AUDITING IMPLEMENTATION OF VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS

A Guidance Document to Assist Companies and their Auditors Assess Implementation of the Voluntary Principles on Security and Human Rights

Global Compact Network Canada

Business for Peace

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FOREWORD FROM
JOHN G. RUGGIE

If the Voluntary Principles on Security and Human Rights did not already exist they would need to be invented. They address the hard edge where business and society sometimes meet: the rules governing the use of force and firearms to protect company personnel and assets, especially in situations of conflict. The VPs make it clear that these rules are prescriptions for the last resort to a perceived threat, not a first response—that the term "rules of engagement" must refer in the first instance to community engagement by the company in the broadest sense.

The VPs involve not only companies, but also host and home governments as well as civil society. Especially when operating in difficult environments, companies need granular advice and assistance. They need to be able to count on governments to collaborate in addressing the challenges of security sector reform, or providing assistance in managing the predictable influx of people and corresponding demand for infrastructure when a new site opens. In addition, companies need assistance from civil society, not only at international but even more so at local levels, to gain a deeper understanding of potential sources of social strife and conflict that could come to involve them, to serve as trusted interlocutors with local communities, and to uncover serious misconduct by personnel of which companies themselves may not be aware.

The VPs have evolved since their creation in 2000. More countries participate, but not enough in areas where the need is great. Virtually all the major publicly listed international oil, gas and mining companies participate, but not enough state-owned enterprises. The VPs now have an institutionalized governance process, and key performance indicators that companies are free to use, but both remain relatively limited in scope. At the same time, the international consensus on what is expected of governments and businesses in the area of business and human rights has come a long way as well, thanks in part to the unanimous endorsement by the UN Human Rights Council of the UN Guiding Principles on Business and Human Rights in 2011. Closer alignment of the VPs is desirable, particularly regarding the state duty to protect against human rights abuses, and on transparency of company practices on the ground.

This publication represents a welcome step in that direction for companies that adhere to the VPs. It elaborates on the key performance indicators and cross-references them to related principles and guidance materials. Moreover, it argues persuasively that the applicability of the VPs is not limited to the extractive industry but they should be of interest to similarly situated companies in other sectors. I look forward to and strongly support the VPs' continued expansion and evolution.

JOHN G. RUGGIE
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INTRODUCTORY NOTE FROM THE WORKING GROUP

For companies operating in complex environments, including conflict and post-conflict settings, managing security can be a significant challenge. Companies must balance a need to ensure the safety of their personnel and assets with a need to respect the rights of community members in the vicinity of their operations. Numerous high-profile security incidents related to business activities around the world have highlighted how pertinent and challenging these risks are.

In 2000, the Voluntary Principles on Security and Human Rights (VPs) was created by a leading group of extractive companies, governments, and civil society organizations to help guide companies through those very challenges. The VPs offer a straight-forward and practical operational framework for companies that centers on conducting proper risk assessments and managing relationships with private and public security providers. Today, hundreds of companies, inside and outside the extractive sector, have publicly signaled that they apply that framework, and the VPs Initiative has become a leading international soft-law multi-stakeholder initiative.

While it is relatively easy for a company to rhetorically endorse the VPs, actually implementing the principles at local operations, and communicating this credibly to various stakeholders, can be far more challenging. Recognizing this, in 2012 and 2013, a group of VPs Initiative participants created a baseline set of key performance indicators (KPIs) and audit protocol, which outline a methodology for companies and others to help assess levels of implementation of, and compliance with, the VPs.*

To help further explain those KPIs and the audit protocol, and provide additional guidance and context, a multi-stakeholder working group was formed in January 2015 within the Global Compact Canada Network. This guidance document is the product of that group's efforts. It supplements other UN Global Compact guidance materials, such as the "Guidance on Responsible Business in Conflict Affected and High Risk Areas," which recommends that companies operating in complex areas join voluntary initiatives offering guidance such as the VPs. It also supplements the UN Global Compact's "Responsible Business Advancing Peace: Examples from Companies & Global Compact Local Networks," which offers best practices of companies seeking to implement the VPs and security and human rights approaches.

It is hoped that this guidance document, along with the KPIs and audit protocol, can be used by extractive and non-extractive companies to help measure, improve, and create greater stakeholder confidence in their security and human rights programs. It is also hoped that the document can prove helpful to auditors in carrying out VPs implementation audits, and to external stakeholders in understanding how to assess whether the VPs are being implemented. And most importantly, it is hoped that the document can help business organizations fulfill their responsibilities to respect human rights whenever they must rely on public or private security, and reduce security-related conflicts and human rights abuses in local communities.

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*   The audit protocol is not an official tool endorsed by the VPs itself.

INTRODUCTORY NOTE FROM THE WORKING GROUP

WORKING GROUP MEMBERS	**BARRICK** **Jonathan Drimmer** *(Working Group Chair)* **Mark Wall** **Simon Jimenez** Barrick Gold	**EDC** Export Development Canada / Exportation et développement Canada **Deborah Berger** Export Development Canada	**RioTinto** **Isabelle Brissette** **Etienne Lamy** **Almero Retief** Rio Tinto	**Pacific** Rubiales Energy **Diana Castillo** Pacific Rubiales Energy	**The Mining Association of Canada** ADVOCACY STEWARDSHIP COLLABORATION **Ben Chalmers** Mining Association of Canada
	HUDBAY **David Clarry** Hudbay Minerals	**Foreign Affairs, Trade and Development Canada** **Mora Johnson** Department of Foreign Affairs and International Trade, Government of Canada	**ENBRIDGE** **Maryann Kenney** Enbridge Energy Partners	**Xpera** RISK MITIGATION & INVESTIGATION **Mark Lalonde** Xpera	**GOLDCORP** **Rafael Miro-Quesada** Goldcorp	**Native American Resource Partners** **Steve Pappajohn** Native American Resource Partners
	KINROSS **Mike Osborne** Kinross Gold	**O Trade** **Monica Ospina** O Trade	**SNC·LAVALIN** **Mark Osterman** SNC Lavalin	**PARTNERSHIP AFRICA CANADA PARTENARIAT AFRIQUE CANADA.** **Kady Seguin** Partnership Africa Canada	**sherritt** **Mark Sitter** Sherritt International	**GABRIEL** Roșia Montană IN PARTNERSHIP **Sebastian Winkler** Gabriel Resources

ACRONYMS AND ABBREVIATIONS

VPs Voluntary Principles on Security and Human Rights (**Appendix A**)

VPS INITIATIVE A leading multi-stakeholder initiative, composed of governments, companies, and civil society organizations, focused on proactively implementing or assisting in implementing the VPs.

AUDIT PROTOCOL The audit protocol created in 2012 and 2013 by a group of companies who belong to the VPs initiative, with input from certain government and NGO VPs participants, and other external experts (**Appendix B**).

REPORTING GUIDELINES Reporting Guidelines adopted in 2009 by the VPs Initiative that identify the content for participants to include in their annual reports to the plenary (**Appendix C**).

REPORTING GUIDELINE TOPICS The 14 separate topics identified for reporting in the Reporting Guidelines.

DCAF/ICRC Geneva Centre for the Democratic Control of Armed Forces (DCAF) and the International Committee of the Red Cross, "Addressing Security and Human Rights Challenges in Complex Environments" (2014).

IA TOOL International Alert, "Voluntary Principles on Security and Human Rights: Performance Indicators" (2008).

IGT International Council on Mining and Metals, International Finance Corporation, and IPIECA, "Voluntary Principles on Security and Human Rights: Implementation Guidance Tools" (2011).

MIGA The World Bank's Multilateral Investment Guarantee Agency, "Voluntary Principles on Security and Human Rights: An Implementation Toolkit for Major Sites" (2008).

ROLES & RESPONSIBILITIES Guidance by the VPs Initiative on Certain Roles and Responsibilities of Companies.

UNGC GUIDANCE UN Global Compact and Principles for Responsible Investment, "Guidance on Responsible Business in Conflict Affected and High Risk Areas" (2010).

UNGC EXAMPLES UN Global Compact and Principles for Responsible Investment, "Responsible Business Advancing Peace: Examples from Companies & Global Compact Local Networks" (2013).

UNGPs UN Guiding Principles on Business and Human Rights.

I   BACKGROUND

In December 2000, a multi-stakeholder group, consisting of governments, extractive companies, and non-governmental organizations agreed on a set of principles known as the Voluntary Principles on Security and Human Rights (VPs) (attached as **Appendix A**). The VPs were established to guide companies in maintaining the safety and security of their operations with a framework that encourages respect for human rights. Since that time, the VPs has grown into the leading global set of principles governing corporate security and human rights activities, and a well-respected soft-law multi-stakeholder initiative. As it stands today, formal membership in the VPs Initiative consists of 9 governments, 28 companies, and 11 non-governmental organizations. In addition, hundreds of companies who are not members of the Initiative have stated that they adhere to the VPs themselves. That includes many companies in the extractive sector, and dozens of others across a wide range of industries who desire to abide by best practices in their security and human rights programs, such as those in private security, oil field services and drilling, agribusiness, consumer goods, travel and leisure, manufacturing, automotive, power generation and electricity, and food and beverage.[1]

Indicative of their wide acceptance, the VPs also have been incorporated into many frameworks for good governance and practice. They are referenced in the national action plans and CSR strategies of various countries, endorsed by multi-lateral lending institutions and export development agencies, and included in OECD and industry standards for good practice. There also are a multitude of toolkits that are publicly available to help companies implement the VPs, including most prominently the recent DCAF and ICRC Toolkit, "Addressing Security and Human Rights Challenges in Complex Environments" (DCAF/ICRC), and the 2011 "Voluntary Principles on Security and Human Rights: Implementation Guidance Tools" (IGT), developed by a range of prominent groups.

THE VPS AND THEIR IMPLEMENTATION

The VPs themselves are divided into three sections: risk assessments focusing on security operations, interactions with government security forces (most obviously police, military, and similar groups), and interactions with private security providers. Each section is composed of a number of principles. While the bulk of the VPs focuses on operational issues and alignment with other principles and international norms related to security and human rights, the Governance Rules for the VPs Initiative state that participants are expected to "recognize the importance of the promotion … of human rights," and publicly promote the VPs.

For companies, implementation of and compliance with the VPs thus requires certain critical elements to carry out a company's commitment to respect human rights. These include: support from upper management; the development of policies, procedures and standards that integrate human rights elements, and which comprise a security management system; interactions with public and private security, including contracting, training, and reporting and addressing human rights incidents; internal communication and collaboration among different corporate functions; effective engagement with local communities and external stakeholders; and measuring progress in implementing the VPs. In joining the VPs Initiative, or committing to follow the VPs in practice, companies in essence are pledging to implement and follow these critical elements.

PURPOSE OF THIS GUIDANCE DOCUMENT

Guidance on how companies can implement these elements is treated in numerous resources, including the toolkits referenced above, and is not the focus of this document. The focus, instead, is on how companies can perform audit activities to determine the level of VPs implementation. "Level of implementation" refers to the degree to which the company has adopted the critical policies and practices identified by the VPs Initiative, and is executing them in practice.

I   BACKGROUND

HOW THIS GUIDANCE AND THE AUDIT PROTOCOL CAN ASSIST COMPANIES

Implementing the VPs, and determining the level of implementation and compliance with the VPs, is important for several reasons. Most obviously, implementing the VPs can be part of a company's responsibility to respect human rights, and can contribute to lowering the risk of negative human rights impacts for company employees and local community members. That helps maintain a license to operate, reinforces corporate core values, and also protects employees and property from responsive threats and violence. It also benefits production and performance by reducing delays associated with conflict, and by allowing management time to be devoted to operational needs. By reducing or mitigating potential negative human rights impacts, implementation of the VPs also helps protect corporate reputation and reduce legal risks.[2] For some companies, adhering to the VPs can improve access to financing.[3]

The extent of those benefits and the avoidance of those risks depend on a company's level of VPs implementation and compliance. This guidance and the accompanying audit protocol are designed to help companies identify that level. These materials contain a series of audit tests – which include document reviews and interviews with internal employees and external third parties – to determine the degree to which the company is following the primary activities of the VPs.[4] The results can then enable a company to evaluate whether it needs to adjust or enhance its policies and practices, while providing the company with an opportunity to increase the transparency and overall stakeholder confidence in its programs by publicly reporting on its audit processes and outcomes.

AUDIENCES FOR THIS GUIDANCE DOCUMENT AND THE AUDIT TOOL

The primary audiences for this guidance document and the audit tool are companies and auditors. This guidance document may be of particular value to companies who have committed to apply the VPs in their operations but are not members of the VPs Initiative – where engagement on implementation efforts is a core activity – as it provides additional context and information that they may not otherwise receive. This guidance document and the audit tool also may be of use for a range of other stakeholders. This includes public and private security, which will benefit from knowing the expectations that the VPs place on them. It includes governments and civil society seeking to assist companies in implementing the VPs. And finally, it includes local communities looking to understand the VPs, as well as many others who wish to gain further information on how to assess whether a security and human rights program is being implemented.

THE KPIS, HOW THEY WERE DEVELOPED, AND HOW THEY ARE USED

This guidance document and the audit protocol include key performance indicators (KPIs); KPIs are used by organizations to evaluate whether they are meeting certain business objectives. The KPIs used in this guidance document were developed in 2012 and 2013 by a group of companies who belong to the VPs Initiative, with input from certain Government and NGO VPs Initiative participants, and other external experts (**Appendix B**).[5] Professor John Ruggie, of the Harvard Kennedy School of Government and Harvard Law School, former UN Special Representative for Business and Human Rights, and primary author of the UN Guiding Principles on Business and Human Rights (UNGPs), was an advisor to that process. The KPIs are based on the VPs Reporting Guidelines, adopted in 2009 by the VPs Initiative to guide participants on the content to include in annual reports to the plenary on their "efforts to implement, and/or assist in the implementation of the Voluntary Principles."[6]

In formulating the KPIs, the guidance document and audit protocol thus rely on the determination made within the VP Initiative itself, as reflected in the Reporting Guidelines, for what is key to "implement, and/or assist in implementing" the VPs. The KPIs may therefore be best understood as providing a baseline set of indicators, allowing a company to begin a process of assessing whether the VPs are being implemented consistent with the primary areas identified by the VPs Initiative. Accompanying each KPI in the guidance document and audit protocol are tests to help measure whether the KPI is met. A description is also provided for each KPI of what success under those tests might look like to guide organizations in measuring their performance.

II PRELIMINARY POINTS RELATED TO THE GUIDANCE AND THE AUDIT PROTOCOL

DISTINCTION BETWEEN AUDIT AND IMPLEMENTATION TOOLS

In providing a baseline methodology for companies and others to assess implementation of, and compliance with, the VPs, the guidance document and audit tool rely on several assumptions. Most obviously, this guidance document and the audit protocol are not implementation tools themselves, and they presume that an organization already is implementing (or starting to implement) the VPs. They can, however, be used in conjunction with the VPs Implementation Guidance Tools (IGT) and other VPs implementation guides. To assist auditors, the guidance document and audit protocol contain cross-references to the IGT. This guidance document also includes references to other tools and principles that might be consulted regarding implementation.

DISTINCTION BETWEEN AUDITING LEVEL OF IMPLEMENTATION AND AUDITING EFFECTIVENESS

In addition, the focus of this guidance document and the audit protocol is on the level of implementation of the VPs – the degree to which the company has adopted the critical policies and is following the critical practices identified by the VPs Initiative. The focus is not on helping companies determine whether their VPs implementation efforts are achieving their own security and human rights goals, or are otherwise "effective." That limitation derives in large part from the Reporting Guidelines themselves, which generally ask VPs Initiative members to report on systems and processes, and examples of those processes in practice.[7]

Further, determining whether a security and human rights program is effective and achieving a company's objectives – while important – also tends to be quite subjective to the individual company. For example, a company KPI to measure the level of implementation of a program may reflect the extent to which a rules of engagement policy has been established, communicated, and embedded throughout the organization. Measuring whether implementation of the rules of engagement policy is "effective" requires a company-specific approach, as what might be deemed effective by one company may not be seen as effective by another, and could differ depending on context, local risks, and other factors. However, to assist companies who desire to conduct audit activities to measure the effectiveness of their programs, this guidance document provides examples and additional possible audit tests. These include tests focusing on quantitative indicators (such as the number of training sessions or number of incidents), and measurements of efficacy (such as the results of training tests or the extent of security personnel awareness of key aspects of certain policies as identified during interviews). A column also exists in the audit protocol for companies to identify tests beyond those directly relevant for the Reporting Guidelines.[8]

COMMON QUESTIONS REGARDING ADMINISTRATION OF THE AUDIT PROCESS

1. What are human rights and which are most applicable to the VPs?

Human rights are the rights to which all individuals are entitled. These rights are enshrined in the Universal Declaration of Human Rights, and codified in the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights – all of these documents make up the International Bill of Rights. In addition, the International Labour Organization's Governing Body has adopted eight ILO Core Conventions[9] that it has identified as fundamental and binding norms directly applicable to business. The types of human rights that are particularly prone to being impacted in security and conflict situations under the scope of the VPs include: the right to life, liberty and security of persons, freedom from torture, freedom of assembly (peaceful protest), and arbitrary arrest or exile. For further detail, Annex B to the IGT includes a list of human rights articles and their relevance to the VPs.

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2.   What is the purpose of the audits?

Companies that make formal commitments to implement the VPs are expected to undertake a variety of activities. These include, most prominently, visible support from upper management, developing a security management system that integrates VPs and human rights components, undertaking risk assessments and measuring progress in implementing the VPs, taking the VPs into consideration when entering into relationships with public and private security, reporting and addressing security-related human rights incidents pertaining to the company's operations, and internal and external training and awareness raising around the VPs. This guidance document and the audit protocol are designed to provide a baseline set of audit tests to allow companies to identify the degree to which key actions associated with the VPs, as identified in the VPs Reporting Guidelines, are being implemented. That can enable companies to begin to identify the level of their VPs compliance and make adjustments as necessary, mitigate risks of security-related human rights abuses, and provide greater assurance and potentially transparency.

3.   How do companies audit management systems and processes?

Companies generally use management systems, including policies, standards and/ or procedures, to implement and maintain certain key controls. These management systems, whether simple or complex, will include documented requirements, defined accountabilities and responsibilities, and a process of implementation. Simply put, this involves documenting who is responsible for each required action, determining how progress on each action is measured, and establishing how often progress is measured. Once implemented, a company's management and often the board of directors need to know that key controls are in place and functioning and assessed regularly.

To provide that confirmation, companies will use a process of audit and assurance. Depending on the type of audits the company deems appropriate and the processes that already exist, the audit process may be internal or external, integrated with other programs, or standalone.

When designing a set of assurance tests, a company will review each aspect of the control, and develop a question, or set of questions, to test the existence of that control. For the purpose of this document we are calling those tests Key Performance Indicators, or KPIs. It should be noted that KPIs can be used in many different situations. Application in this context, which focuses on the level of implementation of the VPs, should not be confused with the use of KPIs in other contexts – in particular, in assessing the effectiveness of aspects of a program, as discussed above.

4.   Who will perform the audits? Can they be combined with other assessment activities?

Audits may be conducted on a first, second or third party basis. First party audits are self-assessments, conducted by the organization itself. It is important that when an organization audits its own activities, the auditors are independent of those actually involved in the VPs or their implementation to ensure the credibility of the audit process; for instance, the work may be performed by an internal audit group. Second party audits are external, and are often performed by a company on a supplier, or on a company by an association or group in which the company is a member. Third party audits are performed by independent and accredited external assessors.[10]

First, second, and third party audits are not mutually exclusive. Indeed, companies often will use self-assessments as a management tool to gauge compliance and identify gaps, and then seek a further degree of assurance through more independent second or third party audit processes. Second and third party audits generally are considered more credible, particularly to external actors, given that they are perceived to be more independent. They may be particularly appropriate if the company has caused or contributed to negative security and human rights impacts.

To ensure that second and third party audits are achieving their goals, auditors should have experience with the VPs and/or human rights, and experience in conducting audit or assessment-related activities. It is common to find auditors either who understand

II PRELIMINARY POINTS RELATED TO THE GUIDANCE AND THE AUDIT PROTOCOL

human rights but not accepted audit processes, or who are experienced in conducting audits but lack an understanding of human rights norms. Both are important to conduct VPs audits that are reliable and accurate.

In addition, companies may wish to combine VPs audit activities with other audit work. For instance, mining companies that are members of the International Council on Mining and Metals (ICMM) may include VPs KPI audit work as part of their required annual assurance,[11] or for gold mining companies, in certifying compliance with the World Gold Council's Conflict Free Gold Standard.[12] Other companies may wish to combine risk assessments, or more general human rights impact assessments, with KPI audit activities. Still others may wish to perform standalone audits.

Most important, however, is that the detailed information obtained from the audit is usable and used by companies to understand and improve their level of VPs implementation, and to help meet stakeholder expectations that the company is seeking in good faith to institute a security and human rights program, if not achieving that goal. Accordingly, companies might seek to identify their own process that best leads to such outcomes.

5. Who will be interviewed in the audits?

Implementing the VPs effectively requires collaboration among a variety of different corporate functions. Indeed, some companies have created cross-functional committees to help ensure awareness of the VPs and other human rights concerns. Consistent with that approach, employing the different tests that are identified in the audit protocol relies on interviews with a wide range of internal stakeholders. Key employees identified for interviews or discussions include senior management, the corporate security lead, security and community relations management, and internal security personnel. Other functions that might be relevant for interviews, depending on the nature of a company's business, include human resources, health and safety, and environment.

Interviews with external stakeholders also are contemplated. These include community members, civil society organizations, local government, private security providers, and public security representatives. External stakeholders also could include suppliers and contractors, depending on a company's operations. Further, it is worth keeping in mind when selecting stakeholders for interviews that, while the primary purpose is to provide information to auditors to test the company's VPs implementation, participation helps raise awareness of the VPs and the company's approach to human rights.

6. Can the guidance have value for companies just starting to implement the VPs?

Companies seeking to implement the VPs may be at very different points in establishing security and human rights programs; some may be at the outset, while others may have mature systems in place. This guidance document and the audit protocol can help identify key aspects of VPs implementation, how to test whether those aspects are being rolled out, and where areas of improvement might lie. For companies that are phasing in their implementation of the VPs, it might be appropriate to use only those KPIs and audit tests relevant to what is being implemented.

7. Can the KPIs be modified or tailored and still be meaningful?

The KPIs are a baseline set of indicators. They are intended to provide companies with a benchmarked set of criteria that can facilitate an assessment examining whether the VPs are being implemented in a manner consistent with the Reporting Guidelines. Furthermore, the KPIs can also be used as a tool for companies to better communicate with their stakeholders, and increase their transparency with respect to the implementation of the VPs.

For companies just beginning implementation efforts, some of the KPIs might not yet be relevant to their programs. Likewise, depending on the nature and location of a company's operations, a company might not deem some of the KPIs as being relevant

II PRELIMINARY POINTS RELATED TO THE GUIDANCE AND THE AUDIT PROTOCOL

at all. On the other end of the spectrum, as a company's security and human rights systems mature, and as international best practice evolves, it may be desirable to develop further indicators to test the effectiveness of the company's security and human rights program – particularly for companies operating in areas where security is complex. The KPIs thus can and should be adjusted and supplemented over time to fit a company's individual program. That said, to the extent a company states or believes that it follows the VPs, it is desirable to use the KPIs or another set of robust indicators to assess its security and human rights program against the Reporting Guidelines.

8. How often will audits be performed and how will sites be selected if a company has multiple locations?

Audit frequency and locations should be determined by the company, with input from audit personnel. Developing an appropriate audit plan likely will be weighted toward those locations where perceived risks are higher. That determination may depend on a range of factors, including news or civil society reports, country human rights reports, the reputation of security forces, levels of violence in the country or region, past incidents in the sector or involving the site or company, weakness in the local rule of law, the phase or status of a company's operation, or other factors.

For companies with a significant number of locations, it is appropriate to develop an annual audit plan that includes a sample of locations, with a mix of perceived security risks, at least some of which include locations where higher risks are present and the VPs are thus more relevant. For other companies, it may be appropriate to conduct audits bi-annually, depending on the mix of human rights and security-related risks that the company faces at its sites. The guidance associated with Topic 9 in the Reporting Guidelines, below, also contains relevant responsive information.

9. Who will see the results/reports, and what kind of transparency is expected?

The degree of internal and external transparency is within the discretion of each company. Internally, it is important that senior management see the results and the audit report, to assess whether the company's commitment to the VPs is matched by activities on the ground, and what further efforts may be required. It also will be important that key local employees in the countries where the VPs are implemented – such as general managers, security lead employees, community relations personnel, human resources employees, health, safety and environment personnel, and others – see the results, to be able to identify strengths and weaknesses in implementation approaches and react accordingly. It also may be appropriate for the board of directors or a relevant board committee to be briefed on the outcomes of the audit work, which can act as an effective accountability mechanism for employees responsible for implementing the VPs.

In terms of external communications, stakeholders are increasingly insisting on understanding not just a company's commitments, but also the systems and processes the company has adopted to fulfill those commitments, and whether those systems and processes in fact are in place on the ground. To meet those demands, some companies may wish to publicly outline the audit approach they are undertaking and provide a general description of the results, such as through a summary template. Others might place final audit reports, in whole or excerpted, on their websites or in their responsibility reports. Still others may prefer to publish a reasonable assurance letter from an external reviewer, validating that the audit work has been completed and opining on the outcomes. At a minimum, however, it is recommended that companies are transparent about the process they are undertaking and provide some degree of assurance as to the results of the work. It is also helpful if information is made available in languages relevant to locally impacted stakeholders.

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There are different ways that kind of transparency can be achieved. **For instance**, Freeport-McMoRan Copper & Gold, a VPs Initiative member, makes public its annual report to the VPs plenary on its website. In that report, it describes how it has used the KPIs in the accompanying audit protocol to perform its VPs assessments. It notes that it applied the KPIs on a pilot basis in a self-assessment at one site, and then had its external assurance provider review the KPIs and results as part of its ICMM Sustainable Development Framework assurance process.

As another **example**, Barrick Gold, also a VPs Initiative member, engaged an external auditor to provide VPs assurance as part of its ICMM Sustainable Development Framework assurance process. In the context of that process, the auditor uses the accompanying audit protocol to assess the implementation of the VPs. The nature of the testing activities, and the general findings, are published on Barrick's website. The approach and findings also are contained in Barrick's annual Responsibility Report. Barrick also has published an annual report on its Voluntary Principles on Security and Human Rights Program, which includes further details on its audit processes.

As a third **example**, the oil company BG Group, another VPs Initiative member, commissioned a third-party assurance provider to audit the company's implementation of the VPs using the KPIs identified in the attached audit protocol. BG reported the results of the audit publicly, including the strengths and room for improvement, and its overall score. BG used the results of the audit to enhance its internal processes, and improve contract clauses with public and private security providers.

10.   How does the audit protocol treat negative human rights impacts?

The VPs Reporting Guidelines do not specifically ask companies to report actual, potential, or perceived negative human rights impacts (although Topic 14 in the Reporting Guidelines is broad enough for a company to include negative impacts, if so desired). Instead, as is common in corporate audit activities – which are different from investigations designed to reconstruct a factual occurrence – the Reporting Guidelines focus on the implementation of relevant processes and systems. Because the VPs Reporting Guidelines do not specifically include reporting on negative impacts, the audit protocol and this guidance document do not include them either.

That said, the Reporting Guidelines (Topics 4, 6 and 14) do demand that companies have processes in place to report and address security incidents with potential human rights impacts, and that negative impacts be considered in the context of adjusting plans and approaches to implementing the VPs. Responding to human rights incidents is a critical component of VPs implementation, and identifying the causes of negative human rights impacts can provide important insights into the strengths and weaknesses of systems and processes, which should be adjusted accordingly.

III THE AUDIT PROTOCOL

INTRODUCTORY NOTES ON THE PROTOCOL

Positions/Titles

This Guidance and the audit protocol include certain presumed titles and positions for individuals. Obviously, title conventions of an organization should be taken into account and the protocol adjusted. For example, the protocol contemplates site, regional and corporate security management. Should an organization be structured differently, the protocol should be adjusted.

Printing

The audit protocol (**Appendix B**) is designed to be printed on 11 x 17 paper, or similar. If this is not feasible, the document can be viewed electronically.

Scoring

The scoring system in the audit protocol is designed to assist in identifying performance trends. For each audit test or indicator, it scores compliance on a 0 through 3 scale. If there is no evidence of compliance with the indicator, the score is 0. If there is evidence of compliance with the indicator, the score is 1. If there is substantial compliance, the score is 2. Full compliance receives a score of 3. This allows for the calculation of an overall score, either on a percentage of compliance or tabulated basis, and for a granular review of performance against each audit test. Of course, auditors may choose to use a more simplified compliant/non-compliant system, or other scoring method, if deemed appropriate.

Audit Process – General Approach

The VPs Reporting Guidelines contain 14 separate topics for companies, and are broken into four broad sections:

1. Commitment
2. Policies, Procedures and Related Activities
3. Country Implementation
4. Lessons and Issues

For each of the 14 topics in the Reporting Guidelines, this guidance document first explains in narrative the topic and its objective in the context of the VPs, and often provides relevant examples of corporate practice. It then identifies the corresponding KPI and audit tests that are designed to capture the level of implementation and compliance with the topic, and compliance expectations to help measure success for each KPI. It then typically references the IGT and other principles and tools to aid auditors. Finally, for many KPIs, potential additional audit tests and success factors companies might consider in assessing implementation and effectiveness also are included.

Of note, the material aspects of the guidance materials also are found in the audit protocol (**Appendix B**), in abbreviated form. It thus may be logical to use this guidance in conjunction with the protocol itself. Further, given the nature of the Reporting Guidelines, some topics have audit criteria that are closely related or overlap, which auditors may combine in performing their tests and reporting their conclusions.

REPORTING GUIDELINES
SECTION 1:
COMMITMENT

Effectively implementing the VPs requires a genuine corporate commitment. To be credible to internal and external stakeholders, it is important that top company leaders make a strong and open declaration about adhering to the VPs. Such a "tone from the top" is critical to ensuring buy-in from local leaders, who oversee on-the-ground implementation; without it, proclaimed adherence to the VPs will be hollow.

REPORTING GUIDELINES SECTION 1: **COMMITMENT**

1 STATEMENT OF COMMITMENT OR ENDORSEMENT OF THE VOLUNTARY PRINCIPLES

The objective of this topic in the Reporting Guidelines is to ensure that the company is committed to implementing the VPs.
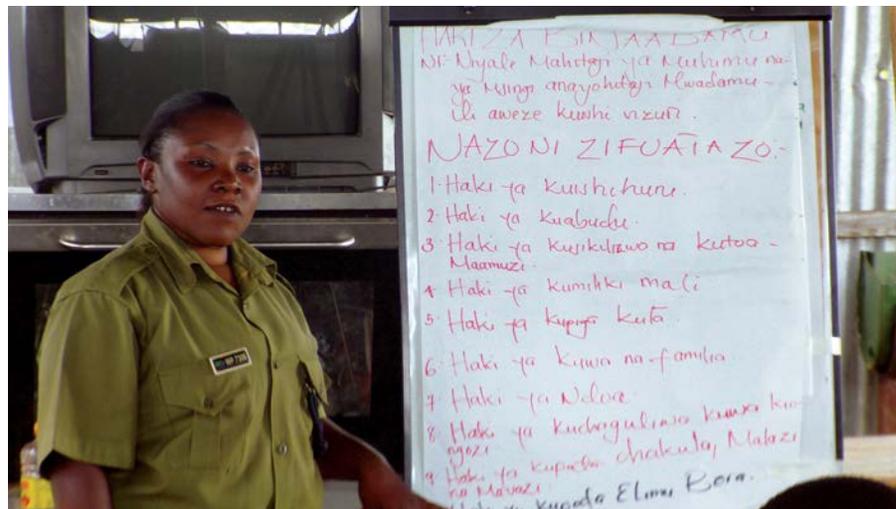
CASE STUDY

Talisman Energy's Policy on Business Conduct and Ethics is a good **example**. The Policy is included on its website. Talisman's President and CEO provides a message at the outset, including the recognition that Talisman adheres to the VPs – Talisman is a VPs Initiative member – and reinforcing the company's commitment to the principles in the Policy. The Policy itself makes clear that Talisman "will promote adherence to and respect for human rights principles," and "seek consistency with our Security Policy and Guidelines, which has been based on the" VPs. Talisman's Security Policy reiterates the company's commitment to adhere to the VPs.

REPORTING GUIDELINES SECTION 1: **COMMITMENT**

REPORTING GUIDELINE TOPIC 1	**KPI:** The senior management or leadership team is aware of, and visibly committed to implementing, the VPs.
AUDIT TESTS	**SUCCESS FACTORS**
at a corporate level, identify and interview the CEO, COO, General Counsel, or other appropriate C-suite personnel with internal responsibilities over the VPs, to gauge their understanding of and commitment to the VPs	at a corporate level, senior leadership being able to demonstrate an understanding of the VPs by describing their purpose, and confirming the company's commitment
at a corporate level, interview the executive responsible for the VPs to confirm that the company statement or endorsement of the VPs has been published and communicated throughout the organization	at a corporate level, the responsible executive being able to demonstrate an understanding of the VPs and their importance to the company
at a local level, interview the General Manager and security lead employee to gauge their commitment to implementing the VPs	at a corporate level, a statement endorsing the VPs (which may be in a formal policy or procedure)
	at a local level, the General Manager and security lead employee confirming that they are committed to implementing the VPs

IGT AND OTHER RESOURCES
Topic 1 in the Reporting Guidelines correlates to page 9 of the IGT, which states that a "key" factor to effectively implement the VPs is a "Corporate mandate 'from the top' – An explicit corporate-level commitment to respecting human rights is a key enabling factor that helps country and project-level staff effectively implement the VPs."

Other resources include: UNGP 16(a) (to embed their responsibility to respect human rights, companies should express their commitment through a statement that is "approved at the most senior level of the business enterprise"); DCAF/ICRC, at 45 (high level approval, actively communicated); UNGC Guidance, at 11 ("policy statement by the board"); UNGC Examples, at 8; MIGA, at VI-2 through 3 (public commitments by the CEO and Board of Directors, and signed policy).

POTENTIAL ADDITIONAL AUDIT TESTS AND SUCCESS FACTORS
Potential additional audit tests and success factors could include viewing communications from the CEO or other senior leaders committing to the VPs and establishing that they are communicated to relevant functional leads and local managers, and interviewing the human resources and/or community relations lead corporate employees to confirm a commitment to implementing the VPs.

REPORTING GUIDELINES
SECTION 2:
POLICIES, PROCEDURES, AND RELATED ACTIVITIES

The effective implementation of the VPs requires a set of detailed policies, procedures and standards across a range of activities. These create a management system, help entrench the VPs throughout the organization, and ensure they are followed in a meaningful way. The VPs themselves specifically reference company policies "regarding ethical conduct and human rights," and policies of private security providers regarding "appropriate conduct and the local use of force (e.g., rules of engagement)." In addition, the Admission Criteria for any company seeking to join the VPs ask for a description of "company policies or codes of conduct that you have in place, or plan to put in place, with regard to security and human rights."

Section 2 in the Reporting Guidelines focuses on company policies and procedures, as well as related corporate activities. Topic 2 in the Reporting Guidelines is a general directive asking companies to identify their policies and procedures to implement the VPs; Topics 3 through 6 are more specific, calling for companies to describe their processes related to risk assessments, entering into arrangements with private security providers, and reporting and addressing security and human rights incidents. Topics 7 and 9 of the Reporting Guidelines request examples of promoting the VPs, internally and externally.

REPORTING GUIDELINES SECTION 2: POLICIES, PROCEDURES, AND RELATED ACTIVITIES

2 — RELEVANT POLICIES, PROCEDURES, AND/OR GUIDELINES (OR ANY CHANGES THEREOF FROM THE PREVIOUS REPORTING YEAR) TO IMPLEMENT THE VOLUNTARY PRINCIPLES

The objective of this Topic in the Reporting Guidelines is to ensure that the VPs have been incorporated into company management systems. It would be difficult for any company to effectively implement the VPs without integrating them into company policies. If adequate processes are not in place, performance will be inconsistent at best, and adherence to the VPs limited. Accordingly, companies that follow the VPs are expected to develop relevant policies to implement the VPs and integrate them into an appropriate framework.

CASE STUDIES

Companies have adopted different approaches to integrating these kinds of VPs considerations into their management systems. The Global Security group at Kinross Mining, for **example**, has developed a Human Rights Adherence and Verification Program with a set of self-imposed principles to guide its security organizations in maintaining the safety and security of their operations within an operating framework that ensures respect for human rights. The program includes risks assessments, a recommended approach for addressing relations with public security forces (including ways to receive and investigate allegations of human rights abuses), a guide that considers the day-to-day relationships with private security providers, stakeholder engagement strategies and processes, and a systematic plan for implementation that contemplates integration into the corporate management systems, among other things.

As **another example**, at Barrick, governance for the security function is part of an integrated framework that also includes Community Relations, Environment, Human Rights and Safety & Health. It is overseen by a committee of the board of directors. At an operational level, the company has created a Security Policy and a distinct Security Code of Conduct, separate from the company's general Code of Business Conduct and Ethics. The Security Policy and Code of Conduct are supported by a Security Management System comprised of six elements – risk assessments, data analysis, the VPs, control frameworks, incident management and investigations. Those elements, in turn, are supported by a variety of policies, procedures, standards, and guidelines. To help monitor the system, Barrick conducts an integrated audit program, which allows specialist auditors and subject matter experts to communicate and understand cross-functional impacts as they conduct their audit activities.

REPORTING GUIDELINES SECTION 2: POLICIES, PROCEDURES, AND RELATED ACTIVITIES

REPORTING GUIDELINE TOPIC 2	KPI: There is a policy and supporting standards, procedures and/or guidelines to assist with implementing the VPs. These encompass risk assessments, the use of force and rules of engagement by security providers, entering into agreements and arrangements with public and private security, reporting and addressing security incidents, and the other principles within the VPs.

AUDIT TESTS	SUCCESS FACTORS
on a corporate level, interview the executive responsible for the VPs and confirm that the company statement or endorsement of the VPs has been published and communicated throughout the organization, and view the company's relevant VPs implementation documentation (such as policies, standards, procedures, guidelines, job descriptions, performance commitments, training programs, and monitoring processes (both internal and external))	a statement (policy or other statement) committing to the VPs
	the statement is understood at an operational level
	there is relevant implementation documentation that has been communicated to the operations
	the General Manager and local security lead employee having knowledge of the corporate policy regarding the VPs
on a local level, to interview the local General Manager and security lead employee to assess how the VPs are being implemented, and view documentation supporting the implementation of the VPs	the General Manager and local security lead employee confirming that they are committed to implementing the VPs
	a security and human rights training package for public and private security being in existence and in use

IGT AND OTHER RESOURCES

Topic 2 of the Reporting Guidelines correlates to Annex H of the IGT, which contains information relevant to approaches for rules of engagement, use of force, and firearms. It also correlates to several other references in the IGT, including page 41, Tip 8, entitled, "Establishing relationships with public security providers." Tip 8 says, in the context of establishing expectations with public security providers, that "establishing company policy on the VPs – and if possible – referring to expectations created by contracts or an investment agreement with the government, can be effective." In the module on private security, the IGT (page 54, Step 4.3, Task 2) also references developing policies, procedures, and other guidelines, stating that that companies should "document all safety and security policies and procedures," "[i]nclude provisions in policies and procedures that stipulate that private security providers should not violate employee" labour rights, and that policies and procedures should reference the laws of the local country, emerging best practices, and key international guidelines.

Other resources include: UNGP 16(e) (business commitment to respect human rights "[i]s reflected in operational policies and procedures necessary to embed it throughout the business enterprise"); UNGC Guidance, at 10 -11, and Guidance Point #3, at 13 (discussing the importance of policies, procedures, and management systems); UNGC Examples, at 30; DCAF/ICRC, at 26 (ensure adherence to the VPs is reflected in company policies).

POTENTIAL ADDITIONAL AUDIT TESTS AND SUCCESS FACTORS

Potential additional audit tests and success factors could include interviewing the human resources and/or community relations lead corporate employees to confirm knowledge of the corporate policy regarding the VPs, and interviewing the General Manager and local security lead employee to identify the controls regarding the use of force and weapons for security personnel and contractors. Tests and success factors to gauge effectiveness of the policies and their dissemination also could include interviewing security employees and contractors to determine their knowledge of relevant policies and procedures, and how they are implemented on a daily basis. They also could include reviewing documents to assess the percentage of conformance to relevant policy and management system requirements. Further tests could be drawn from the VPs Guidance on Certain Roles and Responsibilities of Companies, which includes as a category "policies, procedures & guidelines," and lists incorporating the VPs into a policy framework, developing implementation and guidance documents, and developing indicators to assess implementation.

REPORTING GUIDELINES SECTION 2: POLICIES, PROCEDURES, AND RELATED ACTIVITIES

3 COMPANY PROCEDURE TO CONDUCT SECURITY AND HUMAN RIGHTS RISK ASSESSMENTS

Risk assessments are one of three sections with the VPs, and are identified as a critical component. Risk assessments ensure that the company has accounted for foreseeable risks of human rights abuses so that effective avoidance and/or mitigation measures can be instituted. As the VPs state, "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." As that suggests, assessments should not be limited to risks to the company, but should encompass risks to the local community, internal and external stakeholders, and regarding human rights more generally. To accomplish that, the VPs specify that risk assessments should include, at a minimum, six critical areas: an identification of security risks, the potential for violence, the human rights records of public and private security providers, the strength of the local rule of law in holding human rights violators accountable, a conflict analysis that identifies and explains the root causes of local conflicts, and risks associated with transferring equipment to public or private security.

While VPs provide little detail on how risk assessments are to be conducted, they do demand that companies have procedures for conducting them, and note that their quality is largely dependent on assembling information from a range of perspectives. Other resources identified below, including the IGT, also contain very helpful materials.

CASE STUDIES

Companies seek to meet the VP risk assessment expectations in different ways. Some companies perform the assessments on a standalone basis, while others integrate them into other work being performed. Some conduct VPs risk assessments internally, while others engage third parties. Some perform them on a risk-tiered basis, while others conduct assessments at all of their sites. VPs Initiative member Sherritt International, **for instance**, has contracted with an expert third party to conduct VPs risk assessments at all of its operations. Those include operations in countries where human rights risks might be perceived as high or low.

For a **different approach**, Kinross' Human Rights Adherence and Verification Program includes risk assessments. The assessments include security risks, human rights risks, and community impacts, requiring that the company understand the potential for violent conflict in its area of operations. Kinross also undertakes security operations surveys, which include questions regarding risk assessments, reporting allegations, investigations, security contracts and MOUs, supplier standards of conduct, providing equipment to public security forces, and training. These surveys are done as self-assessments by security on a quarterly basis, and by the global security department for each site annually on an independent basis.

REPORTING GUIDELINES SECTION 2: POLICIES, PROCEDURES, AND RELATED ACTIVITIES

REPORTING GUIDELINE TOPIC 3	**KPI:** There is a policy and supporting standards, procedures and/or guidelines to assist with carrying out a security and human rights risk assessment.

AUDIT TESTS	SUCCESS FACTORS
on a corporate level, interview the corporate executive responsible for the VPs	at a corporate level, senior leadership being able to demonstrate an understanding of the VPs by describing their purpose, and confirming the company's commitment
on a corporate level, confirm that a security and human rights risk assessment has been conducted on a regular periodic basis, if not annually, at operations where the security is being provided (and hence the VPs are relevant)	
on a corporate level, confirm that the risk assessment is documented and identifies security risks, potential for violence, human rights records (for public and/or private security), rule of law issues, a conflict analysis, and equipment transfers	confirming that risk assessment has been reviewed by the General Manager, the lead local security employee, and the lead employee for community relations
on a local level, verify that the assessment has been reviewed by the General Manager, the lead local security employee, and the lead employee for community relations	

IGT AND OTHER RESOURCES

The IGT contains a lengthy module on risk assessments, Module 2: Risk Assessment (pages 22-35), which discusses how to define and undertake risk assessments, including:

- Establish the scope and scale of assessment (page 25, step 2.1)
- Identify Sources of Security and Human Rights Risks (page 27, step 2.2)
- Identify risks (page 29, step 2.3)
- Assess risks (page 30, step 2.4)
- Identify risk treatment/mitigation (page 32, step 2.5)
- Communicate, monitor and revise risk assessment (page 34, step 2.6)
- Confronting risk assessment challenges (page 35, step 2.7).

Annex E and F of the IGT (pages 86-88) also include a "worked example" of a risk assessment, and risk assessment information sources.

Other resources include: UNGPs 17 and 18 (discussing operational due diligence assessments); UNGC Guidance, Guidance Point #1 and Explanatory Note (page 10-11); DCAF/ICRC, at 19, 34 (risk assessments); IA Tool at 2 through 5 (discussing risk assessments), and at 14 (identifying sources of information to help identify the human rights records of public security); UNGC Examples, at 21 and 30 (, discussing how two companies performed assessments); MIGA Section 11 (dedicated to conducting VPs risk assessments)

POTENTIAL ADDITIONAL AUDIT TESTS AND SUCCESS FACTORS

A logical additional audit test and success factor would be to interview the General Manager and local security lead employee to assess how security and human rights risks are identified and avoided or mitigated as part of site risk assessment practices, specifically verifying that following the risk assessment site plans are in place (or have been developed) to address the threats, risks, and incidents that have been identified. Similarly, a company might review risk assessments over time to identify whether risks previously identified have been mitigated.

REPORTING GUIDELINES SECTION 2: POLICIES, PROCEDURES, AND RELATED ACTIVITIES

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

Despite the existence of processes, systems, and other mitigation measures, in locations where security is required, security-related incidents may nonetheless occur. How a company responds to those incidents is critically important in implementing the VPs, addressing potential conflicts, protecting the health and safety of individuals and communities, and maintaining credibility with internal and external stakeholders. Accordingly, the VPs contain multiple principles that encompass the use of force by public or private security providers.

Two separate Topics identified in the Reporting Guidelines cover human rights incidents, underscoring their significance. Topic 4 relates to "reporting" security-related human rights incidents, requiring that the company have an appropriate reporting procedure or mechanism in place. Topic 6, discussed below, relates to how human rights incidents are "addressed."

Regarding reporting human rights incidents, the VPs provide that where "physical force" is used by public security, or where there are credible allegations of human rights abuses by public security in their area of operation, the incidents should be reported to the appropriate law enforcement authorities and the company. Where force is used by private security, the VPs state that the issue should be reported to the company and, where appropriate, to proper authorities. It thus is logical to expect that, as Reporting Guideline Topic 4 reflects, company mechanisms reflect those points.*

CASE STUDIES

Companies address reporting issues under Guideline Topic 4 in different ways. As an **example**, Goldcorp's Corporate Social Responsibility Policy includes the establishment of grievance mechanisms at its sites to allow stakeholders to report their concerns, including those related to security incidents. The mechanisms are available to employees and contractors, as well as to external stakeholders, including local communities, civil society and government. Although each location tailors the mechanisms to the local context, there are similar approaches throughout Goldcorp's sites and projects. Internal concerns may be reported to a supervisor or manager, to the human resources department on-site, or through the code of conduct reporting channel, which includes toll-free hotlines, a web portal and an email address. Sites with unionized employees may also use the unions to report grievances to management's attention. External grievances are collected in a variety of manners, although generally by the community relations team, which has developed site-level, context-specific mechanisms to allow for reporting. Goldcorp also reports on its grievances on its publicly available website.

Similarly, VPs Initiative member Rio Tinto has adopted a "Community Complaints, Disputes, and Grievance Guidance," which provides direction to Rio Tinto operations and sites in relation to community concerns that are reported. The guidance, which is available publicly, contains information on Rio Tinto's grievance approach and the processes through which grievances should be lodged and recorded, and makes clear that all Rio Tinto businesses will have their own locally relevant and resourced community complaints, disputes and grievance process. The guidance specifically references the VPs.

As another **example**, BP, a VPs Initiative member, has processes for internal incident notifications and tracking, including human rights issues. On a global basis, BP has a group-wide independent confidential helpline to enable employees or contractors to raise any concerns about possible breaches of the company code of conduct. Local businesses also have site-based or country-based grievance mechanisms to take and track reported stakeholder concerns. As examples, in Azerbaijan, an emergency phone hotline mechanism was established in 2009 to enable affected communities and individuals to report the use of force or human rights abuses straight to BP and the state security provider, for joint investigation. In Georgia, the BP security team installed "feedback boxes" at all sites to ensure that the workforce can report issues. BP Iraq has also committed to establishing a hotline to report both community concerns and emergencies affecting BP's Iraq project.

REPORTING GUIDELINES SECTION 2: POLICIES, PROCEDURES, AND RELATED ACTIVITIES

REPORTING GUIDELINE TOPIC 4	KPI: A procedure or other requirement exists for reporting security-related human rights allegations against public/private security forces relating to the company's activities.
AUDIT TESTS	**SUCCESS FACTORS**
interview the executive responsible for the VPs and confirm that a procedure for the reporting of security and human rights related allegations is in place	whether a procedure exists for reporting security-related human rights allegations
to view the mechanism or procedure itself	
view reports (ideally, two or more) that have been made under that procedure or mechanism to validate that it is available in practice and being utilized	if available, whether the assessor can view reports made under the reporting mechanism or otherwise determine that it is functional

*   For public security-related incidents, the particular authorities to whom reports should be made may not be obvious. While it will depend on the country, it should be entities that may be in a position to independently and credibly investigate the incident and provide remediation, such as senior police or military personnel in the capital of the country, or public law enforcement ombudsmen. For both public and private security-related incidents, it may be appropriate to make reports when it can be expected that authorities will or at least should investigate, such as where lethal force is used, a serious bodily injury occurs, or when there is a possibility that force used may have been excessive.

IGT AND OTHER RESOURCES
Multiple references in the IGT are instructive regarding Reporting Guideline Topic 4. In the public security module, Module 3, Step 3.4 (page 45) provides, "Where force is used by public security providers, it should be documented and reported"; similarly, Step 3.5, Task 3 (page 46) provides that companies should "report credible allegations" of human rights abuses "to authorities, using discretion," and have a "disclosure and escalation strategy." In the private security module, Step 4.4 (page 56) addresses responding to private security misconduct, including procedures for "reporting allegations to relevant law enforcement authorities" under the "disclosure and escalation strategy." Annex K also addresses Incident Reporting by private security (page 94).

Other resources include: UNGC Guidance, at 13 (discussing the importance of reporting credible allegations of human rights); Roles and Responsibilities, at 1 (recording and reporting allegations, monitoring investigations, and pressing for their proper resolution); MIGA, at III-18 through 19; DCAF/ICRC, at 32, 38, and 75 (raise concerns to authorities, and maintain grievance mechanisms).

POTENTIAL ADDITIONAL AUDIT TESTS AND SUCCESS FACTORS
Potential additional audit tests and related success factors to assess effectiveness could include assessing the strength of existing grievance mechanisms or whistleblower procedures, identifying the number of private security incidents reported to the company and to appropriate authorities, interviewing security employees, security contractors, and community members to assess their degree of awareness that a system exists to report allegations, reviewing the number or percentage of incidents that properly followed or failed to follow relevant procedures, and/or assessing the degree to which the procedure has been integrated into related business practices.

REPORTING GUIDELINES SECTION 2: POLICIES, PROCEDURES, AND RELATED ACTIVITIES

5 COMPANY PROCEDURE TO CONSIDER THE VOLUNTARY PRINCIPLES IN ENTERING INTO RELATIONS WITH PRIVATE SECURITY PROVIDERS

One of the three sections of the VPs focuses on private security providers. The VPs recognize that where "host governments are unable or unwilling to provide adequate security to protect a company's personnel or assets," companies may need to engage private security providers "as a complement to public security." Among their tasks, private security providers may, the VPs note, have to coordinate with public security, carry weapons, and use force.

The VPs further make clear that a company's interactions with private security are likely to be quite different from those with public security. Indeed, the VPs specifically contemplate that whereas companies may seek to use their leverage and influence public security, companies have a greater ability to select, contract with, monitor, and demand compliance from private security providers.

In light of the human rights risks that private security providers may present, the VPs identify detailed principles to guide private security conduct. These include the importance of the private security provider observing the company's policies regarding ethical conduct and human rights, following the law and professional standards of the country in which they operate, reporting and addressing incidents, adhering to emerging best practices, maintaining professional proficiency, acting consistently with applicable international guidelines regarding the use of force, and having in place relevant policies and procedures that are capable of monitoring. Other principles are directed to the companies whose personnel and assets require private security services, such as reporting and addressing private security-related incidents, conducting background checks on private security before retaining them (particularly with regard to the use of excessive force), interfacing with other external stakeholders regarding their experience with private security providers, and including the VPs and termination rights for abusive behavior within contractual agreements with private security.

Each of these principles is relevant in considering whether to enter relationships with private security contractors. Given the importance of the subject, it is addressed in two separate Topics in the Reporting Guidelines. Guideline Topic 5 asks that companies identify their policies and procedures for considering the VPs when entering relationships with private security providers. Reporting Guideline Topic 11 focuses on how those processes are implemented in practice for selecting and contracting with private security providers, as well as entering agreements with public security.

CASE STUDIES

There are myriad company approaches to considering the VPs when entering relationships with private security providers. **For example**, BP demands that its contractors communicate BP's security requirements, along with its health, safety, and environmental requirements, to their employees and subcontractors and demonstrate that they follow them. BP also insists that contracts with security providers include a provision requiring that they act consistent with the VPs. BPs internal procedures also mandate due diligence on all counterparties, including security providers, for any adverse information (including human rights allegations).

As **another approach**, at Goldcorp's Marlin Mine, all private security providers receive human rights training, and security providers are required by contract to vet prospective security staff for human rights abuses before they are presented to the company. In addition, every security guard proposed for employment at Marlin is screened for allegations of human rights abuses and checked, on the Guatemalan Public Ministry database and the database of the National Human Rights Ombudsman for Guatemala, for documented allegations of human rights violations. All Marlin security staff are screened on a regular basis and are subject to polygraph testing that includes questions regarding involvement in human rights abuses. Assessment of the screening and training are included in annual VPs reviews conducted by third-party experts.

REPORTING GUIDELINES SECTION 2: POLICIES, PROCEDURES, AND RELATED ACTIVITIES

REPORTING GUIDELINE TOPIC 5	KPI: A procedure exists to ensure that the VPs are considered in selecting private security providers, with evidence available to establish that the procedure is followed.

AUDIT TESTS	SUCCESS FACTORS
interview the regional or local legal counsel, or regional security manager, and confirm that the VPs are considered when entering relationships with private security providers at locations where the VPs are relevant	the regional or local legal counsel, or regional security manager, taking the VPs (or other applicable international security and human rights standards) into account when engaging with private security providers and drafting security contracts
view a security contract (if applicable) and confirm that the VPs or other international standards on security and human rights are included as components (such as the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials and the UN Code of Conduct for Law Enforcement Officials)	the private security contract is viewed (if applicable) and it contains language requiring adherence to the VPs or other international standards on security and human rights
interview the head of the private security contractor on-site (if applicable, or if not, the local security lead employee) to confirm that the person is aware of the company's commitment to the VPs	the head of the private security contractor on-site (if applicable, or if not, the local security lead employee) confirming awareness of the company's commitment to the VPs

IGT AND OTHER RESOURCES
Guideline Topic 5 correlates to several references in the IGT. Module 4 of the IGT (pages 48-57) focuses on private security providers, and Step 4.2 (page 52) is titled, "Conduct due diligence and select/contract a private security provider." Task 4 within Step 4.2 (page 52) states, "Establish formal contract with provider that incorporates the VPs and includes service level agreements (SLAs)," and Annex J (page 93) contains "Sample Contract Clauses on VPs for Private Security Contracts."

Other resources include: UNGC Guidance, at 13 ("Build provisions on evolving best practices into the contract with security providers," and screen providers on their human rights records and for adequate policies that reflect good practice); UNGP 13 (discussing a company's responsibility to seek to avoid human rights violations in its value chain); UNGC Examples, at 21, 30; MIGA, Section II-11 through 13 (discussing the importance of human rights records of security providers), Section IV-1 through 4 (discussing contracts with private security providers); IA Tool, at 15-16 (discussing monitoring mechanisms).

POTENTIAL ADDITIONAL AUDIT TESTS AND SUCCESS FACTORS
Potential additional audit tests with related success factors could include viewing a finalized procedure that addresses entering agreements with private security providers, interviewing an employee at the head office of the security contractor to confirm awareness of the company's commitment to the VPs, and interviewing the local security lead employee to confirm that controls are in place regarding the use of force and training. Depending on the company, it also might be prudent to interview the local contracts manager about contracting processes. While it also is important to assess, for private security, vetting of personnel, training, monitoring of conduct, reporting of incidents, and other aspects of implementation, those subjects are addressed in more detail in Topics 11 and 12 (below). Further, as discussed in connection with Reporting Guideline Topic 11, in assessing whether the contract with a private security provider complies with the VPs, the contract ideally will include requirements that the provider adhere to the VPs, requirements that personnel receive training in human rights and are vetted for past human rights violations, and a provision giving the company a right to audit.

REPORTING GUIDELINES SECTION 2: POLICIES, PROCEDURES, AND RELATED ACTIVITIES

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

As noted for Reporting Guideline Topic 4, how security incidents are treated by a company is critical in avoiding conflicts, protecting individuals and property, and maintaining a company's credibility and reputation. Reporting Guideline Topic 6 goes hand-in-hand with Topic 4. While Guideline Topic 4 focuses on reporting security and human rights incidents, Guideline Topic 6 asks companies to identify the processes they have in place to "address" such incidents.

The VPs contemplate several aspects of addressing incidents, and distinguish between incidents involving public security and private security. For public security, the VPs provide that companies should, where appropriate, "urge investigation and that action be taken to prevent any recurrence," "actively monitor the status of investigations and press for their proper resolution," and "to the extent reasonable, monitor the use of equipment provided by the company" and investigate situations in which such equipment is used inappropriately. For private security, the VPs note that where physical force is used, private security should investigate, report it to the company, and refer the matter to local authorities and/or take disciplinary action where appropriate; they further provide that where allegations against private security providers are forwarded to law enforcement, companies should actively monitor the status of investigations and press for their proper resolution. For public or private security, the VPs provide that where force is used, medical aid should be provided to injured persons, including to offenders. Appropriate procedures for this topic thus potentially could include investigation procedures, disciplinary procedures, procedures for treating injured persons, internal and external reporting procedures, first responder guidelines, remediation procedures, and other processes or mechanisms related to "addressing" security-related incidents in different ways.

Companies addressing security-related human rights incidents in different manners. Goldcorp's grievance mechanisms, **for instance**, applicable at all Goldcorp operating sites and projects, include mechanisms to respond to internal human rights complaints, and manage human rights complaints from external stakeholders. These include concerns arising from security-related incidents. Goldcorp has developed a guidance document for grievance management, and a grievance system framework, which is based on the premise that the handling and resolution of complaints at the local level is a natural extension of good community relations practice. In all cases, once a complaint is reported, an investigation is carried out by the appropriate level of Goldcorp management. Following the investigation, management will propose actions to resolve the issue.

For **Freeport**, all human rights allegations, including security-related incidents, are referred to site human rights compliance officers, who oversee the process of documenting all allegations and assigning an internal team to conduct an assessment. That process includes a comprehensive review of all relevant facts, as well as witness interviews. The outcome of the assessment process is reported to the corporate human rights legal counsel, corporate human rights compliance officer, site management, the complainant, and the individual respondent. For those cases involving security-related incidents by public security personnel, the human rights compliance officer and site management ensure that these incidents are reported to the appropriate government institution for investigation. Cases involving private security personnel are investigated by the company and appropriate disciplinary action is taken. Cases may also be reported to the government for investigation.

REPORTING GUIDELINES SECTION 2: POLICIES, PROCEDURES, AND RELATED ACTIVITIES

REPORTING GUIDELINE TOPIC 6	KPI: The company has a procedure or mechanism to address human rights incidents by public/private security forces relating to the company's activities.

AUDIT TESTS	SUCCESS FACTORS
on a corporate level, interview the executive responsible for the VPs and confirm that procedures or mechanisms are in place for addressing security and human rights-related allegations and incidents	the regional or local legal counsel, or regional security manager, taking the VPs (or other applicable international security and human rights standards) into account when engaging with private security providers and drafting security contracts
on a corporate level, interview the executive responsible for the VPs and ask the executive to identify an example of when the procedures or mechanisms were used (if one exists)	the private security contract is viewed (if applicable) and it contains language requiring adherence to the VPs or other international standards on security and human rights
on a local level, interview the General Manager and local security lead and confirm that a procedure for addressing security and human rights-related allegations and incidents is in place	
on a local level, discuss with the General Manager an example of when the procedure or mechanism was used (if one exists).	

IGT AND OTHER RESOURCES
This topic in the Reporting Guidelines correlates to IGT references for public security at Tool 3.5, Tasks 4 and 6 (page 44), which includes pressing public authorities for proper resolution of investigations, "undertak[ing] remedial actions," and ensuring that lessons can be derived for the company and public security. It also correlates to IGT references for private security at Tool 4.4, Tasks 3-5 (page 56), which discuss proper resolution of investigations, pursuing appropriate disciplinary or remedial actions, and ensuring that lessons are learned and that changes are made to avoid recurrence.

Other resources include: Roles and Responsibilities, at 3 (in the "Accountability" category, stating that companies should strive to cooperate through legitimate processes to respond to and remediate adverse impacts the company's activities cause or contribute to); UNGPs 15(c) and 22 (discussing remediation for human rights violations), and 25-31 (discussing access to remedy); UNGC Guidance, Guidance Point #2 (focusing on grievances and resolving disputes); IA Tool, at 17-18 (containing a list of relevant human rights and correlative abuses); DCAF/ICRC, at 68-70 (regarding human rights violations).

POTENTIAL ADDITIONAL AUDIT TESTS AND SUCCESS FACTORS
Additional potential audit tests and success factors, which also help assess effectiveness, will be to assess the strength of existing grievance mechanisms or whistleblower procedures, to interview private security employees and contractors to assess their degree of knowledge and awareness of the procedures or mechanisms, to identify the number of incidents that a company has addressed, and to assess how those incidents have been addressed. UNGP 31, which relates to remedies for negative human rights impacts, is particularly instructive regarding how incidents are remediated or treated.

REPORTING GUIDELINES SECTION 2: POLICIES, PROCEDURES, AND RELATED ACTIVITIES

7 EXAMPLES OF PROMOTING AWARENESS OF THE VOLUNTARY PRINCIPLES THROUGHOUT THE ORGANIZATION OR GOVERNMENT

The objective of this Topic of the Guidelines is to ensure that the VPs and the status of VPs implementation are communicated to employees, contractors and host governments. The effective implementation of the VPs – involving security operations, investigating and addressing incidents, entering relationship with public and private security, community and government engagement, and other activities – requires varied activities that span numerous functional units on corporate and local levels. Depending on the company and location, among the units that may be involved are, security, operations, procurement, community relations, legal, human resources, and government relations. For the VPs to be followed, it is important that these units understand the relevant principles and cooperate in their implementation.

In addition, the VPs also emphasize the importance of local government awareness of the VPs, given the roles undertaken by public security and law enforcement in ensuring that security is provided in a manner that protects human rights.

CASE STUDIES

There are many different ways that companies might seek to raise awareness internally and with relevant governments. Kosmos Energy, **for example**, partnered with civil society organization Fund for Peace to develop human rights training for public security personnel in Cameroon, involving traditional classroom training supplemented by a true-to-life comic book series based on firsthand experiences and real-life scenarios.

As **another approach**, also in coordination with Fund for Peace and a social consultancy, Goldcorp held a training workshop on the VPs in Mexico City for company personnel from operations in four countries. At two of its locations, Goldcorp requires that all private security personnel undergo annual human rights training, and receive at least one pre-shift briefing per month on the use of force and firearms, which are reinforced as part of biannual training. At its Marlin mine, Goldcorp provides all public security personnel with induction training that includes the VPs.

REPORTING GUIDELINES SECTION 2: **POLICIES, PROCEDURES, AND RELATED ACTIVITIES**

REPORTING GUIDELINE TOPIC 7	**KPI:** Demonstrated positive action by the company to promote awareness of the VPs within the company and relevant host governments.

AUDIT TESTS	SUCCESS FACTORS
interview the corporate executive responsible for the VPs to determine what training and awareness-raising efforts are undertaken throughout the organization to create employee consciousness, and with host governments	within the prior 12 months, some form of VPs awareness-raising activity has taken place within the company, and with host governments or public institutions
view relevant documentation and information that supports such awareness raising activities	
on a local level, discuss with the General Manager an example of when the procedure or mechanism was used (if one exists).	
on a local level, discuss with the General Manager an example of when the procedure or mechanism was used (if one exists).	

IGT AND OTHER RESOURCES

The IGT, in its explanation of the VPs (page 9), identifies "internal cooperation across departments/functions" as a key factor in effective implementation of the VPs, and "cooperation with external stakeholders," including governments, as another "key" factor.

Other resources include: UNGP 16(d) (providing that to embed a respect for human rights, the company's human rights policy is "communicated internally and externally to all personnel, business partners and other relevant parties"); UNGC Guidance, at 16-19 (discussing the importance of local government relations), at 11 & 13 (discussing the importance of internal trainings); Role and Responsibilities, at 1 (maximizing employee awareness of the VPs, and promoting the VPs to contractors and subcontractors); MIGA, at II-18, III-8 through 13, IV-3 through 4, VI-4; UNGC Examples, at 21; DCAF/ICRC, at 16-17, 45 (promoting VPs implementation, and explaining the VPs to public security).

POTENTIAL ADDITIONAL AUDIT TESTS AND SUCCESS FACTORS

Depending on the circumstances, an additional audit test could also include interviewing the lead local community relations employee regarding actions taken to promote the VPs externally, reviewing media or communication materials, reviewing internally developed lists and plans for internal and external outreach, and interviewing local employees and host government personnel to validate company awareness-raising activities.

REPORTING GUIDELINES SECTION 2: **POLICIES, PROCEDURES, AND RELATED ACTIVITIES**

8 EXAMPLES OF PROMOTING AND ADVANCING IMPLEMENTATION OF THE VOLUNTARY PRINCIPLES INTERNATIONALLY

As the Introduction to the VPs notes, part of being a member of the VPs Initiative is recognizing the importance of promoting and protecting human rights throughout the world. Consistent with that, the VPs Initiative Participation Criteria provides that all Initiative participants – companies, governments and civil society – publicly promote the VPs.

Topic 8 of the Reporting Guidelines recognizes the importance of companies' visibly promoting VPs implementation outside of their own companies and local operations, to larger audiences. The Topic as drafted in the Reporting Guidelines does not on its face demand that companies wage broad international education campaigns; as written, it simply states that companies will take action to promote the tenets of the VPs, including security and human rights principles, to international audiences. That may be done individually, including through engagement activities with local stakeholders, collectively between companies, through supporting the relevant activities of groups like the UN Global Compact or UN Global Compact local networks, participating in workshops and roundtables, and otherwise engaging in external events to provide information and foster dialogue on security and human rights-related concerns.

CASE STUDIES

Companies have taken many different paths to promoting the VPs internationally. Multi-national mining company AngloGold Ashanti, **for instance**, a member of the VPs Initiatve, uses its involvement in international forums, such as the Responsible Jewelry Council, ICMM, and the UNGC to promote the principles.

Similarly, Barrick Gold served on the Board of Directors of the VPs, is on the Steering Committee of the UNGC Business for Peace Initiative, and is on the Board of Directors of the Global Compact Canada Network. It also has helped organize and participate in local implementation working groups in Peru and other countries. Company representatives further have participated in numerous conferences in which security practices and the VPs have been discussed, including at the UN's Annual Form on Business and Human Rights, the IFC Sustainability Exchange, at the U.S. Department of State, and a UNGPs workshop in Colombia.

For a **different approach**, Total, the French oil company and VPs Initiative member, has published its Human Rights Internal Guide. The guide includes a module on security and human rights, with hypothetical situations and recommended responses, and introduces approaches to VPs implementation. Although the guide is intended for internal use, by sharing it on the internet, Total helps provide education and awareness beyond its local operations to international audiences.

REPORTING GUIDELINES SECTION 2: POLICIES, PROCEDURES, AND RELATED ACTIVITIES

REPORTING GUIDELINE TOPIC 8	KPI: The company includes the VPs and related information, where appropriate, in external communications that reach international audiences.

OTHER RESOURCES

Other resources include: Roles and Responsibilities, at 1-2 (outreach to external stakeholders at international fora, in industry associations, with host governments, and others); DCAF/ICRC, at 16-17.

AUDIT TESTS	SUCCESS FACTORS
interview the executive responsible for the VPs to identify what activities are undertaken to promote the VPs internationally	whether the company can present evidence, such as reports, articles, and other external publications or communications, that within the preceding 12 months it has visibly supported the global promotion of the VPs and/or security and human rights more generally
view documentation and information provided to support those activities (these may include conference papers, presentations, membership of and input to international associations, endorsements of principles, media coverage or communication materials, and other such items)	

REPORTING GUIDELINES
SECTION 3:
COUNTRY IMPLEMENTATION

Developing policies, procedures, and guidelines – the focus of Section 2 of the Reporting Guidelines – is quite important. In fact, it would be difficult to create a sustainable VPs program without them. However, a key differentiator between companies is the extent to which those processes are implemented on the ground in countries where security and human rights risks exist. Companies that are serious about their programs do more than simply create corporate level processes. They devote resources to driving those processes, and test them to gauge their level of compliance.

Topics 9 through 13 of the Reporting Guidelines focus on different aspects of in-country implementation under the VPs, including local stakeholder engagement, outreach, interactions with public and private security providers, and measuring progress of VPs implementation.

REPORTING GUIDELINES SECTION 3: COUNTRY IMPLEMENTATION

9 OVERVIEW OF COUNTRY OPERATIONS SELECTED FOR REPORTING (INCLUDE ANY NOTABLE CHANGES FROM THE PREVIOUS REPORTING YEAR IF THE SAME COUNTRY IS BEING REPORTED THIS YEAR)*

The objective of this Topic in the Reporting Guidelines is to provide a description of the country operations selected for reporting and audit activities. As noted in the Frequently Asked Questions (above), for companies with multiple operations, it is likely preferable to develop an annual audit plan. That plan might include a sample of locations, with a mix of perceived security risks that are taken into account when developing the plan; obviously, at least some of the sites should have security providers present, rendering the VPs relevant. All locations where the VPs are relevant ultimately should be assessed on a periodic basis, although it is of course standard for higher risk sites to be assessed more frequently than lower risk ones. For companies with limited operations, it may be appropriate to engage in audit activities on a less frequent basis, such as biannually, depending on the circumstances.

REPORTING GUIDELINE TOPIC 9	KPI: Whether operations where the VPs are relevant are selected for assessment.
AUDIT TESTS	**SUCCESS FACTORS**
confirm that of the sites selected for external assessment, at least 50% have actual or potential security and human rights risks (e.g., public or private security is being used, or risk assessments have identified the possibility of security and human rights risks)*	at least half of the sites selected for audit have actual or potential security and human rights risks
where the VPs are not implemented in all countries, there is an internal process to determine "in scope" operations	there being security and human rights risks, making the VPs relevant, for at least 50% of the sites selected for audit
	audit activities are performed at a representative number of relevant locations
	all company operations where the VPs are relevant are assessed within a reasonable time frame (e.g., seven years)
	where the VPs are not implemented in all countries, a process to determine in scope operations is viewed or explained

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*   The Reporting Guidelines state that reports should be made on operations in the capital as well as operating locations.

*   The selection of a 50% sample size correlates to the VPs Corporate Pillar Verification Framework, which provides that it is the responsibility of participants to develop selection criteria to allow for assessments of "a reasonably representative sample," which "may involve the inclusion of a proportional number of problem locations and lower risk ones," and "a statistically relevant sample size."

REPORTING GUIDELINES SECTION 3: **COUNTRY IMPLEMENTATION**

10 ENGAGEMENTS WITH STAKEHOLDERS ON COUNTRY IMPLEMENTATION

Engaging with local stakeholders is critical to understanding differing interests and concerns, keeping local community members informed about security approaches and the VPs, creating awareness with host governments, and identifying risks, problems and potential solutions within local communities and between community members and the company. The VPs thus contemplate extensive engagement with local stakeholders, including community members, government, and civil society, regarding a variety of issues. They state, for instance, that companies "should consult regularly with host governments and local communities about the impact of their security arrangements on those communities." They likewise provide, "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." The VPs further note that, in their consultations with host governments, companies should seek to promote observance of international security and human rights principles. Other principles reflecting in-country engagement also appear in the VPs, and although not expressly stated by the VPs, it seems appropriate to consider adjusting implementation approaches based on feedback gained through such engagement.

Consistent with those principles, the objective of Guideline Topic 10 is to determine the level of VPs engagement with the external groups identified in the VPs, specifically, (a) government officials related to public security, (b) local community members, and (c) NGOs or human rights groups.

CASE STUDIES

For a good **example** of the principles in practice, since 2011, in Colombia, oil and gas company (and VPs Initiative member) Pacific Rubiales has focused local community outreach in one of its largest fields, located in a conflict affected area. It has piloted the UNGC "Guidance on Responsible Business in Conflict Affected and High Risk Areas", and held seven roundtables on a variety of topics. In these roundtables, local government, community members and oil and gas companies in the area participate.

Freeport's affiliate in the Democratic Republic of Congo provides another **example** of engagement with local stakeholders around implementation. These efforts include facilitating a series of security and human rights meetings attended by security managers from other mining companies, host government security personnel, international organizations and NGOs. The group has discussed security issues as they relate to the mining industry, and provides a forum for discussion on the VPs and human rights issues. Freeport also volunteered to lead country-level VPs implementation in the DRC, and participated in meetings held in Kinshasa to identify steps that can be taken to promote the VPs in-country. The company further participates in monthly security meetings held by local authorities, where security and human rights issues are raised and discussed by local government and community leaders.

REPORTING GUIDELINES SECTION 3: **COUNTRY IMPLEMENTATION**

REPORTING GUIDELINE TOPIC 10	KPI: The company has engaged the external stakeholders it identifies regarding country implementation (or there is a plan for such engagement if it has not yet occurred).

AUDIT TESTS	SUCCESS FACTORS
on a corporate level, interview the executive responsible for the VPs, and confirm that interaction with stakeholders is planned and/or conducted	the company having engaged with local government on the VPs and expressed its commitment to the VPs
on a corporate level, view available evidence that demonstrates engagement or plans to engage on the VPs	the company having taken action in engaging on the VPs with one or more public security agencies providing support to the site being assessed, where appropriate
on a local level, interview the regional or local security lead employees regarding their engagement with public security officials and/or non-governmental or human rights groups	the company identifying external stakeholders relevant to the VPs
on a local level, interview members of local management or local security lead employees to determine what they have done to communicate and engage on the VPs in the local community	the local community being aware of the company's commitment to the VPs or to the underlying principles of the VPs
on a local level, interview members of local management or local security lead employees to identify relevant local external stakeholders who may be impacted by the VPs and/or security practices (if any) who can be interviewed as part of the assessment	
on a local level, interview a sample of external stakeholders, including community members where possible, to determine if they have been engaged on the VPs or related security and human rights practices (if there is a community in the immediate vicinity of the operation)	

IGT AND OTHER RESOURCES

The IGT reference that correlates to Guideline Topic 10 is found on page 10-21, Module 1: Stakeholder Engagement, which provides extensive guidance on working with and learning from a variety of stakeholders, and a self-assessment tool that identifies stakeholders and their potential roles in implementing the VPs.

Other resources include: UNGC Guidance, at 16-19 (discussing engagement strategies with government on conflict-related issues), at 20-23 (discussing local stakeholders, including civil society, on a range of matters), at 12 (regarding engagement with communities affected by business operations), and at 13 (regular consultations about the impact of security arrangements); UNGC Examples, at 8, 10, 30; DCAF/ICRC, at 13-15 (working with host governments); UNGP 18(b) (discussing gauging human rights risks and impacts through "meaningful consultation with potentially affected groups and other relevant stakeholders"); MIGA Section V (dedicated to stakeholder engagement).

REPORTING GUIDELINES SECTION 3: **COUNTRY IMPLEMENTATION**

11 — VOLUNTARY PRINCIPLES CONSIDERATIONS IN THE SELECTION OF PRIVATE SECURITY PROVIDERS AND FORMULATION OF CONTRACTUAL AGREEMENT WITH PRIVATE SECURITY PROVIDERS, AS WELL AS ARRANGEMENTS WITH PUBLIC SECURITY FORCES

This Reporting Guideline Topic relates to Guideline Topic 5. While Topic 5 focuses on company procedures to consider the VPs in entering relationships with private security providers, this Topic in the Guidelines addresses tangible practice – the actual consideration of the VPs in selecting and contracting with private security providers, and in entering into "arrangements" with public security. As with other Guideline topics, Reporting Guideline Topic 11 distinguishes between public and private security providers, recognizing that the ability of a company to "select" public security and demand VPs compliance may differ greatly from its ability to select private security companies.

As noted in Guideline Topic 5, among the relevant principles identified in the VPs regarding private security providers, which may influence a company's selection decisions, are: policies regarding appropriate conduct that are capable of monitoring; reporting and addressing incidents; following the law and professional standards of the country in which they operate; adhering to emerging best practices; maintaining professional proficiency; acting consistent with applicable international guidelines regarding the local use of force; and satisfying background checks before being hired (particularly with regard to the use of excessive force). Regarding the "formulation of contractual agreements" with private security, the VPs provide that there should be written contracts that reflect the above principles. Those contracts should include provisions: to ensure that private security personnel are appropriately trained; to permit company audits; that require the investigation of incidents and appropriate disciplinary action; and that permit termination of the relationship when there is credible evidence of abusive behavior by the private security provider. The VPs also note that companies should consult and monitor private security providers post-contracting to ensure they fulfill those obligations.

As to "arrangements" with public security, among the principles within VPs are that companies should: communicate their policies regarding ethical conduct and human rights to public security providers; express a desire that security be provided in a manner consistent with those policies by personnel who are properly trained; and utilize their influence to try to ensure that force is used consistent with international norms. The VPs also state that incidents should be reported to appropriate public authorities, investigated, and addressed (consistent with Reporting Guideline Topics 4 and 6).

CASE STUDY
As one **example** of how a company seeks to meet these principles, Pacific Rubiales has aligned its contracts with providers and contractors to reflect the company's commitment to the VPs. Since 2010, in Colombia, it also has been training private security contractors and public security; in all, more than 1000 employees and contractors have been trained on security and human rights. Other company practices regarding training also are discussed in the next reporting guideline.

REPORTING GUIDELINES SECTION 3: **COUNTRY IMPLEMENTATION**

REPORTING GUIDELINE TOPIC 11	**KPI:** The VPs are demonstrably considered in the selection of private security, and the arrangements with public and private security, as evidenced in documentation or other tangible confirmations.

AUDIT TESTS	SUCCESS FACTORS
interview the local security lead employee to identify the company mechanisms or processes that ensure that the VPs are considered when selecting private security providers, and entering into agreements or arrangements with public/private security providers	the company's most senior security person in the country of operation confirming that the VPs were considered when entering into relationships with public/private security
for private security, view a private security contract and confirm that it includes provisions requiring adherence to the VPs, requiring proper training for private security personnel (and confirm that they are so trained), allowing a right to audit, and requiring vetting for private security personnel	for private security, the private security contract viewed (if applicable) containing requirements for training, requirements for audit rights, requirements for vetting personnel for prior human rights violations, and language that mentions the VPs or the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials, and the UN Code of Conduct for Law Enforcement Officials
for public security, verify that where support is provided to public security a written agreement or memorandum of understanding (MOU) exists, which contains language recognizing the VPs	for private security, confirmation that private security personnel receive training in security and human rights
for public security, confirm with the public security senior officer that the company's commitment to the VPs has been made clear	for public security, confirmation that, if support is being provided by the company, there is an agreement that contains language mentioning the VPs (or the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials and the UN Code of Conduct for Law Enforcement Officials)
	for public security, if support is being provided, the senior public security officer interviewed is aware of the company's commitment to the VPs or abovementioned UN norms
	for public security, if support is provided, the company demonstrating that it is monitoring the support to the extent reasonable

REPORTING GUIDELINES SECTION 3: **COUNTRY IMPLEMENTATION**

IGT AND OTHER RESOURCES

Reporting Guideline Topic 11 correlates to numerous references in the IGT. Regarding public security, Step 3.2 (page 36) discusses engaging with public security providers, including "Exchange views on level of willingness to incorporate VPs into an agreement or MoU with public security." Similarly, Step 3.4 and Tip 11 (page 45) discuss establishing MOUs, and Step 2.5 (page 32) uses, as an example of a risk and mitigation scenario in a risk assessment, "Establish human rights and humanitarian law training program with public security providers and incorporate into MOU." Regarding private security, Step 4.2, Task 4 (page 53) discusses establishing "formal contract with provider that incorporates the VPs and includes service level agreements (SLAs)," and Annex J (page 93) contains sample contract clauses.

Other resources include: UNGP 13 & Commentary (regarding human rights in the value chain, which includes any "non-State or State entity directly linked to" a company's "business operations, products or services"); UNGC Guidance, at 13 (contracting with security providers, screening them on their human rights records, and making sure they have adequate policies that reflect good practice); UNGC Examples, at 30; MIGA, Section II-11 through 13 (discussing the importance of human rights records of security providers), Section III-1 through 7 (focusing on arrangements and MOUs with public security), and Section IV-1 through 4 (discussing contracts with private security providers); DCAF/ICRC, Section 2, at 32-76 ("Working with Public Security Forces"); Roles and Responsibilities, at 2-3 (managing interactions with public security providers, including referencing the VPs in agreements, striving to avoid using individuals credibly implicated in human rights abuses, and encouraging use of force when strictly necessary, as well as private security providers, including managing the relationship to ensure conduct in accordance with the VPs).

POTENTIAL ADDITIONAL AUDIT TESTS AND SUCCESS FACTORS

A number of potential audit tests and success factors may be appropriate in connection with this KPI, and help gauge program effectiveness. Tests could include interviews with the General Manager and local security lead employee to discuss: due diligence for selecting private security contractors to verify that it takes place; examples where the company has taken action to ensure that security contractors follow the terms of contracts, including through audits performed pursuant to contractual audit rights; how equipment use, handling and storage are addressed; and ad hoc or emergency support requests by public security, verifying that the company communicated its VPs commitments to public security in such situations. Interviews also could occur with procurement personnel around contracting processes and due diligence, depending on how contracting is performed at the company. Another logical additional success factor is that the private security personnel who are interviewed confirm their awareness of the company's commitment to the VPs. Tests also could include a review of training attendance lists to verify training has taken place consistent with contract terms, a review of personnel files to verify due diligence as part of hiring, and an assessment of compliance with the procedures for selecting and entering agreements with private security providers and entering arrangements with public security.

REPORTING GUIDELINES SECTION 3: **COUNTRY IMPLEMENTATION**

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)

Similar to Reporting Guideline Topics 7 and 8, which ask for examples of promoting awareness of the VPs, Topic 12 focuses on outreach, education, and/or training on the VPs at a local level. Indeed, the VPs specifically provide, "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." The VPs further contain several additional principles regarding outreach and training, including that companies should ensure that private security, and advocate that public security, be adequately and effectively trained.

Consistent with those precepts, this Reporting Guideline Topic asks companies to identify specific examples in which it has engaged in external activities designed to further the VPs.

CASE STUDIES

In practical terms, companies engage in training, education and outreach in many ways. Sherritt's Ambatovy Joint Venture, **for instance**, has held presentations and symposiums for Madagascar's armed forces, gendarmerie, security and defense authorities. It also has formed partnerships with Madagascar's Ministry of Justice to deliver security and human rights awareness training.

VPs Initiative member ConocoPhillips, as another **example**, provides human rights trainings to its employees, has developed training for security contractors, and engages with stakeholders in a variety of ways. In Nigeria, for instance, local managers regularly brief public security providers on the rules of engagement and the VPs, and the company has set up forums to hear community feedback on the impact of security operations. In Indonesia, police are advised of the company's rules of engagement every time they are on duty, and security personnel and contractors receive annual VPs training (contract security organizations also are required to provide VPs training and follow the principles, and refresher training is provided on site). Business unit personnel also receive training. The training topics for security include: basic content on international human rights, local laws and regulations, the history of the VPs, the use of force, and the use of private security. The training topics for business unit personnel include: risk assessments (identification of security risks, identification of potential for violence, rule of law, conflict analysis), security arrangements with public security (including the arrangements, deployment and conduct, methods of addressing human rights grievances, appropriate conduct, use of force, and the importance of due diligence), and security arrangements with private security (including what is the right thing to do and what is prohibited under the VPs, and best practices between companies and private security).

REPORTING GUIDELINES SECTION 3: COUNTRY IMPLEMENTATION

REPORTING GUIDELINE TOPIC 12	KPI: Whether VPs implementation is proactively promoted to country stakeholders.
AUDIT TESTS	**SUCCESS FACTORS**
interview the executive responsible for overseeing the VPs, and the local security lead employee, to discuss the awareness raising activities that have been undertaken	the company demonstrating that it communicates its commitment to the VPs and/or security and human rights to the host government in some form
review available documentation, photographs, or other evidence of awareness raising	the company demonstrating that it communicated its commitment to civil society
interview three private security officers, or other external actors, to identify whether they have received training, education, or outreach in security and human rights.	the security officers (or others) interviewed confirming that they have been (or will be) trained in security and human rights

IGT AND OTHER RESOURCES
Reporting Guideline Topic 12 correlates to numerous references in the IGT. These include, regarding local stakeholders: Step 1.1 (page 12), identifying and characterizing stakeholders; Step 1.4 (page 17), working with NGOs; and Step 1.5 (page 19), working with communities. For public security, it includes Tip 9 (page 43), "establishing relationships with public security providers," and Tip 11 (page 45), agreeing to a training program with public security providers as part of establishing an MOU. For private security, the IGT includes Step 4.3, Task 3 (page 54), focusing on conducting training, and Annex C, Case Study 7 (page 76), regarding incorporating the VPs into investment agreements.

Other resources include: UNGC Guidance, at 13 (discussing the importance of providing training to security forces); UNGC Examples, at 8, 21, 31; MIGA, at II-18, III-8 through 13, IV-3 through 4, VI-4; DCAF/ICRC, at 16, 28, 38, 48-49 (regarding working with local leaders, public dissemination of information, community consultations and vetting); IA Tool, at 11-12 (identifying subjects that may be appropriate to include in such training packages).

POTENTIAL ADDITIONAL AUDIT TESTS AND SUCCESS FACTORS
Additional audit tests and related success factors to gauge the effectiveness of a company's training efforts might include identifying the number and frequency of training sessions, ascertaining the number of security personnel trained on an overall and percentage basis, and interviewing an additional representative and random sample of security employees and private contractors, with role playing or scenario questioning, to assess knowledge and actual understanding of key elements of the training that is provided. If such a role playing or scenario test is used, it will be less important that actors can identify the VPs, or even what human rights are implicated, and more important that they can confirm an understanding in the substantive principles. For public security, an additional audit test might include asking what form of training on human rights and use of force they have received, with related success factors depending on the nature, content, scope and frequency of the trainings. Auditors might also review any relevant media coverage, internally developed lists and plans for outreach, and similar materials to identify awareness raising activities.

REPORTING GUIDELINES SECTION 3: COUNTRY IMPLEMENTATION

13 COMPANY PROCEDURE TO REVIEW PROGRESS ON IMPLEMENTING THE VOLUNTARY PRINCIPLES AT LOCAL FACILITIES

This Guideline Topic recognizes that the VPs likely will be implemented by a company in phases, and calls on the company to have a process to review the progress of those efforts. Accordingly, the objective of Topic 13 is to verify that the company has processes in place that are designed to review progress in implementing the VPs on the ground and at local facilities, which may inform ongoing implementation efforts.

REPORTING GUIDELINE TOPIC 13

KPI: The company has a procedure, plan or process to review the progress of implementing the VPs.

AUDIT TESTS

confirm with the executive responsible for the VPs the existence of a process to monitor the progress of local VPs implementation

view the relevant implementation plans, progress reports, and other relevant documents.

SUCCESS FACTORS

the company being able to demonstrate that it has a process to monitor the implementation of the VPs.

OTHER RESOURCES
Other resources include: UNGP 20 & Commentary (focusing on companies' tracking the effectiveness of their programs, and adjusting them when appropriate; "Tracking is necessary in order for a business enterprise to know if its human rights policies are being implemented optimally, whether it has responded effectively to the identified human rights impacts, and to drive continuous improvement"); UNGC Guidance, at 11 (tracking performance and progress).

POTENTIAL ADDITIONAL AUDIT TESTS AND SUCCESS FACTORS
Potential additional effectiveness tests and success factors would include assessing implementation progress against the company's plan, assessing whether the review of progress has informed ongoing implementation efforts, and whether incidents have arisen that have resulted in the plan being adjusted.

REPORTING GUIDELINES
SECTION 4:

LESSONS AND ISSUES

For effective VPs implementation, it is important to consider issues that have arisen, and whether adjustments to the relevant systems and processes are appropriate. These may be positive or negative lessons, such as how an instance of effective engagement came about, whether a particular training technique appears to be working, vetting techniques for private security providers, learning from an investigation approach, or the potential causes of an inappropriate use of force by security personnel. These lessons can provide important insights into the company's implementation methods and whether they should be adjusted.

REPORTING GUIDELINES SECTION 4: LESSONS AND ISSUES

14 — LESSONS OR ISSUES FROM THIS REPORTING YEAR, AS WELL AS PLANS OR OPPORTUNITIES TO ADVANCE THE VOLUNTARY PRINCIPLES FOR THE ORGANIZATION

The objective of this topic in the Reporting Guidelines is to identify any lessons learned or issues that have arisen in regards to the implementation of the VPs in the relevant reporting year, along with plans to advance the implementation of the VPs in the upcoming year. These might include an acknowledgement of more effective or different means of measuring specific activities, preferred locations to have grievances reported, or adjusting training programs in light of issues that have arisen or recent developments.

Companies have sought to comply with this general and fairly open-ended topic in many different ways. BP, **for example**, has reported on the general nature of grievances that it has received in connection with security activities on a global basis, that is has put on hold projects where the potential impact of security arrangements is perceived to be high, and that risk assessments will be a future priority. It also has found that that peer reviews related to the VPs provide useful feedback and sharing of best practices and stated its intent to develop a series of VP related exercise scenarios for its businesses.

As **another approach**, VPs Initiative member IAMGold lists all of its grievances on its website, including those for security-related incidents and human rights, separating them by subject matter. AngloGold Ashanti engages in a similar practice.

REPORTING GUIDELINE TOPIC 14	**KPI:** The company has a lessons-learned and/or action plan that identifies the steps to take for implementing the VPs in the upcoming year.

AUDIT TESTS	SUCCESS FACTORS
discuss with the executive responsible for the VPs whether there are plans for improving implementation of the VPs in the following year, including in response to updated risk assessments (if any), and verify that there is a written plan in place	if the company's upcoming planned VP implementation efforts have been informed or adjusted by events that have occurred during the year (if any), and by updated risk assessments (if any)

IV CONCLUSION

Over the course of 15 years, the VPs have grown into a leading soft-law initiative, respected on a global basis. The principles themselves are applicable to any industry, in any location, reflected in their being broadly employed across a spectrum of sectors around the world. Implementing the VPs can provide operational, reputational, and numerous other benefits and positive results, including a reduction in negative human rights impacts.

However, implementing the VPs is not a static or insignificant endeavor. It requires a concerted and cross-functional commitment by the company, along with supporting policies and procedures, and on-the-ground activities. It requires good communication, internally and with external stakeholders, and in particular with local communities and host governments. It also requires attention to changes that may occur in local communities, in government, and in operations, that may require an adjustment of implementation approaches.

The intention of creating this guidance document and the attached audit protocol are to provide companies with a starting point to assess their VPs implementation efforts, and improve their overall performance. The Working Group hopes that companies and auditors find the materials useful and accessible, and that they contribute to helping companies respect the human rights of stakeholders wherever they operate.

ENDNOTES

1   For most companies, a security and human rights program, including implementation of the VPs, will be one aspect of an overall company program designed to prevent negative human rights impacts. Other areas could include, for instance, labour and human rights programs, safety and human rights programs, and/or environment and human rights programs. For companies in sectors other than extractives that committed to the VPs, see, e.g., ABB, **http://www.abb.com/cawp/abbzh258/10cf5c87836f6ec7c12576f70039c561.aspx**; American Express Global Business Travel, **https://www.amexglobalbusinesstravel.com/company-overview/**; Diageo, **http://business-humanrights.org/en/diageo-0?keywords=&actions[]=11269#a117702**; Dinant, **http://www.dinant.com/index.php/en/sala-de-prensa/boletin-informativo/207-dinant-continues-to-strengthen-its-staff-on-human-rights-affairs**; GE, **http://www.ge.com/files_citizenship/pdf/ge_human_rights_implementing_procedures.pdf**; Maersk Drilling, **http://www.maerskdrilling.com/en/sustainability/sustainability-performance-2013/responsible-business**; Mitsubishi, **http://www.mitsubishicorp.com/jp/en/csr/policy/human-right.html**; Origin Energy, **http://www.originenergy.com.au/3600/Human-Rights-Standards-of-Practice**; Schlumberger, **http://business-humanrights.org/en/schlumberger-0?keywords=&actions[]=11269#a118821**; Syngenta, **http://www.syngenta.com/global/corporate/en/investor-relations/questions-about-syngenta/Pages/manufacturing-and-procurement.aspx**; Triple Canopy, **http://www.triplecanopy.com/trusted-partner/ethical-approach/**; Unilever, **http://www.unilever.com/sustainable-living-2014/enhancing-livelihoods/fairness-in-the-workplace/advancing-human-rights-across-our-operations/**. See also Tourism and Human Rights Initiative, **http://dtxtq4w60xqpw.cloudfront.net/sites/all/files/docpdf/19thtaskforcemeetingreport2006novdemarcohumanrights.pdf**; Bimco, **https://www.bimco.org/~/media/Security/Piracy/Ind_Guideline_PMSC_ver_4_2_Final.ashx**; ArcelorMittal, **http://corporate.arcelormittal.com/corporate-responsibility-old/governance-and-ethics/human-rights/approach**.

2   See, e.g., Adolfo Agustin Garcia et al. v. Tahoe Resources Inc. (Notice of Civil Claim, Supreme Court of British Columbia, Case No. S-144726, filed June 18, 2014), available at http://business-humanrights.org/en/tahoe-resources-lawsuit-re-guatemala. These lawsuits adopt the theory that a company's public assertions that it applies the VPs globally creates an expectation of a certain standard of care, and allege that actions on the ground did not meet that standard. Further, the legal risk mitigation aspect of the VPs is becoming increasingly important in light of recent legislative efforts in several European countries to extend the duty of care of parent companies with respect to their subsidiary companies, subcontractors, and suppliers. See **http://www.accessjustice.eu/en/policy-developments**.

3   This is because the International Finance Corporation, Export Development Canada and many other financial institutions have adopted the Equator Principles (covering now more than 70% of all international project finance in emerging markets), which require implementation of the VPs.

4   Auditing a security and human rights program also is consistent with UN Guiding Principle 17 (regarding human rights due diligence).

5   The audit protocol is publicly available at **http://business-humanrights.org/sites/default/files/media/documents/voluntary-principles-audit-protocol-jun-2013.pdf**. These KPIs and the audit protocol are not formally endorsed by the VPs.

6   See Initiative of the Voluntary Principles, Draft Reporting Guidelines (**Appendix C**), available at **http://www.voluntaryprinciples.org/files/VPs_Governance_Rules_Final.pdf**, at 51.

7   Indeed, even the Participation Criteria and Entry Criteria of the VPs Initiative require efforts by companies to implement the VPs and report on implementation, but do not reference the effectiveness of those efforts. See VPs Participation Criteria, available at **http://www.voluntaryprinciples.org/wp-content/uploads/2013/03/VPs_Participation_Criteria_Final_-_127000_v1_FHE-DC.pdf**; VPs Entry Criteria, available at **http://www.voluntaryprinciples.org/wp-content/uploads/2013/03/VPs_Corporate_Entry_Framework.pdf**.

8   Of course, in undertaking that exercise, the extent to which the program is deemed effective will impact whether the policies and procedures should be adjusted. Designing tests to assess the effectiveness of a program may be approached by: (1) obtaining relevant company policies, commitments, strategies or statements around security and human rights performance; (2) examining each of the line items of the audit protocol through the lens of these policies, commitments, strategies or statements to determine the outcome the company has committed to in relation to each test – this becomes the "Control Objective"; (3) for each test, note where the Control Objective is drawn from; (4) when conducting an audit, the auditor can measure conformance with the requirement, and can also look at the Control Objective to assess if the control is providing that result; and (5) if there are no known company policies, commitments, strategies or statements for a particular requirement in the audit protocol, a Control Objective could be developed (i.e., what outcome would the company expect from this control), to then be validated.

ENDNOTES

9   These are ILO Convention 87 (Freedom of Association and Protection of the Right to
     Organize), 98 (the Right to Organize and Collective Bargaining), 29 (Forced Labour), 105
     (the Abolition of Forced Labour), 138 (Minimum Age of Employment), 182 (the Worst Forms
     of Child Labour), 100 (on Equal Remuneration), and 111 (Discrimination (Employment and
     Occupation)).

10   ISO 19011, available at **http://www.cnis.gov.cn/wzgg/201202/P020120229378899282521.
     pdf**, provides further context on auditing management systems.

11   See ICMM Assurance, **http://www.icmm.com/our-work/sustainable-development-frame-
     work/assurance**.

12   See Conflict Free Gold Standard, **http://www.gold.org/gold-mining/responsible-mining/
     social**

ACKNOWLEDGEMENTS

ADDITIONAL
RESOURCES

Below is a list of resources, referenced in the guidance document, that are designed to help companies implement the VPs or understand how other companies may meet the 14 topics identified in the VPs Reporting Guidelines.

IMPLEMENTATION TOOLKITS

- "Addressing Security and Human Rights Challenges in Complex Environments" (2014), (**http://www.securityhumanrightshub.org/sites/default/files/publications/DCAF-ICRC%20Toolkit.pdf**), developed by the Geneva Centre for the Democratic Control of Armed Forces (DCAF) and the International Committee of the Red Cross.

- "Voluntary Principles on Security and Human Rights: Implementation Guidance Tools" (2011), (**http://www.miga.org/documents/VPSHR_Toolkit_v3.pdf**), developed by ICMM, the IFC, and IPIECA, with support from the International Committee of the Red Cross.

- "Voluntary Principles on Security and Human Rights: An Implementation Toolkit for Major Sites" (2008), (**http://www.miga.org/documents/VPSHR_Toolkit_v3.pdf**), published by the World Bank's Multilateral Investment Guarantee Agency.

- "Voluntary Principles on Security and Human Rights: Performance Indicators" (2008), (**http://www.international-alert.org/sites/default/files/publications/VoluntaryPrinciplesOnSecurityHumanRights.pdf**), developed by International Alert.

- "Voluntary Principles on Security and Human Rights, National-Level Implementation Guidance Note" (2010), (**http://library.fundforpeace.org/library/svpsr1123-vpshr-nationallevelimplementation-11f.pdf**), developed by Fund for Peace and International Alert.

- "Voluntary Principles on Security and Human Rights: Implementation Guide" (2008), (**http://www.bp.com/content/dam/bp/pdf/sustainability/group-reports/VPs_Implementation_Guideline_Extended_Summary.pdf**), developed by BP.

- "Guidance on Responsible Business in Conflict Affected and High Risk Areas" (2010), (**https://www.unglobalcompact.org/docs/issues_doc/Peace_and_Business/Guidance_RB.pdf**), developed by the UN Global Compact and PRI.

- "Responsible Business Advancing Peace: Examples from Companies & Global Compact Local Networks" (2013), (**https://www.unglobalcompact.org/docs/issues_doc/Peace_and_Business/B4P_ResourcePackage.pdf**), developed by the UN Global Compact and PRI.

ADDITIONAL RESOURCES

COMPANY EXAMPLES REFERENCED

Frequently Asked Question 9

Freeport-McMoRan Annual Report on the VPs (**http://www.fcx.com/sd/pdfs/FCX_Volun_Princi_Plen_Report_2013_final.pdf**)

Barrick Gold Corporation Responsibility Report web page, Independent Assurance (**http://barrickresponsibility.com/additional-information/governance/independent-assurance**); Barrick Gold Corporation 2013 Responsibility Report, at 12, 60, 66-67 (**http://barrickresponsibility.com/media/1309/2013-full-report.pdf**); Barrick Annual Report on Voluntary Principles and Human Rights Program (**http://www.barrick.com/files/security/Barrick-VPSHR-Annual-Report-2015.pdf**)

BG Group 2013 Sustainability Report, at 88 (**http://www.bg-group.com/assets/files/cms/BG_SR_2013_2.pdf**)

Reporting Guideline Topic 1

Talisman Policy on Business Conduct and Ethics, at 1, 13 (**http://www.talisman-energy.com/upload/important_links/11/13/pbce_2012.pdf**); Talisman Energy Security Policy, (**http://www.talisman-energy.com/responsibility/security/security_policy.html**)

Reporting Guideline Topic 2

Barrick Security Management System (**http://www.barrick.com/files/security/Barrick-Security-Management-System.pdf**); Barrick Annual Report on Voluntary Principles and Human Rights Program (**http://www.barrick.com/files/security/Barrick-VPSHR-Annual-Report-2015.pdf**)

Reporting Guideline Topic 4

Goldcorp Human Rights webpage (**http://csr.goldcorp.com/2012/8_human_rights.php**)

Rio Tinto Community Complaints, Disputes and Grievance Guidance (**http://www.riotinto.com/documents/Community_complaints_disputes_grievance_guidance_2011_2014.pdf**)

BP 2013 Annual Report on the VPs (**http://www.bp.com/content/dam/bp/pdf/sustainability/group-reports/BP_2013_Annual_Report_VPs_Plenary.pdf**)

Reporting Guideline Topic 5

BP 2013 Annual Report on the VPs (**http://www.bp.com/content/dam/bp/pdf/sustainability/group-reports/BP_2013_Annual_Report_VPs_Plenary.pdf**)

Goldcorp 2010 Sustainability Report (**http://www.goldcorp.com/files/annual_reports/report2010/8_human_rights_cs.htm**)

Reporting Guideline Topic 6

Freeport-McMoRan Annual Report on the VPs (**http://www.fcx.com/sd/pdfs/FCX_Volun_Princi_Plen_Report_2013_final.pdf**)

Goldcorp Human Rights webpage (**http://csr.goldcorp.com/2012/8_human_rights.php**)

Reporting Guideline Topic 7

Fund for Peace Human Rights Training for Security Forces in the Extractive Industry (**http://library.fundforpeace.org/20131018-cameroon**)

Goldcorp Sustainability Report (**http://csr.goldcorp.com/2013/8_human_rights.php**)

Reporting Guideline Topic 8

AngloGold Ashanti 2012 annual report on the VPs (**http://www.anglogoldashanti.com/en/sustainability/VoluntaryPrinciplesonSecurityandHumanRights/Voluntary%20Principles%20on%20Security%20and%20Human%20Rights/VoluntaryPrinciplesPlenaryReport2012.pdf**)

Total Human Rights Internal Guide (**http://www.total.com/sites/default/files/atoms/files/human_rights_internal_guide_va.pdf**)

ADDITIONAL RESOURCES

Reporting Guideline Topic 10

Pacific Rubiales 2013 Sustainability Report (**http://www.pacificrubiales.com.co/sustainability/reports.html**)

Freeport-McMoRan annual report on the VPs (**http://www.fcx.com/sd/pdfs/FCX_Volun_Princi_Plen_Report_2013_final.pdf**)

Reporting Guideline Topic 11

Pacific Rubiales 2013 Sustainability Report (**http://www.pacificrubiales.com.co/sustainability/reports.html**)

Reporting Guideline Topic 12

ConocoPhillips Annual Report for the Voluntary Principles on Security and Human Rights (**http://www.conocophillips.com/sustainable-development/people-society/human-rights-due-diligence/Documents/2012%20Voluntary%20Principles%20on%20Security%20and%20Human%20Rights%20Report.pdf**)

Sherritt International, Sustainability Report, Human Rights (**http://sustainability.sherritt.com/2013/operating/human-rights.php**); Ambatovy web page, **http://www.ambatovy.com/docs/?p=10486**; Ambatovy web page, Voluntary Principles Outreach (**http://www.ambatovy.com/docs/?p=8996**)

Reporting Guideline Topic 13

BP 2013 and 2014 Annual Reports on the VPs (**http://www.bp.com/content/dam/bp/pdf/sustainability/group-reports/BP_2013_Annual_Report_VPs_Plenary.pdf** and **http://www.bp.com/content/dam/bp/pdf/sustainability/group-reports/BP_2014_Annual_Report_VPs_Plenary.pdf**)

AngloGold Ashanti 2012 Annual Report on the VPs (**http://www.anglogoldashanti.com/en/sustainability/VoluntaryPrinciplesonSecurityandHumanRights/Voluntary%20Principles%20on%20Security%20and%20Human%20Rights/VoluntaryPrinciplesPlenaryReport2012.pdf**)

A VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS

INTRODUCTION

Governments of the United States and the United Kingdom, companies in the extractive and energy sectors ("Companies"), and non-governmental organizations, 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;

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:

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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.

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.

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.

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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.

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

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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. 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

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prevent and deter; and procedures for reporting allegations to relevant local law enforcement authorities when appropriate.

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 fulfil 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.

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.

B AUDIT PROTOCOL TO ASSESS COMPLIANCE WITH KEY PERFORMANCE INDICATORS

BACKGROUND

The extractive sector often operates in countries or areas of elevated security risk and faces the difficult challenge of how to safeguard company personnel and property in a way that respects human rights and the security of local communities. In December 2000, the United States and United Kingdom governments, along with a group of extractive companies and non-governmental organizations, agreed on a set of principles, known as the Voluntary Principles on Security and Human Rights (VPs), to guide companies on security and human rights. The VPs provide an outline of actions companies should take to assess risks and implement public and private security measures in a manner that respects human rights. This document outlines a methodology for the determination of the level of implementation of, and compliance with, the tenets of the VP's.

AUDIT PROTOCOL DEVELOPMENT

In order to assess the implementation of the Voluntary Principals on Security and Human Rights (VPs), it is necessary to determine the level of active compliance with them. The following Key Performance Indicators were developed by a group of Volunteer Member Companies with input from VPs Government and NGO members together

with other external experts. The basis for these KPI's was the Voluntary Principals on Security and Human Rights Initiative reporting criteria. Professor John Ruggie, Berthold Beitz Professor in Human Rights and International Affairs at Harvard's Kennedy School of Government and Affiliated Professor in International Legal Studies at Harvard Law School, was an advisor to this process. This set of granular indicators is intended to provide guidance to companies implementing the VP's. The actual approach of individual VP member companies in monitoring their implementation remains bespoke.

AUDIT PROCESS – GENERAL

The KPI Reporting Guidance is broken into four broad disciplines:
1. Commitment,
2. Policies, Procedures and Related Activities,
3. Country Implementation,
4. Lessons and Issues.

Each area has associated objectives, KPI's and specific audit tests designed to accurately portray the level of implementation and compliance with the tenets of the VP's. The auditor is provided with compliance expectations and Implementation Guidance Tool (IGT) section references for each KPI to ensure consistent application of the protocol.

Note: This protocol was developed by a group of VP member companies, it is not and official Voluntary Principles Initiative[1] document.

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1.   Voluntary Principles Initiative, based in The Hague, The Netherlands

AUDIT PROTOCOL TO ASSESS COMPLIANCE
WITH KEY PERFORMANCE INDICATORS

AUDIT PROCESS – ADMINISTRATION

What is the purpose of these audits?

The audit will provide assurance that the systems and processes required by the VPs are in place and are being complied with.

Who will perform the audits?

Audits may be conducted on a first, second or third party basis. Best practice would be second or third party and include a public statement verifying VPs implementation. Auditors should have experience with the VPs and be competent at conducting audit related activities.

How often will they be performed?

Audit frequency should be determined by the company and communicated.

Who will see the results/reports?

The detailed information obtained from the audit is intended to be used to assist companies to improve their VPs implementation.

Positions/Titles

The title conventions of your organization should be taken into account and this protocol adjusted. For example, this protocol contemplated site, regional and corporate security management. Should your organization be structured differently, the protocol will require adjustment.

Printing

The audit protocol is designed to be printed on 11 x 17 paper, or similar. If this is not feasible, the document can be viewed electronically.

Scoring

The scoring system is designed to assist in performance trends. Auditors may choose to use a more simplified compliant/non-compliant system if deemed appropriate by the client.

AUDIT PROTOCOL TO ASSESS COMPLIANCE WITH KEY PERFORMANCE INDICATORS

REPORTING GUIDANCE REF	OBJECTIVES	KPI'S	AUDIT TESTS	N/A	0	1	2	3	COMPLIANCE EXPECTATIONS (WHAT SUCCESS LOOKS LIKE)	SCORE	BACKGROUND FOR AUDITOR IGT SECTION REFFERENCES	ADDITIONAL MEASURES	COMMENTS/ OBSERVATIONS
A	**COMMITMENT**												
1	Statement of commitment or endorsement of the Voluntary Principles.	To ensure that the company is committed to the implementation of the Voluntary Principles	The Senior Leadership Team is aware of, and committed to, the implementation of the Voluntary Principles	Interview the CEO, COO and General Counsel to gauge their understanding of, and commitment to, the Voluntary Principles.						1. Can demonstrate an understanding by describing the purpose of the VP's 2. Confirm the company's commitment	0	**Page 9** Corporate mandate "from the top" Corporate mandate "from the top" – An explicit corporate-level commitment to respecting human rights is a key enabling factor that helps country and project-level staff effectively implement the VPs.		
				Discuss with the executive responsible for the VP's confirm that the statement or endorsement has been published and communicated throughout the organization						1. The responsible executive is able to demonstrate an understanding of the VPs and their importance to the company 2. A statement or endorsement is viewed (which may include a formal policy statement or executive level procedure or other statement).	0			
				Interview the General Manager and Security Manager to gauge their commitment to the Voluntary Principles						1. The General Manager and Security Manager confirm that they are committed to implementing the VPs	0			
B	**POLICIES, PROCEDURES, AND RELATED ACTIVITIES**												
2	Relevant policies, procedures, and/ or guidelines (or any changes thereto from the previous reporting year) to implement the Voluntary Principles.	To ensure that the implementation, and ongoing management, of the Voluntary Principles have been incorporated into company management systems	There is a policy and supporting standards, procedures and/or guidelines to assist with implementing the Voluntary Principles	Discuss with the executive responsible for the VP's and confirm that the statement or endorsement has been published and communicated throughout the organization. View implementation documentation. (i.e. policies, standards, procedures, guidelines, job descriptions, performance commitments, training programs, monitoring and evaluation procedures (both internal & external)						1. There is a statement of commitment (policy or other statement) in place committing to the VP's and this is understood at an operational level 2. There is an implementation plan or other document requiring or defining implementation 3. This has been communicated to the operations	0	**Page 42** Tip 8 Establishing relationships with public security providers – Extract :Establish expectations – "In addition, establishing company policy on the VPs – and if possible – referring to expectations created by contracts or an investment agreement with the government, can be effective. "		
				Discuss with the General Manager and Security Manager at how the VPs are being implemented and view documentation supporting the implementation of the Voluntary Principles						1. The General Manager and Security Manager have knowledge of the corporate policy regarding the VP's 2. The General Manager and Security Manager confirm that they are committed to implementing the VP's 3. A Security & Human Rights training package for public and private security exists and is in use	0	**Page 54** Step 4.3 Deploy and monitor selected private security provider Task 2. Develop policies, procedures, and other guidelines		

N/A = Item does not apply
0 = No evidence of compliance
1 = Some evidence of compliance
2 = Substantially compliant
3 = Fully compliant

AUDIT PROTOCOL TO ASSESS COMPLIANCE
WITH KEY PERFORMANCE INDICATORS

REPORTING GUIDANCE REF	OBJECTIVES	KPI'S	AUDIT TESTS	N/A	0	1	2	3	COMPLIANCE EXPECTATIONS (WHAT SUCCESS LOOKS LIKE)	SCORE	BACKGROUND FOR AUDITOR IGT SECTION REFFERENCES	ADDITIONAL MEASURES	COMMENTS/ OBSERVATIONS
3 Company procedure to conduct security and human rights risk assessments.		There is a policy and supporting standards, procedures and/or guidelines to assist with carrying out a Security and Human Rights Risk Assessment. (implementing the Voluntary Principles)	Discuss with the executive responsible for the VP's and confirm that a Security & Human Rights Risk Assessment has been conducted at least annually at operations where the Voluntary Principles are relevant and reviewed by the General Manager, Security Manager and Community Relations Manager.						1. View a Security and Human Rights Risk Assessments, either internal or external (or both), that is less than 12 months old. 2. The Risk Assessments is reviewed by the General Manager, Security Manager and the Community Relations Manager	0	Page 22 Module 2: Risk Assessment Page 25 Step 2.1 Establish the scope and scale of assessment Page 27 Step 2.2 Identify Sources of Security and Human Rights Risks Page 29 Step 2.3 Identify risks Page 27 Step 2.2 Identify Sources of Security and Human Rights Risks Page 30 Step 2.4 Assess risks Page 32 Step 2.5 Identify risk treatment/mitigation Page 34 Step 2.6 Communicate, monitor and revise risk assessment		
			Confirm that the Risk Assessment is documented and includes identifying security risks, potential for violence, human rights record (public & private security), rule of law, conflict analysis, and equipment transfers.						1. The risk assessment includes risk identification, potential for violence, human rights record, rule of law, conflict analysis and equipment transfers. 2. Confirm that the risk assessment considered the following: - Identification of security risks - Potential for violence - Human Rights records - Rule of law - Conflict analysis - Equipment transfers	0			
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		There is a procedure or other requirement for the reporting of security-related human rights allegations against public/private security forces relating to the company's activities	Discuss with the executive responsible for the VP's and confirm that a procedure for the reporting of Security & Human Rights related allegations is in place. View the procedure or mechanism.						1. A procedure for the reporting of Security & Human Rights allegations is viewed.		Page 36 Module 3: Public Security Providers Page 45 Step 3.4 Work with public security providers on deployment and conduct – Where force is used by public security providers, it should be documented and reported Page 46 Step 3.5 Respond to human rights abuses – Task 3. Report credible allegations to authorities, using discretion Page 48 Module 4: Private Security Providers Page 51 Step 4.1 Define and Assess Private Security		
			View two examples (if available) of such reports.						1. Sight two example reports (if there have been reports). If there have been no reports then this is N/A	0	Page 36 Module 3: Public Security Providers Page 48 Module 4: Private Security Providers Page 51 Step 4.1 Define and Assess Private Security Requirements		

AUDIT PROTOCOL TO ASSESS COMPLIANCE
WITH KEY PERFORMANCE INDICATORS

REPORTING GUIDANCE REF	OBJECTIVES	KPI'S	AUDIT TESTS	N/A	0	1	2	3	COMPLIANCE EXPECTATIONS (WHAT SUCCESS LOOKS LIKE)	SCORE	BACKGROUND FOR AUDITOR IGT SECTION REFFERENCES	ADDITIONAL MEASURES	COMMENTS/ OBSERVATIONS
5	Company procedure to consider the Voluntary Principles in entering into relations with public/private security providers	There is a policy and supporting standards, procedures and/or guidelines to assist with implementing the Voluntary Principles regarding entering relations with public/private security providers.	Discuss with the Regional Legal Counsel or Regional Security Manager and confirm that the Voluntary Principles are considered when entering into relationships with public/private security providers for operations where the Voluntary principles are relevant. Where applicable, view an MOU with a public security provider and/or a security contract with a private security contractor and confirm that the Voluntary Principles or other international standards on security and human rights are included as a requirements. (Note: it is not always possible to obtain a written form MOU, in these instances some form of documentation should be sought where the company has clearly communicated their expectations to the public security agency)						1.The Regional Legal Counsel or Regional Security Manager take the VPs or other applicable international standards on security and human rights into account when engaging and, where applicable, drafting an MOU with a public security provider or in a service contract with a private security contractor 2. An MOU with public security or a contract with private security is viewed and contains language regarding the VP's or other international standards on security & Human Rights are included as a requirement. (Note: if an MOU with Public security could not be obtained, these requirements will be included in some form of correspondence between the company and the public security agency)	0	Page 32 Step 2.5 Identify risk treatment/mitigation – Example: Establish human rights and humanitarian law training program with public security providers and incorporate into MOU. Page 36 Module 3: Public Security Providers Step 3.2 Engage with public security providers – Exchange views on level of willingness to incorporate VPs into an agreement or MoU with public security (see Tip 11) Page 45 Step 3.4 Work with public security providers on deployment and conduct – Memoranda of Understanding (MoUs) – The company should seek to establish an MoU with public security providers on each of the points raised above (see Tip 11) Page 45 Tip 11 Establishing Memoranda of Understanding (MoUs) with Public Security Providers Page 48 Module 4: Private Security Providers Page 52 Step 4.2 Conduct due diligence and select/contract a private security provider – Task 4. Establish formal contract with provider that incorporates the VPs and includes service level agreements (SLAs) Page 93 Annex J: Sample Contract Clauses on VPs for Private Security Contracts		
			Speak with the Head of the Private Security Contractor on-site (if applicable) or if not with the head of company security to confirm that the person is aware of the company's commitment to the Voluntary Principles						1.The person interviewed is aware of the company's commitment to the VP's.	0			
			Speak with the Head of the Public Security Detachment on-site (if applicable) to confirm that the person is aware of the company's commitment to the Voluntary Principles						1.The person interviewed is aware of the company's commitment to the VP's.	0			
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	The company has a procedure or mechanism to address human rights incidents by public/private security forces relating to the company's activities.	Discuss with the executive responsible for the VP's and confirm that a procedure for addressing Security & Human Rights related allegations is in place. Discuss with the executive responsible for the VP's an example of when the procedure or mechanism was used (if one exists)						1. A procedure to address Security & Human Rights allegations is viewed. 2. An example (if applicable) is described.	0	Page 36 Module 3: Public Security Providers Page 48 Module 4: Private Security Providers		

AUDIT PROTOCOL TO ASSESS COMPLIANCE
WITH KEY PERFORMANCE INDICATORS

REPORTING GUIDANCE REF	OBJECTIVES	KPI'S	AUDIT TESTS	N/A	0	1	2	3	COMPLIANCE EXPECTATIONS (WHAT SUCCESS LOOKS LIKE)	SCORE	BACKGROUND FOR AUDITOR IGT SECTION REFFERENCES	ADDITIONAL MEASURES	COMMENTS/ OBSERVATIONS
			Discuss with the General Manager and Site Security Manager and confirm that a procedure for addressing Security & Human Rights related allegations is in place. Discuss with the General Manager an example of when the procedure or mechanism was used (if one exists)						1. A procedure for addressing Security & Human Rights allegations is viewed. 2. An example (if applicable) is described.	0			
			Discuss with the executive responsible for the VP's the procedural details or mechanism to ensure Security & Human Rights related incidents are addressed						1. A procedure, mechanism or framework is sighted that defines how Security & Human Rights related incidents are addressed.	0	**Page 36** Module 3: Public Security Providers **Page 46** Step 3.5 Respond to human rights abuses (Public) **Page 48** Module 4: Private Security Providers **Page 57** Step 4.4 Respond to private security provider misconduct		
7	Examples of promoting awareness of the Voluntary Principles throughout the organization or government.	To ensure that the Voluntary Principles and the status of implementation are communicated to all internal and external stakeholders	Positive action to promote awareness of the Voluntary Principles within the company and host government	Discuss with the executive responsible for the VP's what awareness is done throughout the organization and with host governments. View materials and examples provided Discuss with the Site Security Manager actions taken to promote the Voluntary Principles						1. Some form of awareness of the VP's has taken place within the company within the last 12 months. 2. Some form of awareness has taken place in the last 12 months with host governments or public institutions.	0			
8	Examples of promoting and advancing implementation of the Voluntary Principles internationally		The Voluntary Principles and related information are where appropriate, included in external communications (globally)	Discuss with the executive responsible for the VP's what activities are undertaken to promote the Voluntary Principles internationally. View materials and examples provided (these may include; conference papers, presentations, membership of and input to international associations etc.)						1. Sight reports, articles or other external publications or communications where the company has noted or promoted the VP's in the last 12 months.	0			
C	**COUNTRY IMPLEMENTATION**												
9	Overview of country operations selected for reporting (include any notable changes from the previous reporting year if the same country is being reported this year)	Define the countries of operation selected for reporting	Operations where the VP's are relevant are selected for assessment	Of the sites selected for external audit at least 50% are relevant for the Voluntary Principles Where the Voluntary Principles are not implemented in Low Risk countries there is a documented internal process to determine 'in scope' operations						1. At least 50% of the sites selected for external audit are in scope for the VP's. 2. If the ICMM process is not being used, the audits will have been done at a representative number of 'in scope' locations 3. All 'in scope' operations will be audited within a seven year time frame.	0			

AUDIT PROTOCOL TO ASSESS COMPLIANCE
WITH KEY PERFORMANCE INDICATORS

REPORTING GUIDANCE REF	OBJECTIVES	KPI'S	AUDIT TESTS	N/A	0	1	2	3	COMPLIANCE EXPECTATIONS (WHAT SUCCESS LOOKS LIKE)	SCORE	BACKGROUND FOR AUDITOR IGT SECTION REFFERENCES	ADDITIONAL MEASURES	COMMENTS/ OBSERVATIONS
10	Engagements with stakeholders on country implementation	Determine the level of engagement on the VPs with the identified external groups in the VPs: 1. government officials related to public security; 2. community members; & 3. non-governmental organizations (NGOs) or human rights groups	External stakeholders identified by the company are engaged, or there is a plan for engagement, regarding country implementation.	Discuss with the executive responsible for the VP's and confirm that interaction with stakeholders is planned and/or conducted. View available documentation, plans or discuss actual engagement on the VPs. Discuss with the Regional or Country Security Manager their engagement with public security officials &/or non-governmental or human rights groups. Ask the site what they have done to communicate and engage on the VP's in the local community and identify appropriate people to talk to. Discuss with an identified sample of external stakeholders if they have been engaged on the Voluntary Principles or related human rights practices (if there is a community in the immediate vicinity of the operation)						1. The company will have engaged with the government on the VP's and expressed their commitment to the VP's. 2. The company will have taken action in engaging on the VP's with any public security agency providing support to the site. 3. External stakeholders relevant to the Voluntary Principles have been identified. 4. The local community is aware of the company's commitment to the VP's or to the principles of the VP's.	0	**Page 10** Module 1: Stakeholder Engagement		
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		Voluntary Principles to be considered in the selection of private and public security Documentation or other confirmation of such activities should be available.	Discuss with the Country Security Manager the mechanisms that ensure that the Voluntary Principle's are considered when entering into relationships with public/private security providers. View a security contract and confirm that the Voluntary Principles are included as a requirements. Confirm that the PSC personnel receive training in human rights, there is a requirement for vetting to occur and the company has a right to audit						1. The most senior security person in the country of operation confirmed that the VP's were considered when entering into relationships with public/private security. (If there is a PSC) 2. The private security contract viewed (if applicable) contains language that mentions the Voluntary Principles on Security & Human Rights specifically, or if not the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials and the UN Code of Conduct for Law Enforcement Officials. 3. Confirmation that the PSC receive training in security & human rights 4. The company has a right to audit clause within the contract (if applicable) with the PSC5. There is a clause within the contract (if applicable) for vetting of personnel for previous human rights violations to occur.	0	**Page 32** Step 2.5 Identify risk treatment/mitigation – Example: Establish human rights and humanitarian law training program with public security providers and incorporate into MOU. **Page 36** Module 3: Public Security Providers Step 3.2 Engage with public security providers – Exchange views on level of willingness to incorporate VPs into an agreement or MoU with public security (see Tip 11) **Page 45** Step 3.4 Work with public security providers on deployment and conduct – Memoranda of Understanding (MoUs) – The company should seek to establish an MoU with public security providers on each of the points raised above (see Tip 11) **Page 45** Tip 11 Establishing Memoranda of Understanding (MoUs) with Public Security Providers **Page 48** Module 4: Private Security Providers **Page 52** Step 4.2 Conduct due diligence and select/contract a private security provider – Task 4. Establish formal contract with provider that incorporates the VPs and includes service level agreements (SLAs) **Page 93** Annex J: Sample Contract Clauses on VPs for Private Security Contracts		

AUDIT PROTOCOL TO ASSESS COMPLIANCE WITH KEY PERFORMANCE INDICATORS

REPORTING GUIDANCE REF	OBJECTIVES	KPI'S	AUDIT TESTS	N/A	0	1	2	3	COMPLIANCE EXPECTATIONS (WHAT SUCCESS LOOKS LIKE)	SCORE	BACKGROUND FOR AUDITOR IGT SECTION REFFERENCES	ADDITIONAL MEASURES	COMMENTS/ OBSERVATIONS
			Where applicable, view an MOU or language within the MOU and confirm that there is language relevant to the Voluntary Principles within the document. Confirm with the public security senior officer that the company's commitment to the Voluntary Principles has been made clear. (note: it is not always possible to obtain a written form MOU, in these instances some form of documentation should be sought where the company has clearly communicated their expectations to the public security agency)						1. Where applicable, the auditor selects an MOU and confirms that it contains language that mentions the Voluntary Principles on Security & Human Rights specifically, or if not the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials and the UN Code of Conduct for Law Enforcement Officials. . (Note: if an MoU with public security could not be obtained, these requirements will be included in some form of correspondence between the company and the public security agency). 2. If there is public security receiving support from the company – the senior public security Officer interviewed was aware of the company's commitment to the VP's or abovementioned UN norms. 3. The company monitors the support (to the extent reasonable)	0			
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)	Voluntary Principles implementation is proactively promoted to country stakeholders	Discuss with the executive responsible for the VP's and the Country Security Manager the Voluntary Principle awareness activities undertaken. View documentation, photographs or other confirmation. View materials and examples provided. Ask three private security officers if they have received training in security & human rights						1. The company communicates commitment to the VP's to the host government in some form. 2. The security officers interviewed have been trained in security and human rights or are enrolled to be trained. 3. The company communicates commitment to civil society.	0	**Page 13** Step 1.1 Identifying and Characterizing stakeholders. **Page 17** Step 1.4 Working with NGO's. **Page 19** Step 1.5 Working with communities communicate security arrangements – Companies should communicate security arrangements, as well as the company's commitment to the VPs, to host communities. This should be done carefully so as not to create security risks. **Page 36** Module 3: Public Security Providers. **Page 43** Tip 9 Establishing relationships with public security providers. **Page 45** Tip 11Establishing Memoranda of Understanding (MoUs) with Public Security Providers – e) Agreeing to a training program, if applicable; **Page 48** Module 4: Private Security Providers. **Page 54** Step 4.3 Deploy and monitor selected private security provider Task 3. Conduct training (see Quote 2). **Page 76** Annex C: Case Studies – Case Study 7 – Incorporating the VPs into Investment Agreements		

AUDIT PROTOCOL TO ASSESS COMPLIANCE WITH KEY PERFORMANCE INDICATORS

REPORTING GUIDANCE REF	OBJECTIVES	KPI'S	AUDIT TESTS	N/A	0	1	2	3	COMPLIANCE EXPECTATIONS (WHAT SUCCESS LOOKS LIKE)	SCORE	BACKGROUND FOR AUDITOR IGT SECTION REFFERENCES	ADDITIONAL MEASURES	COMMENTS/ OBSERVATIONS
13 Company procedure to review progress on implementing the Voluntary Principles at local facilities		Company to have a procedure, plan or process to review the progress of implementation of the Voluntary Principles	Confirm with the executive responsible for the VP's the existence of a process to monitor the progress of Voluntary Principle implementation. View relevant implementation plans, progress reports etc.						1. A process exists to monitor the implementation of the VP's.	0			
D D. LESSONS AND ISSUES													
14 Lessons or issues from this reporting year, as well as plans or opportunities to advance the Voluntary Principles for the organization	To identify any lessons learned or issues that have arisen in regards to the implementation of the VPs in the relevant reporting year and any plans to advance the implementation of the VPs in the following year	Company to have a lessons learned and/or an action plan that identifies the actions to take for the implementation of the VPs in the following year	Discuss with the executive responsible for the VP's any plans to for improving the implementation of the VPs in the following year. Verify that there is a written plan in place.						1. VP implementation has been informed/adjusted by major events that have occurred during the year (if any).	0			
				0	0	0	0	0		0			
										0%			

DEFINITIONS

1. **GIVE ASSURANCE** This means that the auditor is expected to use his/her professional experience and judgment to verify the extent to which the company meets the relevant KPI.

2. **EXTERNAL STAKEHOLDERS** For the purpose of this audit of the VPs, these are considered to be three groups: government officials related to public security (e.g. police or army officials usually, although there can be other government officials from other agencies also involved); community residents; and non-governmental organizations (NGOs) or human rights organizations.

3. **ASSESS COMPLETENESS** This term refers to whether adequate steps have been identified and taken into account in complying with the indicted KPI. This might refer to areas such as: disseminating information about the VPs both internally and externally; providing adequate training programs for private or company security personnel; carrying out a Country Risk Assessment; carrying out a Site Risk Assessment and risk mitigation plan; and so on.

4. **COMPLETENESS** for the Country Risk Assessment asks such questions as whether all relevant actors were contacted to get as wide an identification of security-related human rights risk as possible and whether all key risks were identified. This includes other Departments such as Community Relations, Environment and Exploration, as well as external groups, such as local communities around the mine site, public security agencies, international and/or national human rights organizations (through their publications or directly communicating with them), other companies operating in the same area or country, industry associations and/

or the Embassies of governments resident in that country. The Regional or Country Security Manager should be responsible for carrying out this higher level review.

5. **COMPLETENESS** for a Site Risk Management plan means whether all critical risks related to security and human rights at a particular site have been correctly identified in the Risk Assessment process and then have been adequately addressed through the assigning of appropriate mitigation measures.

6. **MITIGATING FACTORS** These are factors that prevent the implementation of the identified KPI. For example, in some countries, public security agencies will not engage with private actors on public security matters. These mitigating factors preventing the implementation of the identified KPI should be noted by the auditor.

7. **DISCUSS BEHAVIOURS OF PUBLIC OR PRIVATE SECURITY PERSONNEL TO ASSESS THEIR CONDUCT** Community residents do not always understand what is meant by "human rights" or "the Voluntary Principles." However, they do understand when you talk about "proper behaviour by police or army," for example. They will mention such things as: they treat us politely and with respect; they are respectful to our women; they don't beat people; they don't take bribes; and so on. Or they will mention the converse of those points. This "conduct" or "behaviours" issue is what the VPs are intended to address so this is the kind of question that should be asked by the auditor. Different sites will require slight variations on this question.

C VOLUNTARY PRINCIPLES GOVERNANCE RULES

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.

1.7 If approved, an Observers 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.

VOLUNTARY PRINCIPLES
GOVERNANCE RULES

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.

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.

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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.

VOLUNTARY PRINCIPLES
GOVERNANCE RULES

II.   Reporting Content

A.   Commitment

NO.	GENERAL DESCRIPTION	EXPECTED REPORTING		
		GOVERNMENT	COMPANY	NGO
1	Statement of commitment or endorsement of the Voluntary Principles	✖	✖	✖

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	✖	✖	✖
3	Company procedure to conduct security and human rights risk assessments		✖	
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		✖	
5	Company procedure to consider the Voluntary Principles in entering into relations with private security providers		✖	
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		✖	
7	Examples of promoting awareness of the Voluntary Principles throughout the organization or government	✖	✖	✖
8	Examples of promoting and advancing implementation of the Voluntary Principles internationally	✖	✖	✖

VOLUNTARY PRINCIPLES
GOVERNANCE RULES

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 previous reporting year if the same country is being reported this year)[6]	✖	✖	✖
10	Engagements with stakeholders on country implementation	✖	✖	✖
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		✖	
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)		✖[7]	
13	Company procedure to review progress on implementing the Voluntary Principles at local facilities		✖	

D. Lessons and Issues

NO.	GENERAL DESCRIPTION	EXPECTED 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	✖	✖	✖

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

7 Including technical / financial assistance from governments.