

APPENDIX 2 – PARTICIPATION CRITERIA

INITIATIVE OF THE VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS

PARTICIPATION CRITERIA

Participants

- Governments
- Companies
- Non-Governmental Organizations

Overview

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

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

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

Voluntary Principles Participation Criteria

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

To facilitate the goals of the Voluntary Principles and encourage full and open dialogue, Participants confirm that all proceedings of the Voluntary Principles process are on a nonattribution and non-quotation basis and no distribution of documents to non-Participants is

permitted except as required by valid legal process or otherwise required by law.¹

All Participants are expected to meet the following criteria:

1. Publicly promote the Voluntary Principles;
2. Proactively implement or assist in the implementation of the Voluntary Principles;
3. Attend the Annual Plenary Meeting and, as appropriate and commensurate with resource constraints, other sanctioned extraordinary and in-country meetings;
4. Communicate publicly, at least annually, on efforts to implement or assist in the implementation of the Voluntary Principles;
5. Prepare and submit to the Steering Committee, within the period between January 1 and February 28, an Annual Report on efforts to implement or assist in the implementation of the Voluntary Principles according to criteria determined by the Participants;
6. Participate in dialogue with other Voluntary Principles Participants;
7. Subject to legal, confidentiality, safety, and operational concerns, provide timely responses to reasonable requests for information from other Participants with the aim of facilitating comprehensive understanding of the issues related to implementation or assistance in implementation of the Voluntary Principles.

Dispute Resolution Process:

- Pursuant to their participation in the Voluntary Principles Initiative, Participants may raise concerns in good faith regarding another Participant's sustained lack of efforts to implement or assist in implementing the Voluntary Principles.²
- Before raising concerns to the Steering Committee, Participants should seek first to resolve any concerns through dialogue conducted directly and in good faith with another Participant.

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

² Guidance on the expectations for Participants may be found in each Pillar's Roles and Responsibilities document.

- In raising concerns with regard to another Participant's activities, the ultimate goal should be to strengthen, through constructive engagement, individual and collective efforts to implement or assist in implementing the Voluntary Principles and to ensure the integrity of the Voluntary Principles Initiative.

Submitting a Grievance to the Steering Committee

- The process for considering and resolving such grievances is as follows:
 - If dialogue conducted directly and in good faith between Participants fails to result in an acceptable resolution, a Participant may submit its concerns to the Steering Committee. A written statement of the concerns should be submitted to the Steering Committee through the Secretariat.
 - The Steering Committee is to immediately notify the Participant(s) about whom concerns have been raised in the written submission that a grievance has been formally submitted. The Participant(s) are to be given the option of providing a written response within thirty (30) days. This response should be submitted to the Steering Committee or the Secretariat. A copy is to then be provided to the Participant who filed the grievance.
 - Documents submitted and prepared as part of the grievance process are to be maintained by the Secretariat. Any Participant in the Voluntary Principles Initiative may request to review these documents, subject to the provision that all documents are subject to the requirement of confidentiality set forth in this document.
 - At its discretion, the Steering Committee may choose to invite representatives of the Participants involved in the grievance process to participate in a Steering Committee meeting for the purposes of clarifying Participants' concerns and/or ensuring that those concerns are based on reliable information and raised in good faith. The Participants are not to otherwise participate in decisions by the Steering Committee regarding appropriate actions under this grievance process.
 - If a grievance is raised by, or about, a Participant that is a member of the Steering Committee, that Participant is not to participate in discussion of, or decision-making regarding, the grievance except as detailed above.

If determined by the Steering Committee that the concerns raised by a Participant are based on reliable information and that the Voluntary Principles Initiative would be strengthened by further consultations, the matter is to be referred to the Secretariat within sixty (60) days of its submission to the Steering Committee. In the event concerns are raised about more than one Participant, the decisions with respect to each Participant are to be reached separately.

Formal Consultations by the Secretariat

- Upon referral by the Steering Committee, the Secretariat is to facilitate formal consultations between the Participants directly involved in a specific grievance, subject to the requirement of confidentiality set forth in this document and any other conditions as established by the Steering Committee or as agreed upon by the involved Participants.
 - If one or more Participants in the grievance process have reason to believe that a party other than the Secretariat should facilitate the consultation, they should raise that concern with the Steering Committee. The Steering Committee should either recommend steps to mitigate the expressed concern or direct the Participants to work to identify and agree on a third party facilitator. If the Participants cannot agree on a facilitator, the Steering Committee is to identify an appropriate third party, in consultation with the parties.
- These formal consultations are expected to take no longer than six (6) months, absent agreement by the Participants directly involved.
- The Secretariat is to work with the Participants to develop a written consultation plan which may include: the specific issues to be addressed during the consultations; a schedule for meetings (by phone or in person); the identities of the representatives of each Participant who are to participate in the meetings; mutual expectations on the duration of the consultation; and an understanding regarding whether individuals or organizations that are not parties to the grievance are to be allowed to participate in the consultation process.
 - If the involved Participants are unable to agree on any aspect of a consultation plan, the matter may be referred back to the Steering Committee for its recommendation on how to proceed.
- A copy of the consultation plan is to be provided to the Steering Committee and the Secretariat is to provide regular updates to the Steering Committee on the consultation

process. If requested by the Steering Committee, and as appropriate, the Secretariat is to also produce a final report summarizing the consultation process and its outcomes.

- If the Participants are able to reach a resolution, a document regarding that resolution is to be drafted and presented to the Steering Committee in a timely manner. The Steering Committee is to maintain a copy of the document and check in periodically in an effort to ensure that the Participants are following through with any commitments that they have made.
- Unless one of the Participant involved in the consultation objects, the Corporate and/or Government Pillar members directly involved in the grievance process are expected to pay for the Secretariat and/or third-party facilitator services required. If a Participant objects, the Steering Committee will work with the Participants to identify appropriate sources of funding.

Presentation to, and Determination by, the Plenary

- To the extent desired by one or more of the Participants directly involved in a grievance process, and irrespective of the outcome of the consultation process, Participant(s) may present the matter to the Plenary at the following Annual or Extraordinary Plenary Meeting.
 - A Participant may present the matter to the Plenary without the express approval of the other Participant(s) involved in the grievance process. Whether or not approval is provided, the Participant presenting the matter to the Plenary should endeavor to provide the other Participant(s) involved in the process with a copy of the presentation to be made at least two weeks before the presentation.
- The Plenary is to decide what, if any, further action is appropriate to strengthen and/or support implementation of the Voluntary Principles, and protect the integrity of the Voluntary Principles Initiative. In the event concerns are raised about more than one Participant, the decisions with respect to each Participant are to be reached separately.
 - Plenary decision-making is to be made pursuant to Section III, Paragraph 3(a)2.
 - Plenary determinations on further action(s) to be taken by Participants, and the expected time frames within which such actions should be taken, are to be memorialized in writing. The Secretariat is to prepare and provide appropriate

documentation of the Plenary's determination for the Participants and the Steering Committee within two weeks after the determination has been made.

- While the Plenary has wide discretion to consider appropriate actions, among those the Plenary may consider are whether a Participant should be declared inactive or expelled from the Initiative.
 - A decision to declare a Participant inactive will have an effect consistent with Section XII(c).
- If the Plenary decides to expel a Participant, the Participant may reapply for membership in the Voluntary Principles Initiative after twelve (12) months, pursuant to the process through which new Participants are admitted. A Participant that is expelled is to be removed from the Voluntary Principles Initiative website.

Status Review following Plenary Decision

- Following a Plenary decision, one or more of the interested Participants may request that the Steering Committee conduct a status review of a Participant's efforts to implement the Plenary's identified actions.
 - If the Steering Committee determines that a Participant has materially failed to implement the identified actions over a reasonable time period, the Plenary may declare the Participant inactive at an Annual or Extraordinary Plenary Meeting.
- A Participant declared inactive by the Plenary may request a review to determine whether some or all of the actions identified by the Plenary have been fulfilled or completed. The Steering Committee, at its own discretion, may also initiate this review. The Steering Committee is to report back to the Plenary on its conclusions regarding any review that is undertaken, for further decisions by the Plenary as appropriate.
- If a Participant has been inactive for a period of twenty-four (24) months, the Plenary may conduct a status review to determine whether a decision should be made to expel the Participant or whether any alternative action should be taken.

Note on Disputes

- To facilitate the goals of the Voluntary Principles and to encourage full and open dialogue, Participants acknowledge that implementation of the Principles is continuously evolving and affirm that the Voluntary Principles do not create legally binding standards and participation

in, communications concerning, and alleged failures to abide by the Voluntary Principles are not to be used to support a claim in any legal or administrative proceeding against a Participant. This does not preclude any Participant from criticizing the conduct of any other Participant, publicly or privately, subject to the requirement of confidentiality set forth in this document.