

APPENDIX 2 – PARTICIPATION AND ACCOUNTABILITY CRITERIA

INITIATIVE OF THE VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS

PARTICIPATION AND ACCOUNTABILITY CRITERIA

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SECTION 1: OVERVIEW

Participants

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Overview

At the 2007 Annual Plenary Meeting in Washington DC, the Participation Criteria were formally adopted. The document, now the Participation and Accountability Criteria, articulate the responsibilities of current and future members of the Voluntary Principles Initiative; it is anticipated that the Participation and Accountability 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 and Accountability 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 and Accountability 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 set out in Sections 2, 3, or 4 hereof, as applicable;
6. Prepare and present a Verification Presentation regarding a member's operations, successes and challenges in implementation of the Voluntary Principles in accordance with the criteria set out in Section 5 hereof.
7. Participate in dialogue with other Voluntary Principles Participants;
8. 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.

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 and Accountability Criteria

SECTION 2: CORPORATE PILLAR REPORTING GUIDELINES

I. INTRODUCTION

Each Participant in the Voluntary Principles Initiative is required to report annually to the Plenary on its efforts to implement, and/or assist in the implementation of, the Voluntary Principles. Such report is submitted to the Secretariat to be posted on the password-protected portion of the Voluntary Principles website, and, if the Participant so chooses, on the public Voluntary Principles website.

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.

Corporate Participants have the option of submitting a copy of their annual report to be posted on the Voluntary Principles public website. The version submitted for public release may be modified from the version submitted to the Voluntary Principles Initiative in advance of the Annual Plenary Meeting. Corporate Participants may use a consistent framework for their public reports.

The Secretariat will include in the annual summary public report, on a no-name basis, a description of key issues raised in the annual reports. This report will be posted on the Voluntary Principles website. Prior to publication, the draft public report will be distributed to all Participants for agreement and sign-off.

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.

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, you must indicate this. For the avoidance of doubt, routine activities and non-significant changes to documents or processes do not constitute a material change.

A. Commitment to the Voluntary Principles

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
1	Public Statement of commitment or endorsement of the Voluntary Principles, engagement in the Voluntary Principles Initiative, and transparency. ²	<p>Public Statement of Commitment or Endorsement of the Voluntary Principles:</p> <ul style="list-style-type: none"> □ Describe senior management’s understanding of and commitment to the Voluntary Principles □ Describe (or provide publicly available link to) company policy statement on the Voluntary Principles □ Describe how public commitment was developed, human rights are addressed in commitment, and dissemination of the commitment (including in location of operations). <p>Engagement in the VPI:</p> <ul style="list-style-type: none"> □ Describe company efforts to abide by the Governance Rules □ Identify participation at Annual and Extraordinary Plenary Meetings □ Describe participation in Pillar Meetings, Working Groups, in-country meetings, and dialogue with other Participants □ Describe promotion of cross-pillar implementation to support implementation of the Voluntary Principles □ 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 □ 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. <p>Transparency:</p> <ul style="list-style-type: none"> □ Describe public communication efforts to implement or assist in the implementation of the Voluntary Principles and mechanism for communicating statement of commitment publicly. □ Describe publication of Voluntary Principles reports

² 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

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
2	Examples of promoting awareness of the Voluntary Principles throughout the organization or government, including within the value chain. ³	<ul style="list-style-type: none"> □ Describe processes or efforts to promote the Voluntary Principles with contractors and sub-contractors. □ Describe efforts to promote the Voluntary Principles with host governments and authorities (national, state and local).
3	Examples of promoting and advancing implementation of the Voluntary Principles internationally. ⁴	<ul style="list-style-type: none"> □ Describes efforts to work with civil society organizations, local NGOs and partners to promote and understand the Voluntary Principles. □ Describes efforts to engage with local communities to promote and understand the Voluntary Principles. □ Describes participation in dialogue with fellow Participants and external stakeholders around the VPI, implementation and experience.

³ Outreach to Internal Stakeholders; UNGP 16(d)

⁴ Outreach to External Stakeholders

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"> □ Describe how the Voluntary Principles are incorporated into company policy framework and business practices. □ 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. □ Describes the substantive content of trainings, including, if appropriate, examples of trainings. <p>At Local level:</p> <ul style="list-style-type: none"> □ 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.
Risk Assessment		
5	Company procedure to conduct security and human rights risk assessments, and integrate findings.	<ul style="list-style-type: none"> □ 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 providers, a rule of law analysis, conflict analysis, and equipment transfer. □ Describe who has reviewed the risk assessment in the company (e.g., General Manger, Local Security Manager, Community Relations Manager, etc.). □ 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).

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
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"> □ 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. □ Describe the company process for actively monitoring the status of public security investigation status, including pressing for their proper resolution □ Describe the process for supporting efforts by states and civil society organizations to strengthen state institutions to ensure accountability and respect for human rights □ 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).
7	Company procedure to consider the Voluntary Principles in entering into relations with private security providers	<ul style="list-style-type: none"> □ 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. □ Describe international guidance consulted or referenced (e.g., ICoC) in entering into relations with private security providers. □ Describe training for private security providers.

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
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"> □ Describe the company’s grievance process for responding to and remediating adverse impacts. □ 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. □ 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.

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"> □ 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. □ Consider whether it is appropriate to provide a report on those countries included within the assessment, and as contained in the Guidance Notes for Reporting Guideline 13.
10	Engagements with stakeholders on country implementation ⁵	<ul style="list-style-type: none"> □ Describe efforts to identify local stakeholders. □ Describe efforts to consult and encourage engagement with host governments, including public security agencies, and local communities about company security arrangements. □ If appropriate, consider including the substance of those engagements.

⁵ Accountability; UNGP 18

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
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 ⁶	<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"> □ 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. □ Describes efforts or processes to avoid the use of individuals who are credibly implicated in human rights abuses to provide public security services. □ 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 □ 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.
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)	<ul style="list-style-type: none"> □ Describe awareness raising activities with local civil society and public and private security. □ If appropriate, include or attach any substantive materials related to those outreach, education, or training efforts, including training materials, white papers, or presentations.

⁶ Public Security Engagement; UNGP 13 Commentary

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
13	Company procedure to review progress on implementing the Voluntary Principles at local facilities ⁷	<ul style="list-style-type: none"> □ 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.). □ 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.

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 Principles for the organization.	<ul style="list-style-type: none"> □ Describe lessons learned, action plans to implement the Voluntary Principles in the upcoming year, and/or new initiatives or programs related to the Voluntary Principles in the upcoming year.

⁷ 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.

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 & 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 & 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. The tools include, without limitation:</p> <ul style="list-style-type: none"> • Statement by Voluntary Principles Participants on Memoranda of Understanding Between Companies and State Security Forces • Model Clauses for Agreements Between Government Security Forces and Companies With Respect to Security and Human rights • Implementation of the Voluntary Principles - Information for Companies • Voluntary Principles on Security and Human Rights Training Course

SECTION 3: GOVERNMENT PILLAR REPORTING GUIDELINES

I. INTRODUCTION

Each Participant in the Voluntary Principles Initiative is required to report annually to the Plenary on its efforts to implement, and/or assist in the implementation of, the Voluntary Principles. Such report is submitted to the Secretariat to be posted on the password-protected portion of the Voluntary Principles website, and, if the Participant so chooses, on the public Voluntary Principles website.

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 Government 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 Government 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.

Government Participants have the option of submitting a copy of their annual report to be posted on the Voluntary Principles public website. The version submitted for public release may be modified from the version submitted to the Voluntary Principles Initiative in advance of the Annual Plenary Meeting. Government Participants may use a consistent framework for their public reports. Government Participants also make national plans public on the Voluntary Principles website.

The Secretariat will include in the annual summary public report, on a no-name basis, a description of key issues raised in the annual reports. This report will be posted on the Voluntary Principles website. Prior to publication, the draft public report will be distributed to all Participants for agreement and sign-off.

II. GOVERNMENT PILLAR REPORTING GUIDELINES

The Government Pillar reporting guidelines are divided into four sections: (A) Commitment to the Voluntary Principles; (B) Domestic Policies, Laws, and Regulations; (C) Promotion and Implementation and; (D) Lessons Learned. Sections A-C set forth expected reporting commitments and Section D is optional.

Note that, for some of the reporting guidelines, there are detailed Guidance Notes, which align with or are otherwise related to the Roles and Responsibilities of Governments documents; 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.

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, you must indicate this. For the avoidance of doubt, routine activities and non-significant changes to documents or processes do not constitute a material change.

A. Commitment to the Voluntary Principles

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
1	Statement of commitment or endorsement of the Voluntary Principles.	
2	Statement of commitment to implement National Plan(s) (where applicable) and progress on its implementation.	<input type="checkbox"/> Describe progress on the execution of National Voluntary Principles Action Plan

B. Domestic Policies, Laws, and Regulations

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
3	As related to the Voluntary Principles, describe relevant policies, legislation, procedures, and/or guidelines relevant to promoting and protecting human rights, consistent with international human rights obligations.	This section could include a description of: <ul style="list-style-type: none"> <input type="checkbox"/> how the government abides by its obligation under international human rights law and international humanitarian law, as related to the Voluntary Principles
4	Within the context of the Voluntary Principles and in accordance with national and international law, describe how the government takes appropriate steps to prevent, investigate, punish and redress human rights abuses within its territory and/or jurisdiction by third parties, including extractive companies and public and private security providers.	This section could include a description of: <ul style="list-style-type: none"> <input type="checkbox"/> policies, legislation, regulations, and adjudication; <input type="checkbox"/> security sector reform <input type="checkbox"/> The provision of adequate and effective training for local prosecuting authority and the judiciary; and

C. Promotion and Implementation

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
Promotion of the VPI		
5	Describe how the government publicly communicates its commitment to the Voluntary Principles (e.g., speeches, statements, publicly available reports, conferences, presentations and statements made in multilateral and bilateral forums).	
6	Describe how the government conducts outreach to, and awareness-raising activities with, NGOs, extractive companies, and governments (e.g., build understanding and support for the Voluntary Principles such as through in-country stakeholder meetings) to encourage them to implement the Voluntary Principles and/or join the Voluntary Principles Initiative. Suggest including country specific examples.	<ul style="list-style-type: none"> □ This can include country-specific examples involving the work of embassies
7	Describe how the government promotes the Voluntary Principles within its own government (coordination within and among different government agencies and ministries, as well as with Embassies, etc).	
Implementation of the VPs - General		
8	Describe government engagement in the VPI, including when the government last did a verification presentation, points raised during the peer review about the government, and how the government has responded	<p>This section could also include:</p> <ul style="list-style-type: none"> □ A description of engagement through meetings, open discussions, working groups, dialogue with participants, as well as project-level and plenary-level sharing of information.

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
9	Describe how the government works with companies, communities, and civil society organizations on Voluntary Principles implementation.	<p>This section could also include:</p> <ul style="list-style-type: none"> □ A description of VPs-related project work undertaken by or funded by the government, including how that project work has helped to advance the implementation and use of the VPs. □ How the government promotes local stakeholder engagement and help to identify risks for violence, including sexual violence □ How the government promotes and enables VPI implementation tools (ex. vetting of private and public security; training; risk assessment; and off-shore drilling) and VPI- affiliated implementation tools (ex. Implementation Guidance Training; DCAF/ICRC knowledge hub; auditing tools; IFC Good Practice Handbook; Child Rights and Security Checklist)
Implementation of the VPs – Risk Assessments		
10	Describe how the Government engages with companies on issues related to company risk assessment.	<p>This section could include a description of how the government:</p> <ul style="list-style-type: none"> □ Engages with companies to help them identify, prevent, and mitigate the human rights risks of their security arrangements; □ Shares security risk information with □ companies, other governments, and civil society

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
Implementation of the VPs – Public and Private Security		
11	Describe how the Government engages with companies around engagement with public and private security forces.	<p>This section could include a description of:</p> <ul style="list-style-type: none"> □ How the government promotes and allows for adequate and effective training for public security providers and/or private security providers, including on international human rights law, international humanitarian law, local, and national laws, and international law enforcement principles. □ How the government cooperates, as appropriate, with companies in developing a human rights record of their private and/or public security providers and their employees. □ How the government has included Voluntary Principles language in agreements between companies and public security providers, if applicable.

D. Lessons and Issues

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
12	To help determine what best practices and lessons learned can be leveraged going forward, provide a summary of issues from this reporting year, as well as plans or opportunities to advance the Voluntary Principles for the government.	<ul style="list-style-type: none"> □ Successful/unsuccessful efforts towards engagement and implementation □ from lessons learnt any changes to future priorities; plans for continued or emerging opportunities

SECTION 4: NGO PILLAR REPORTING GUIDELINES

I. INTRODUCTION

Each Participant in the Voluntary Principles Initiative is required to report annually to the Plenary on its efforts to implement, and/or assist in the implementation of, the Voluntary Principles. Such report is submitted to the Secretariat to be posted on the password-protected portion of the Voluntary Principles website, and, if the Participant so chooses, on the public Voluntary Principles website.

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 NGO 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 NGO 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.

NGO Participants have the option of submitting a copy of their annual report to be posted on the Voluntary Principles public website. The version submitted for public release may be modified from the version submitted to the Voluntary Principles Initiative in advance of the Annual Plenary Meeting. NGO Participants may use a consistent framework for their public reports.

The Secretariat will include in the annual summary public report, on a no-name basis, a description of key issues raised in the annual reports. This report will be posted on the Voluntary Principles website. Prior to publication, the draft public report will be distributed to all Participants for agreement and sign-off.

II. NGO PILLAR REPORTING GUIDELINES

The NGO Pillar reporting guidelines are divided into five sections:

- (A) Commitment to the Voluntary Principles;
- (B) Procedures;
- (C) Promotion of the Voluntary Principles;
- (D) Country Implementation; and
- (E) Lessons and Issues.

Sections A-E set forth expected reporting commitments and Section E is optional.

Note that, for some of the reporting guidelines, there are detailed Guidance Notes. 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.

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 to the extent there has been a material change since your last submission. If there has been no material change, you must indicate this. For the avoidance of doubt, routine activities and non-significant changes to documents or processes do not constitute a material change.

A. Commitment to the Voluntary Principles

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
1	Describe how you have engaged in the Voluntary Principles Initiative over the past year.	<u>Examples:</u> Participate in Pillar calls, working groups, Steering Committee, etc.
2	Describe efforts to increase transparency, both internally and externally, regarding your efforts to implement or support implementation of the Voluntary Principles.	<u>Examples:</u> Internal and external public reports, promoting greater transparency of the Voluntary Principles Initiative as a whole, information on your website, etc.
3	Describe any efforts to engage in dialogue with other participants of the Voluntary Principles Initiative.	<u>Examples:</u> Bilateral dialogue between members, hosting ad hoc calls to discuss specific issues, bringing together stakeholders

B. Procedures

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
4	Provide a summary of the findings of the verification process	<p>This section could include a description of:</p> <ul style="list-style-type: none"> <input type="checkbox"/> how the NGO updates Participants on implementation support via annual reports and periodic presentations, including how the NGO participates in open discussions and peer review of implementation; and <input type="checkbox"/> any progress on points raised during peer review at the Annual Plenary Meeting or during a call/meeting held by the Verification Working Group.

C. Promotion of the Voluntary Principles

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
5	Describe your efforts to raise awareness of and promote understanding of the Voluntary Principles with both internal and external stakeholders.	<input type="checkbox"/> Describe examples of successful engagement.
6	Describe efforts to engage and facilitate participation of non-member CSOs, affected communities, and other relevant stakeholders in the Annual Plenary Meeting or workshops.	
7	Describe your efforts to promote the adoption of the Voluntary Principles into relevant government or corporate policies, as well as international standards and/or guidelines.	

D. Country Implementation

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
8	Describe efforts to strengthen the rule of law in the countries where you work.	
9	Describe efforts to conduct and monitor risk assessments for potential human rights violations in the areas where you work.	
10	Describe your efforts to strengthen policies, procedures and guidelines related to the implementation of the Voluntary Principles.	
11	Describe your efforts to engage with or support engagement with the public security sectors and/or private security sectors in the countries where you work.	
12	Describe efforts to hold Voluntary Principles participants accountable for upholding their roles and responsibilities as members of the Voluntary Principles Initiative.	

E. Lessons and Issues

	<u>Reporting Guidelines</u>	<u>Guidance Notes</u>
13	Lessons or issues from this reporting year, as well as plans or opportunities to advance the Voluntary Principles for the organization	

SECTION 5: Guidance on Making a Voluntary Principles Verification Presentation

Overview

Pursuant to a motion adopted at the 2015 Annual Plenary Meeting in London, all Participants in all three Pillars are required to make a presentation that provides verification of a Participant's efforts to implement the Voluntary Principles.

Participants provide their presentations in accordance with the schedule developed by the Secretariat and approved by the Steering Committee.

Generally speaking, the verification presentations give focus to how a Participant's protocols, procedures, and policies reflect efforts to implement the Voluntary Principles. The verification presentations also offer Participants with an opportunity to provide the Plenary with a closer window into specific regions and operations that can highlight successes and/or challenges with implementation of the Voluntary Principles. The verification presentations allow Participants to exchange information, identify best practices, and potentially coordinate to improve implementation efforts at specific extractives locations and to strengthen adherence to the Voluntary Principles writ large.

Content

Many of the Participants that have presented to date have chosen to focus on a specific aspect of their implementation efforts, either by exploring their human rights- and security-related policies and procedures as implementing globally or by looking at their policies and approach to human rights and security at a specific location in a specific region.

In some instances, a Participant's presentation provides a comparison of two or three operations spread across one or several regions, and use that cross-comparison to contextualize the Participant's broader implementation efforts and challenges that have arisen from implementation across several settings.

Overall, the verification presentations were originally designed to provide Participants with flexibility regarding the substance of their presentations.

Some suggested topics include:

- Experiences implementing the VPs at organizational and operational levels, including challenges and successes
- Experiences with measuring performance and sustainment of VP processes (including KPIs, risk assessments, etc.)
- Examples of stakeholder, community, and host government engagement
- Experiences with implementation of the Roles and Responsibilities documents
- Experiences with internal/external reporting and the challenges and successes in driving

performance

- Case studies of assurance processes specific to particular operational sites
- Case studies of implementation of assurance processes at an organizational level
- Challenges or successes in implementing the Voluntary Principles
- Engagement with public and private security forces to implement the Voluntary Principles
- Efforts to use the Voluntary Principles to positively address issues with forced labor, modern slavery, child labor and children's rights, and gender-based violence in the context of extractives operations.

Presenters are requested to keep introductory remarks that provide background on the Participant, its history, and its business to a minimum except to the extent such remarks are directly relevant to the issues that will be discussed in the presentation.

While the presentations are a great opportunity for knowledge sharing and discussion of best practices, they are, at the core, an accountability mechanism. As such, they must provide an opportunity for VPI members to assess the presenter's ongoing compliance with the Voluntary Principles.

Format

Each presenter should share its presentation with the Secretariat no later than fourteen (14) business days prior to the presentation date. The Secretariat shall review and share comments and suggestions for improvement, which the presenter may choose to incorporate at its discretion.

Presentations should be 45-60 minutes in total, consisting of a 15-20 minute presentation, followed by 10-15 minutes of responses to peer-review input from two reviewers, and up to 30 minutes of open Q&A (with priority given to peer reviewers for follow-up comments/questions).

A Participant's Verification presentation is followed by a "peer review" session conducted by two other Participants, who can ask clarifying questions and provide additional comments on the content of the presentation. Participant's answers to these questions and comments should also inform the Participant's future Voluntary Principles annual reports.

Peer review will be conducted by at least two volunteer Participants, at least one of which must be from another Pillar. Peer reviewers will be given an advance version of the presentation at least seven (7) days prior to the presentation date. This will provide the reviewers and opportunity to prepare questions, comments, and suggestions during the presentation.

Thus far, most Participants have selected to provide this information as a set of PowerPoint slides and to provide further detail in their oral presentation of the slides. An ideal verification presentation is about 10-15 slides and provides clear and concise information on a specific operation(s) and general policies that serve as examples for the steps the Participant has taken to advance the implementation of the Voluntary Principles (see above for suggested topics).

The best presentations tend to use the slides only as way to guide the discussion provided by the

presenter. Presentations where the presenter essentially reads from the slides are considered less effective and engaging.

Additionally, the password-protected section of the Voluntary Principles website contains all the verification presentations that presenting Participants have agreed to share, under the “View Documents” tab. Presenting Participants are also encouraged to review the Guidance on Making a Voluntary Principles Verification Presentation for their respective Pillar to procure further guidance and background.

The Secretariat will create a standard form that will incorporate the questions from reviewers and other participants that could not be asked during the session. The presenter will have 14 days from receipt of the questions to provide the answers. The Secretariat will then consolidate the questions and responses and post the resulting document. The resulting document will be subject to the same confidentiality terms as the presentation itself.

If applicable, the Secretariat will collect any recommendations received from participants and provide them to the presenter no later than one month after the Verification Presentation.

SECTION 6: DISPUTE RESOLUTION PROCESS

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.⁸
- 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.
- 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.

⁸ Guidance on the expectations for Participants may be found in each Pillar’s Roles and Responsibilities document.

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.