

*APPENDIX 5.1 – REPORTING GUIDELINES FOR THE CORPORATE PILLAR*

**INITIATIVE OF THE VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS**

***CORPORATE PILLAR REPORTING GUIDELINES***

**I. INTRODUCTION**

The Participation Criteria of the Initiative of the Voluntary Principles on Security and Human Rights (“Voluntary Principles Initiative”) sets forth each 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 annually to the Plenary on its efforts to implement, and/or assist in the implementation of, the Voluntary Principles.

The purpose of the 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 (iii) provide a consistent framework for reporting on the verification process identified in respective verification frameworks, and (iv) 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 set forth below shall be followed by each member of the Corporate Pillar for the first report it submits, and each report submitted every three years thereafter (each, a “Full Report”). During the interim years, each member of the Corporate Pillar shall be required to submit a report (each, an “Update Report”) which shall incorporate by reference its previous Full Report and provide updates, if any, with respect to any of the sections set out below.

**II. CORPORATE PILLAR REPORTING GUIDELINES**

The Corporate Pillar Reporting Guidelines are divided into five sections:

- (A) Commitment to the Voluntary Principles;
- (B) Policies, Procedures and Related Activities;
- (C) Country Implementation;
- (D) Lessons and Issues; and
- (E) Engaged Company Progress on Implementation

Sections A-C set forth expected reporting commitments and Section D is optional. Section E is applicable solely to Engaged Companies.

Note that some of the Reporting Guidelines call for a description of company processes, while others call for examples, often of the processes in practice. In addition, some of the Reporting Guidelines may call for overlapping or related material, which may appropriately be combined by companies in their reports. Further, for some of the Reporting Guidelines, there are detailed Guidance Notes, which align with or are otherwise related to the Guidance on Certain Roles and Responsibilities of Companies; while these Guidance Notes are optional, robust and fulsome annual reports will take due consideration of them, and seek to incorporate them where applicable and appropriate. The Reporting Guidelines also contain cross-references to relevant UN Guiding Principles on Business and Human Rights, which may further inform the substance or manner in which information is reported.

Finally, in addition to the information expressly identified in the Reporting Guidelines, the Corporate Pillar Verification Framework specifically provides that companies that have opted in to the Framework will select organizationally appropriate performance indicators and include the review assessment process in annual reports to the Plenary consistent with these Reporting Guidelines. The Guidance Notes suggest that this content appear in connection with Reporting Guideline 13, and that companies include information related to the results or outcomes of those assessments.

### III. REPORTING CONTENT

Please note that pursuant to Section I above, a Full Report is required to be submitted only once every three years. In all other years, an Update Report is required.

#### IMPORTANT EXPLANATORY NOTE:

- For a Full Report, your submission should address in detail the matters set forth in the table below.
- For an Update Report, your submission should only address each section of the table to the extent there has been a material change since your last submission. If there has been no material change, no response is required. Engaging in routine activities or making non-significant changes to documents or processes need not be reported in an Update Report.

#### A. Commitment to the Voluntary Principles

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
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1	Public Statement of commitment or endorsement of the Voluntary Principles, engagement in the Voluntary Principles Initiative, and transparency. <sup>22</sup>	<p>Public Statement of Commitment or Endorsement of the Voluntary Principles:</p> <ul style="list-style-type: none"> <li>□ Describe senior management’s understanding of and commitment to the Voluntary Principles</li> <li>□ Describe (or provide publicly available link to) company policy statement on the Voluntary Principles</li> <li>□ Describe how public commitment was developed, human rights are addressed in commitment, and dissemination of the commitment (including in location of operations).</li> </ul> <p>Engagement in the VPI:</p> <ul style="list-style-type: none"> <li>□ Describe company efforts to abide by the Governance Rules</li> </ul>
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<sup>22</sup> Cross-Reference to Roles & Responsibilities documents, Verification Frameworks, and U.N. Guiding Principles: Commitment to the guidelines of the VPI, and Engagement in the VPI; UNGP 16(a), 21

		<ul style="list-style-type: none"> <li>□ Identify participation at Annual and Extraordinary Plenary Meetings</li> <li>□ Describe participation in Pillar Meetings, Working Groups, in-country meetings, and dialogue with other Participants</li> <li>□ Describe promotion of cross-pillar implementation to support implementation of the Voluntary Principles</li> <li>□ Describe work undertaken to maintain the Voluntary Principles as a leading multi-stakeholder initiative, aligned with international norms and best practice in the field of business and human rights</li> <li>□ Confirm commitment to provide timely responses to reasonable requests for information from other Participants in order to facilitate greater understanding of issues related to the implementation of the Voluntary Principles and include examples of collaboration.</li> </ul> <p>Transparency:</p> <ul style="list-style-type: none"> <li>□ Describe public communication efforts to implement or assist in the implementation of the Voluntary Principles and mechanism for communicating statement of commitment publicly.</li> <li>□ Describe publication of Voluntary Principles reports</li> </ul>
2	Examples of promoting awareness of the Voluntary Principles throughout the organization or government, including within the value chain. <sup>23</sup>	<ul style="list-style-type: none"> <li>□ Describe processes or efforts to promote the Voluntary Principles with contractors and sub-contractors.</li> <li>□ Describe efforts to promote the Voluntary Principles with host governments and authorities (national, state and local).</li> </ul>
3	Examples of promoting and advancing implementation of the Voluntary Principles internationally. <sup>24</sup>	<p>In addition to examples, consider content that:</p> <ul style="list-style-type: none"> <li>□ Describes efforts to promote the Voluntary Principles at international fora.</li> <li>□ Describes efforts to promote the Voluntary Principles in external industry fora/associations.</li> </ul>

<sup>23</sup> Outreach to Internal Stakeholders; UNGP 16(d)

<sup>24</sup> Outreach to External Stakeholders

		<ul style="list-style-type: none"> <li>□ Describes efforts to work with civil society organizations, local NGOs and partners to promote and understand the Voluntary Principles.</li> <li>□ Describes efforts to engage with local communities to promote and understand the Voluntary Principles.</li> <li>□ Describes participation in dialogue with fellow Participants and external stakeholders around the VPI, implementation and experience.</li> </ul>
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### B. Policies, Procedures, and Related Activities

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
4	Relevant policies, procedures, and/or guidelines (or any changes thereto from the previous reporting year) to implement the Voluntary Principles.	<p>At a Corporate level:</p> <ul style="list-style-type: none"> <li>□ Describe how the Voluntary Principles are incorporated into company policy framework and business practices.</li> <li>□ Describes processes or efforts to maximize employee awareness of the Voluntary Principles and their capacity to implement them, including through training workshops, the provision of guidance, and sharing best practices.</li> <li>□ Describes the substantive content of trainings, including, if appropriate, examples of trainings.</li> </ul> <p>At Local level:</p> <ul style="list-style-type: none"> <li>□ Describe process for informing General Manager and local security lead employees on the corporate policy on the Voluntary Principles. Describe supporting implementation and guidance documents/tools for on-the-ground operations that have been developed.</li> </ul>
Risk Assessment		
5	Company procedure to conduct security and human rights risk assessments, and integrate findings.	<ul style="list-style-type: none"> <li>□ Describe the risk assessment process used, according to the criteria in the Voluntary Principles, and how the findings are integrated into management systems. The criteria in the Voluntary Principles are: risk identification, the potential for violence, human rights record for private and/or public security</li> </ul>

		<p>providers, a rule of law analysis, conflict analysis, and equipment transfer.</p> <ul style="list-style-type: none"> <li>□ Describe who has reviewed the risk assessment in the company (e.g., General Manger, Local Security Manager, Community Relations Manager, etc.).</li> <li>□ Mindful of legitimate and evident company concerns (such as confidentiality, safety, legal, or political concerns, or local community impacts), consider including outcomes on the result of assessment activities (at individual sites or aggregated).</li> </ul>
Engagements with Security Forces		
6	Company procedure or mechanism to report security-related incidents with human rights implications by public/private security forces relating to the company's activities	<ul style="list-style-type: none"> <li>□ Describe the company process for recording and reporting credible allegations of security-related incidents with human rights implications by public security forces (in areas of operation related to company activities) to appropriate host government authorities and, where appropriate, urging investigation and that actions be taken to prevent reoccurrence.</li> <li>□ Describe the company process for actively monitoring the status of public security investigation status, including pressing for their proper resolution</li> <li>□ Describe the process for supporting efforts by states and civil society organizations to strengthen state institutions to ensure accountability and respect for human rights</li> <li>□ Mindful of legitimate and evident company concerns (such as confidentiality, safety, legal, or political concerns, or local community impacts),, describe relevant outcomes of security-related incidents with human rights implications reported to authorities, the monitoring and resolution of reported concerns (in individual instances, at individual sites, or on an aggregated basis).</li> </ul>

7	Company procedure to consider the Voluntary Principles in entering into relations with private security providers	<ul style="list-style-type: none"> <li>□ Describe the process for vetting, managing sourcing, contracting, service delivery, and other interactions with private security providers, so that they are conducted in accordance with the Voluntary Principles.</li> <li>□ Describe international guidance consulted or referenced (e.g., ICoC) in entering into relations with private security providers.</li> <li>□ Describe training for private security providers.</li> </ul>
8	Company procedure or mechanism to investigate and remediate security related incidents with human rights implications by public/private security forces relating to the company’s activities	<ul style="list-style-type: none"> <li>□ Describe the company’s grievance process for responding to and remediating adverse impacts.</li> <li>□ Describe existing company process designed to cooperate through legitimate processes in responding to and remediating adverse impacts which have been identified as being caused by or contributed to by the company's actions.</li> <li>□ Mindful of legitimate and evident company concerns (such as confidentiality, safety, legal, or political concerns, or local community impacts),, consider reporting specific examples or aggregated descriptions of outcomes on how human rights incidents that have been addressed.</li> </ul>

### C. Country Implementation

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
9	Overview of country operations selected for reporting.	<ul style="list-style-type: none"> <li>□ For more fulsome and robust reports, select different sites than in the prior reporting year, where applicable. Include any notable changes from the previous reporting year if, however, the same country is being reported this year.</li> <li>□ Consider whether it is appropriate to provide a report on those countries included within the assessment contemplated by the Corporate Pillar Verification Framework, and as contained in the Guidance Notes for Reporting Guideline 13.</li> </ul>

10	Engagements with stakeholders on country implementation <sup>25</sup>	<ul style="list-style-type: none"> <li>□ Describe efforts to identify local stakeholders.</li> <li>□ Describe efforts to consult and encourage engagement with host governments, including public security agencies, and local communities about company security arrangements.</li> <li>□ If appropriate, consider including the substance of those engagements.</li> </ul>
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 <sup>26</sup>	<p>In addition to including outcomes of efforts and procedures to include the Voluntary Principles in engaging with private security and public security, consider content that:</p> <ul style="list-style-type: none"> <li>□ Describes processes and efforts to manage interactions with public security providers in accordance with the Voluntary Principles and, when feasible, include references to the Voluntary Principles in agreements for the provision of public security.</li> <li>□ Describes efforts or processes to avoid the use of individuals who are credibly implicated in human rights abuses to provide public security services.</li> <li>□ Describes efforts or processes to take appropriate measures to encourage use of force only when strictly necessary and to an extent proportional to the threat, and that the rights of individuals are not violated</li> <li>□ Mindful of confidentiality, safety, and other considerations, reflect outcomes on the results of any efforts undertaken; these may include, for example, MOUs that have been entered with public security, instances where individuals credibly implicated in human rights abuses have been excluded, and analyses on proportional use of force by public security.</li> </ul>
12	Examples of supporting outreach, education, and/or training of (i) relevant personnel, (ii) private	<ul style="list-style-type: none"> <li>□ Describe awareness raising activities with local civil society and public and private security.</li> <li>□ If appropriate, include or attach any substantive materials related to those outreach, education, or</li> </ul>

<sup>25</sup> Accountability; UNGP 18

<sup>26</sup> Public Security Engagement; UNGP 13 Commentary

	security, (iii) public security, and/or (iv) civil society (e.g. local NGOs, community groups)	training efforts, including training materials, white papers, or presentations.
13	Company procedure to review progress on implementing the Voluntary Principles at local facilities <sup>27</sup>	<ul style="list-style-type: none"> <li>□ Describe indicators and relevant processes that have been developed to assess and address the company's implementation of the Voluntary Principles at relevant locations (e.g., facility, country, regional, etc.).</li> <li>□ If opting out of the Corporate Pillar Verification Framework, so indicate.</li> <li>□ If opting in, per the Corporate Pillar Verification Framework, categories to be considered in key performance indicators are: Participant Commitments, Risk Assessment, Public Security, Private Security, Process to Manage Allegations, and Engagement with Stakeholders.</li> <li>□ The sites included for assessment should include a reasonably representative sample, which may involve the inclusion of a proportional number of problem locations and lower risk ones. Mindful of legitimate and evident company concerns (such as confidentiality, safety, legal, or political concerns, or local community impacts), outcomes on the result of the assessment may be appropriate to include.</li> </ul>

D. Lessons and Issues

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
14	Lessons or issues from this reporting year, as well as plans or opportunities to advance the Voluntary	<ul style="list-style-type: none"> <li>□ Describe lessons learned (including through implementation of the verification framework), action plans to implement the Voluntary Principles in the upcoming year, and/or new initiatives or</li> </ul>

<sup>27</sup> Corporate Pillar Verification Framework; UNGP 17, 20 Commentary. Reporting Guideline 13 is a logical location to include the mandatory content from the Corporate Pillar Verification Framework, and the Guidance Notes reflect that fact.

	Principles for the organization.	programs related to the Voluntary Principles in the upcoming year.
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E. Engaged Company Progress on Implementation

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
15	Engaged Company's progress report on the Roles and Responsibilities of Companies	<p>□ Describe the Engaged Company's progress on meeting the requirements of the Roles and Responsibilities of Companies document. If applicable, such progress report shall include a discussion of why certain requirements of the Roles &amp; Responsibilities of Companies document have not been implemented and a timeline by which they will be implemented. To the extent an Engaged Company believes it cannot implement a requirement in the Roles &amp; Responsibilities of Companies document, it shall explain such belief.</p>
16	Engaged Company's use of Voluntary Principles tools	<p>□ Provide a high-level report on its adoption and use of various Voluntary Principles tools (set out in Annex C hereof), including, if applicable, an explanation of those that are not suitable for the Engaged Company's needs.</p> <p>The tools include, without limitation:</p> <ul style="list-style-type: none"> <li>• Statement by Voluntary Principles Participants on Memoranda of Understanding Between Companies and State Security Forces</li> <li>• Model Clauses for Agreements Between Government Security Forces and Companies With Respect to Security and Human rights</li> <li>• Implementation of the Voluntary Principles - Information for Companies</li> <li>• Voluntary Principles on Security and Human Rights Training Course</li> </ul>