, Peru, the Philippines, Qatar, Republic of the Congo, Russia, Saudi Arabia, Sierra Leone, Singapore, South Africa, South Sudan, Sudan, Switzerland, Tanzania, Thailand, Trinidad & Tobago, Turkey, Uganda, United States, United Kingdom, Vietnam, Zambia, and Zimbabwe.

For the purposes of this summary report, Participant activities in the following countries are described below: Colombia; Indonesia; Iraq, including the Kurdistan Region of Iraq; Libya; Peru; and Tanzania. In 2012, each of these countries was the focus of Participants' collective outreach efforts, including through the work of the Outreach and Implementation Working Group.

10. Engagements with stakeholders on country implementation

Colombia

Members of all three Pillars reported on efforts to promote Voluntary Principles implementation in Colombia, currently an Engaged Government within the Voluntary Principles Initiative. Many Participants referenced working with, and supporting, the Mining and Energy Committee on Human Rights ("CME"), which promotes the Voluntary Principles within Colombia's extractive sector. In particular, members of the Government Pillar referenced the provision of grant funding to CME, as well as participation in CME events and multi-stakeholder dialogues.

Members of the Corporate Pillar also discussed efforts to implement the Voluntary Principles in the context of their own operations in Colombia. One company stated that it had conducted two Voluntary Principles risk assessments in Colombia in 2012, assisted by a member of the NGO Pillar. These risk assessments used the IGT as a reference and resulted in the production of a Voluntary Principles implementation plan for the company's local operations. Another member of the Corporate Pillar reported that its Colombian personnel had developed an operational procedure for implementing the Voluntary Principles that includes a risk assessment process specifically design to assess risks to the company and to surrounding communities.

One company reported that it had conducted Voluntary Principles training in Colombia for members of its staff as well as its contractors. Training was also provided to private security providers and public security forces. Finally, another member of the Pillar reported that it had entered into a Memorandum of Understanding ("MoU") with the Colombian Ministry of Defense that referenced the Voluntary Principles prior to entering into a security agreement with Colombian public security forces.

Members of the NGO Pillar reported on participation in risk assessments for specific extractive sector activities in Colombia. They also referenced efforts to engage in dialogues with multiple stakeholders in Colombia regarding security and human rights concerns. One NGO reported that it had worked with four members of the Corporate Pillar to implement a set of performance indicators in the context of their operations in Colombia.

Indonesia

Several members of the Government Pillar referenced meetings with representatives of the Government of Indonesia at which they discussed Voluntary Principles implementation and participation. One Government also reported that its embassy in Jakarta had held a multi-stakeholder event at which the Voluntary Principles was discussed with a diverse group of Indonesian stakeholders.

Members of the Corporate Pillar reported on efforts to promote the Voluntary Principles in Indonesia, primarily through support for and participation in the IGT workshop that was held in Jakarta in December 2012. Companies also reported on efforts to provide Voluntary Principles training for their own staff in Indonesia, as well as for local private and public security forces. One company stated that any incidents with Voluntary Principles implications that occurred at its operations were subsequently evaluated and summarized in briefings for on-site and regional security personnel. The company reported that past incidents were also discussed in the context of training sessions.

One company reported that its security personnel had visited local villages and met with village leaders, impacted communities, and other stakeholders to build relationships and promote communication. Another company reported that it had implemented a communications program to update local communities regarding the security arrangements for its operations, as well as to discuss the role of community policing.

Several companies referenced participation in events facilitated by the Indonesian Center for Ethics, which is working to promote Voluntary Principles implementation in the country. Finally, one company reported that it had met eight times during 2012 with representatives of the Indonesian Human Rights Commission to discuss human rights and security issues, and to discuss how best to operate with respect for human rights in the Indonesian context.

Iraq

A member of the Government Pillar noted that the Iraq Working Group, including several members of the Corporate Pillar, had met in February 2011 in the United Arab Emirates. The group had discussed the promotion of the Voluntary Principles in Iraq, including through training programs with public security forces. Subsequently, several members of the Corporate Pillar reported that they had provided training to both private and public security forces in Iraq in 2012. A number of companies also reported having conducted Voluntary Principles risk

assessments at their operations in Iraq. One company noted that it audits its security providers in Iraq every six months to ensure that all staff have completed Voluntary Principles training prior to deployment.

One member of the Corporate Pillar reported that it had engaged an external consultant to conduct a human rights and Voluntary Principles assessment at the end of 2011. Based on the recommendations provided in the final assessment report, the company worked to implement a protocol in 2012 by which its operating unit in Iraq and public security forces could conduct an ongoing dialogue on security and human rights concerns.

One company reported that it had engaged in social development programs in the communities surrounding its operations in Iraq, and that this had improved relationships with community stakeholders. Another company reported that its personnel regularly consult with local communities to discuss the impacts of its operations and the communities' needs.

Kurdistan Region of Iraq

One member of the Corporate Pillar reported that it regularly engaged in dialogue with community members and local authorities in the Kurdistan Region of Iraq regarding human rights-related topics. The company also used these meetings to present information regarding the company's commitment to the Voluntary Principles.

Another company stated that it has engaged a private security contractor to provide security for its activities in the Kurdistan Region of Iraq, and that the contract had included provisions regarding the Voluntary Principles. The company reported that it provided information regarding the company's commitment to the Voluntary Principles during all induction and onboarding presentations to company personnel and key contractors.

Another member of the Corporate Pillar reported that its corporate security leadership oversees a contract armed security force in the Kurdistan Region of Iraq and liaises with the public security force. The company also reported that its community relations personnel have been working to gain community consent and input with regard to security plans and activities. The company noted that all private and public security providers working in connection with the company's activities have received security and human rights training.

One member of the Corporate Pillar reported challenges in terms of engagement with the public security force on issues of firearms, human rights, and the Voluntary Principles. Another company reported that it had made a proposal by which the Ministry of Natural Resources in the Kurdistan Region of Iraq would administer any funds provided by the company to compensate the Ministry of Interior for security services by the regional government's public security force. The company noted, however, that the Ministry of Natural Resources had announced that it would be developing its own standard security agreement. The standard agreement is still under development.

Libya

Participants in all three Pillars reported participation in a roundtable in Tripoli hosted by a member of the Government Pillar in May 2012 at which security and human rights concerns were discussed. A number of Libyan government officials attended the roundtable. A member of the Corporate Pillar reported that it was closely following the work of several members of the Government Pillar which are working to facilitate dialogue with the Libyan Government and the National Oil Company regarding security and human rights concerns.

In September 2012, a member of the Corporate Pillar hosted a meeting with representatives from partners in its Libyan operations and presented on its security operations and policies, including its approach to the implementation of the Voluntary Principles. Another company reported that it had conducted a Voluntary Principles risk assessment in Libya in 2012 using the IGT. Several members of the Corporate Pillar reported providing Voluntary Principles training to their staff in Libya. One company also reported that it regularly discussed Voluntary Principles requirements with its private security contractors in the country. The company also stated that it had provided training on the use of force to public security forces protecting its assets in the country.

Peru

Members of all three Pillars reported that they had engaged in efforts to encourage Peru to become a member of the Voluntary Principles. Several members of the Government Pillar stated that they had engaged in discussions with representatives of the Government of Peru regarding Peru's potential participation. One government reported that, as part of its work with the Outreach and Implementation Working Group, it had developed an action plan for outreach efforts in Peru.

Members of all three Pillars described support for, and participation in, an IGT workshop in Lima in November 2012. Members of all three Pillars also described participation in the Voluntary Principles Working Group in Peru. One member of the Corporate Pillar reported that it had sponsored an event in Lima in July 2012 for many Working Group members. The event sought to promote Peru's future membership in the Voluntary Principles.

One member of the Corporate Pillar noted that, in its report to the Plenary before the 2012 Annual Plenary Meeting, it had described a non-fatal shooting incident in November 2011 involving the Peruvian national police and a group of protestors near one of the company's project sites. The company stated that, in 2012, it had engaged with Minister of Interior in Peru requesting that the government complete an investigation into the incident and publish the results. The company reported that another shooting incident occurred in July 2012 in which five civilians were killed by public security forces in connection with public protests and demonstrations related to one of the company's projects in Peru. The company reported that it had requested the Minister of Interior to complete an investigation into the incident and publish the results.

Several companies reported hosting Voluntary Principles training programs for employees, contractors, and private and public security personnel. One company reported that its security personnel had hosted nine cultural events for local communities near one of its project sites: these events were organized in order to promote better relationships between security personnel and local community members. Another member of the Corporate Pillar reported that it had worked with a member of the NGO Pillar to develop a risk matrix addressing security and human rights issues in Peru. The company also reported that it had worked with the NGO to conduct a gap analysis identifying areas for improvement with regard to the company's implementation of the Voluntary Principles in Peru.

A member of the NGO Pillar reported efforts to engage local civil society in Peru in dialogue regarding human rights and security concerns. Another NGO reported that it had carried out discussions with a member of the Corporate Pillar regarding security arrangements for the company's operations in Peru. Finally, another member of the NGO Pillar reported that it had worked with a local Peruvian NGO to organize a forum on social conflict in October 2012. During the forum, the NGO gave a presentation on lessons learned with regard to memorandums of understanding between companies and public security forces in Colombia.

Tanzania

A member of the Government Pillar reported that it had engaged in discussions with representatives of the Government of Tanzania regarding the benefits of Voluntary Principles participation and implementation.

A member of the Corporate Pillar reported that a private security provider provides security for its offshore operations in Tanzania, with support from Tanzanian military personnel. The company reported that the private security provider has provided training on the Voluntary Principles to the military personnel.

Another member of the Corporate Pillar reported that it has worked with a member of the NGO Pillar to provide training to Tanzanian military personnel that are providing security for the company's operations. Topics covered by the training included: conflict resolution; sexual harassment; detention; use of force and firearms; rules of engagement; full protection of the health of people in custody; humanitarian law; and human rights violations. The company also reported that the NGO had conducted a Voluntary Principles risk assessment at the company's operations in May 2012.

A member of the NGO Pillar reported engagements with representatives of the Government of Tanzania regarding Voluntary Principles participation. The NGO also reported working with local community leaders in Tanzania to enhance local capacity to engage in constructive dialogue and conflict resolution regarding extractive sector projects. Another member of the NGO Pillar reported that it had provided information to a representative of the Government of Tanzania regarding participation in the Voluntary Principles and the process for applying to become a Participant.

Another NGO reported that it was working with two members of the Corporate Pillar to: implement the Voluntary Principles at their project sites in Tanzania; engage with local stakeholders; provide training to public security personnel; and identify appropriate channels for conflict resolution.

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

Many members of the Corporate Pillar provided specific information on efforts to incorporate the Voluntary Principles into contracts with private security providers and MoUs with public security providers. Quite a few companies reported that it is now mandatory within their companies to specifically cite the Voluntary Principles in contract language or reference them in MoUs. Other companies stated that they incorporate security and human rights expectations into contracts through more general references to human rights policies and expectations.

A number of companies reported that the Voluntary Principles were included in the selection criteria for new security providers. One company reported that it had recently engaged a civil society organization with human rights expertise to help it develop a questionnaire for screening potential security providers.

Several companies reported that they require private security providers to be signatories to the ICoC. One company reported that, in addition to the Voluntary Principles, it incorporates the following standards into arrangements with public security forces: the United Nations Basic Principles on the Use of Force and Firearms for Law Enforcement Officials and the United Nations Code of Conduct for Law Enforcement Officials.

12. Examples of supporting outreach, education, and/or training of (i) relevant personnel; (ii) private security personnel; (iii) public security personnel; and/or (iv) civil society (e.g., local NGOs, community groups)

Members of the Government Pillar reported on activities taken in conjunction with their participation in the Outreach and Implementation Working Group, including the development of national action plans for outreach to specific countries. Governments also referenced specific efforts to engage their missions and embassies in outreach to specific countries. These efforts included delivering training to diplomatic personnel as well as providing outreach tools such as fact sheets and other guidance materials. Governments also reported that they had conducted outreach to specific companies that are not yet Participants regarding the benefits of Voluntary Principles participation and implementation.

Many members of the Corporate Pillar reported on a range of different training initiatives. One company reported that it had provided training on the Voluntary Principles to

its employees and a private security provider at its operations in Turkey. The company also stated that it had provided training on the Voluntary Principles to representatives from its primary local suppliers in Turkey. Corporate Pillar members also reported that training programs had occurred in Myanmar, Congo, South Africa, Azerbaijan, and Georgia.

Another member of the Corporate Pillar reported that it had worked with a member of the NGO Pillar to design a local monitoring process in Panama in order to assess compliance with the company's policies, including its policies on human rights and community engagement.

One company reported that it had hosted an outreach session to local stakeholders in South Africa that was facilitated by a member of the Government Pillar. The company also reported that it had co-hosted an IGT workshop in South Africa.

Members of the NGO Pillar reported on efforts to provide Voluntary Principles training as well, often in partnership with members of the Corporate Pillar. NGO Pillar members reported on specific training initiatives in South Africa and in Colombia. Several members of the NGO Pillar also reported on their engagement with the Outreach and Implementation Working Group and noted efforts to encourage in-country implementation of the Voluntary Principles in priority countries. One member of the NGO Pillar reported on engagement with the ICoC.

13. Company procedures to review progress on implementing the Voluntary Principles at local facilities

Members of the Corporate Pillar reported a variety of different procedures for reviewing progress regarding implementation of the Voluntary Principles at local facilities. Several companies reported that they conduct annual assessments of implementation at sites that have been identified as posing security and human rights-related risks. One company reported that it had developed a standard evaluation framework for use in these reviews, including indicators specific to risk assessment, transparency, response procedures, training, and contracting.

Several companies referenced use of the IGT as a reference source in conducting assessments of Voluntary Principles implementation. One company reported that it had developed a new security standard in 2012 that requires every operating division to conduct an annual gap analysis against the IGT and to develop an improvement plan to close any identified gaps.

Many companies referenced current and planned efforts to incorporate the KPIs that have been developed by the KPI Volunteer Group into their assessments of Voluntary Principles implementation.

Another company reported that its corporate responsibility management system includes procedures that incorporate the Voluntary Principles. Corporate progress in

implementing these procedures is reviewed quarterly. Progress reports are shared with the Corporate Responsibility Committee of the company's Board of Directors.

Several companies referenced the use of external consultants in connection with assessments of Voluntary Principles implementation.

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. The following recommendations do not necessarily represent the views of the Voluntary Principles Initiative as a whole, but rather reflect the suggestions of individual Participants.

Outreach

- Outreach to priority countries was strengthened by coordination between Government Participants. Outreach would be further strengthened by greater coordination between members of all three Pillars.
- Outreach efforts to governments are vulnerable to shifting political circumstances and government resources.
- The Voluntary Principles Initiative should assess and evaluate the list of priority countries on an annual basis.
- The sustainability of the Voluntary Principles Initiative will depend on its ability to increase the number of Government Participants.

Engagement of Host Governments

- Further engagement of host governments is necessary for successful implementation of the Voluntary Principles. More host governments need to be brought into the Voluntary Principles Initiative.
- Engagement with governments regarding comprehensive security sector reform remains the biggest challenge for advancing the concepts associated with the Voluntary Principles.
- When host governments are resistant to engagement regarding the Voluntary Principles, the options available to companies are limited. More collaboration between the Pillars is necessary in order to engage host governments and to promote successful implementation of the Voluntary Principles.
- Implementation of the Voluntary Principles at project sites operated by non-Participants remains a challenge. If more host governments join the Voluntary Principles Initiative, it

would help ensure that all project partners operate consistently within strong national legal frameworks and practices.

- In certain contexts, and increasingly in instances in which egregious violations of human rights have occurred, public security forces themselves have been the victims of human rights abuses. Greater work needs to be done to ensure the safety and security of public security forces in order to decrease the likelihood that they will show respect for and ensure the protection of the human rights of civilians.

Assurance and Accountability

- Greater assurance regarding Voluntary Principles implementation is critical to the long-term sustainability of the Voluntary Principle Initiative.
- The work of the independent KPI Volunteer Group should continue. The development of KPIs will enable Participants to continue to strengthen implementation efforts and will ensure the credibility of the Voluntary Principles with external and internal stakeholders.
- The work of the KPI Volunteer Group should be formally incorporated into the Voluntary Principles Initiative.
- KPIs helped site teams identify gaps and areas for improvement in Voluntary Principles implementation and set targets for the next year. More refining of KPIs needs to be done to ensure consistent implementation across sites and to define what a fully mature and effective Voluntary Principles program comprises and achieves.
- Recent discussions among some Participants regarding the development of KPIs demonstrate that, while entities in each of the three Pillars may have different needs, “common ground can be found.”
- Participants in the Voluntary Principles Initiative should agree to develop a meaningful assurance framework and an impact measurement framework. The development of these frameworks should be on the agenda for the 2014 Annual Plenary Meeting.
- It is difficult to identify performance indicators that are consistent across a company’s businesses and yet appropriate for local operations in diverse locations.

Implementation

- A flexible approach to implementation, and one that recognizes that implementation strategies are not “one size fits all,” is important.

Measuring the Impacts of Implementation

- The Voluntary Principles Initiative would benefit from an increased capacity to demonstrate the benefits of Voluntary Principles implementation. It would be helpful to develop tools to assess the impacts of Voluntary Principles implementation. Potential applicants to the Voluntary Principles, especially governments, are increasingly asking for such evidence.
- The Voluntary Principles Initiative needs to “acquire a decisive bottom-up dimension.” The Initiative must be able to demonstrate that the implementation of the Voluntary Principles makes a difference in the lives of those impacted by extractive sector projects. Any future efforts to assess the effectiveness of Voluntary Principles implementation should focus on the impacts of implementation on the most vulnerable groups in local communities.

Implementation: Management Systems

- The Voluntary Principles must be integrated throughout all business processes at all locations.
- The development of site-level policies, procedures, and plans can help ensure consistency in implementation.
- Adjusting existing management systems to reflect human rights considerations, rather than creating an entirely new, separate system, can be successful.
- Implementation of the Voluntary Principles requires improving the extent to which corporate human rights initiatives are integrated across different corporate functions. This will improve the extent to which standalone corporate initiatives are seen as consistent in the eyes of employees and other stakeholders.
- Successful implementation of the Voluntary Principles requires coordination across corporate departments and cooperation with governments, NGOs, and other companies.
- Use of the site-level grievance mechanisms for issues that are not related to human rights demonstrates awareness of the system and the fact that people feel comfortable raising concerns.

Training

- Changes in personnel impact Voluntary Principles implementation, and therefore it is important to provide training for new employees stepping into roles with responsibilities related to the Voluntary Principles.
- Training for business leaders can lead to greater support for implementation. A key insight is that the Voluntary Principles support, rather than obstruct, business.

- Human rights allegations should trigger adaptations in training modules and curriculum. Continuous improvement with regard to training is important.
- The IGT training is very beneficial for new team members and managers.
- The “high-level language” of the Voluntary Principles can present obstacles in terms of engagement with local public and private security forces. Security forces may not need training on international humanitarian and human rights law, but do need training on the appropriate use of force.

The Voluntary Principles as a Business and Human Rights Framework

- The Voluntary Principles Initiative should leverage the momentum created by recent international developments in the field of business and human rights. The Voluntary Principles should be promoted as a means to implement the Guiding Principles.