



2019 Annual Report

Voluntary Principles on Security and Human Rights

A-B. Commitment

PAX joined the Voluntary Principles in January 2003 and is as committed to its purpose now as we were back then. We regard the VPs as a useful tool for companies to promote and protect human rights when securing their staff and their assets, with the potential to have a positive wider impact well beyond security arrangements.

In 2019, in addition to irregular meetings and consultations with individual government, corporate, and NGO members, we served in the

- ✓ Steering Committee of the VPI
- ✓ Board of Directors of the VPA
- ✓ Implementation Working Group; and took part in
- ✓ NGO Pillar meetings,
- ✓ The 2019 Plenary meeting,
- ✓ The May cross-pillar informal palaver, and
- ✓ the May 2019 strategic retreat under the Swiss presidency.

Strongly committed to enhancing the relevance, effectiveness and credibility of the VPI, we took the initiative for joint NGO Pillar input on the strategic review. We also initiated an informal cross-pillar discussion that identified shared issues and opportunities and formulated proposals for the strategy review.

C. Promotion

Nothing much to report. We have been approached several times by creditors and shareholders who sought to better understand the relevance of the VPSHR and VPI membership for their sustainability goals. We have done our best to explain this.

D. Country Implementation

The VPSHR are presently not particularly relevant for our work in high-risk environments. The mining industry plays an crucial role in DRC's toxic political system, but the VPSHR do not address any of the underlying issues that is driving the country's conflict dynamics. In South Sudan, the oil sector is the only substantial source of Government income, which shaped the way the civil war has been fought. Rather than making an effort to prevent or mitigate their adverse impacts, the oil companies that operate in South Sudan have financed abusive militia's. Implementation of the VPSHR could make a huge difference, but neither the industry nor the

Government is showing an interest in them. In Colombia, the end of the civil war as we know it seems to transform violence rather than ending it. The VPSHR currently has no substantial added value for the kind of reconciliation and peacebuilding processes that we are involved in.

E. Lessons and Issues

- ✓ The 2019-2023 VPI Strategy offers a solid basis for the Initiative to boost its global relevance and deepen its positive impacts. The decision to focus on addressing conflict drivers is a formidable step ahead. Connecting conflict prevention approaches with human rights policies may be an established practice among many of our members, but it rarely is among other businesses. 20 years ago, VPI members already realized that human rights challenges cannot all be tackled in isolation from wider social and political issues. The VPSHR therefore requires members to understand the root causes and nature of conflicts and its economic, social and political drivers, and to draw on a broad range of sources and perspectives to do so. How exactly this would ensure respect for human rights, however, was never clarified. It has been clarified now and we are looking forward contributing to the development of practical guidance this year.
- ✓ The VPI strategy's focus on maximising impact through joint and cross-pillar action is fully in line with the UNGP's call for companies to increase their leverage by collaborating with other actors. Positive impacts on drivers of conflict at the society-wide level typically requires action is undertaken by a consortia of businesses together with other actors. The complex challenges of respecting human rights in violent environments can usually not be tackled well at the project level and by solitary operating companies. We are keen to see how this will be picked up by the in-country working groups.
- ✓ Because key concerns that we expressed in our 2018 annual report have been addressed, PAX has decided to continue its membership and is pleased to serve on the Steering Committee for another year.