



Government of Australia

Voluntary Principles Initiative on Security and Human Rights Update Report 2020

(Australia published its last full annual report, covering activity year 2018, in March 2019.)

A. Commitment to the Voluntary Principles

The Australian government believes the protection and promotion of human rights is vital to global efforts to achieve lasting peace and security, and freedom and dignity for all. Australia's commitment to human rights reflects our national values and is an underlying principle of Australia's engagement with the international community.

As a nation endowed with natural resources, Australia is committed to an open, ethical and sustainable global extractives industry. It is this commitment that drives our engagement in the Voluntary Principles on Security and Human Rights Initiative (VPI).

The Department of Foreign Affairs and Trade (DFAT) represents Australia within the VPI.

Seven Australian-based companies are also VPI members, representing operations in fifteen countries across four regions.

Australia chaired the VPI from April 2020 to March 2021.

B. Policies, Laws and Regulations

The Australian government strongly encourages businesses to adhere to human rights and responsible business standards at home and abroad.

Mechanisms through which the government advocates for, and enforces, these standards internationally include:

- Australia's landmark *Modern Slavery Act 2018*, which requires businesses to report annually on their actions to address modern slavery, including in supply chains;
- Australia's leadership within the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime;
- the Australian OECD Guidelines for Multinational Enterprises National Contact Point which provides conciliation services to resolve complaints against Australian companies operating overseas; and
- our commitment to various international voluntary initiatives, codes of conduct and guidelines, including the Kimberley Process Certification Scheme, the OECD's

extractive sector due diligence guidelines, the International Code of Conduct for Private Security Service Providers and the Voluntary Principles (VPs).

During 2020, in the wake of COVID-19, the Australian government released new guidelines on actions companies should take to reduce the exposure of vulnerable workers to modern slavery due to the pandemic.

C. Promotion and Implementation

Related activity through the Australian aid program

The Australian government funds several programs aimed at assisting partner countries in strengthening their responsible natural resource governance. These include the:

- Extractive Industries Transparency Initiative;
- World Bank Extractives Global Programmatic Support Trust Fund;
- International Monetary Fund Managing Natural Resources Wealth Trust Fund;
- and
- Transparency International-Australia's work in international extractives governance through the Accountable Mining program.

The Australian government further partners with the Global Compact Network of Australia in its efforts to support Australian companies implement the Network's ten universal principles on human rights, labour, the environment and anti-corruption. Australia is also an advocate for the Global Reporting Initiative's Sustainability Reporting Standards.

Activity specific to the VPI

The Australian government chaired the VPI for the first time in 2020, after becoming a full initiative member in 2016. Australia contributed to the marking of the initiative's 20th Anniversary, including moderating a session on the VPI during the Asia Pacific Responsible Business and Human Rights Forum. Throughout the year, Australia led the Initiative's governance body (the Steering Committee) actively supporting policy development, decision-making and consensus-building. At country-level, Australian Embassy/High Commission officials participated in VPI In-Country Working Groups also supporting local outreach.

During 2020, the Australian government continued to engage with Australian companies in building a community of practice on the VPs. Department of Foreign Affairs and Trade officials also engaged with Australian NGOs to support their work in business, human rights and humanitarian law.

D. Lessons Learned

COVID-19 presented major challenges for implementing the VPs in 2020. Several planned Australian outreach activities were unable to proceed due to travel restrictions and the need for both government and company partners to prioritise other more immediate pandemic response activity. Nevertheless, important policy

development proceeded during Australia's chair, including a new framework for enhanced country-level engagement.

At country-level, the pandemic highlighted the value of having a conflict prevention element to the VPs, particularly given temporary operation shut and slow-downs and associated health and safety issues for employees and communities. Australia was pleased to support this focus in the VPI's 2020-21 workplan. The initiative's developing conflict prevention tool will be a focus during the 2021 plenary meeting under Australia's chair.

As with other international organisations, Australia considers that promotion of the VPs would benefit from having regional forums and meetings. This would facilitate the full participation of members and countries from the Indo-Pacific region and support the sharing of information and best practices within similar markets.