

2023

Annual Reports Highlights

Voluntary Principles Initiative

Membership Implementation of the Voluntary Principles on
Security and Human Rights — VPSHR

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Preface

This short Annual Reports Highlights provides an overview of the efforts by the Members of the Voluntary Principles Initiative (VPI) to implement the Voluntary Principles on Security and Human Rights (VPSHR) during the 2023 calendar year. In doing so, the report compiles key insights and themes from NGO, Government, and Corporate Reports to highlight best practices, key lessons learned and progress in Members' implementation of the VPSHR.

As in previous years, the sharing of implementation and outreach activities undertaken by Members throughout 2023 provides an opportunity to observe the contribution of the VPSHR at the local, regional, and international levels. This Annual Reports Highlights reflects the submission of 41 reports from VPI Members: 27 companies, 9 NGOs, and 5 Governments.



SECURITY

Strengthening Implementation in Challenging Times

During the year of 2023, businesses continued to operate in an increasingly volatile, uncertain world, where the security risks are evolving. Key emerging themes included social activism, international criminal enterprise, global terrorism, theft, social unrest, artisanal mining, and war. These threats are developing against a backdrop of increasing anti-government sentiment, inequality, and political polarisation across the globe. Therefore, promotion and implementation of the Voluntary Principles on Security and Human Rights continued to be challenging throughout 2023.

Despite these challenges, VPI Members reported on diverse and innovative ways in which they applied and raised awareness of the Voluntary Principles across the globe. They also revealed best practices, lessons learned as well as gaps and strategic opportunities for improving implementation efforts.

Reporting Members have all committed to endorse the Voluntary Principles (VPs) and engage in the Voluntary Principles Initiative; and this is embedded in their corporate policies and practices. All members mentioned that during this year they delivered security and human rights trainings or refreshers to employees, government personnel, and private security. Additionally, they have internal awareness-raising activities focused on security and human rights that are being updated on a regular basis.

VPSHR and other standards are integrated into companies' management systems. VPI considerations are also embedded into certain companies' merger and acquisition processes, where relevant.

Corporate Risk Assessments and Engagement Practices

Corporate Members reported various ways in which they implement risk assessments to anticipate, prevent and address security and human rights risks across their operations. All companies have in place a risk assessment and management toolkit that they implement.

Some companies conduct interviews with key external stakeholders such as local government officials, local police, military commanders, private security suppliers and local community leaders to examine the preparedness of security personnel to respond to security and human rights incidents.

Other companies conduct independent third-party risk assessments against the VPs at their high-risk sites at least once every two years and medium risk sites at least once every three years. The frequency of the risk assessment is based on the risk exposure of the site and/or changes in local conditions. These assessments, conducted by third-party

consultants, identify, and prioritize an operation's potential and actual human rights risks and impacts. These assessments use direct input from a diverse cross-section of internal and external rights-holders. Such assessments support continuous improvement of their management systems through testing their effectiveness in identifying and addressing potential, actual and perceived human rights and security risks and impacts.

As an example, among the security-related risks identified in one of the company's assessments were: (1) public or private security use of excessive force, causing harm to community members as they respond to security events; and (2) public security suppressing non-violent protests and expressions of views by community members and prosecuting protestors.

To reduce risks, all the companies emphasized on the importance of maintaining a good relationship with the local community. Therefore, security and community assessments are conducted to understand risks and potential conflicts that their operations posed or might pose to surrounding communities. Good community relationships built on trust and where the companies do no harm, will have a positive impact on security. Also, these assessments allow the company to understand how preexisting social conflict(s) within the community can impact the way in which risk is anticipated and addressed by the company.

Contracting local community members was identified by several Corporate Members as a way to maintain positive relationships with local stakeholders. One Member stated that as part of their company's contract with a new private security contractor, there was a requirement to hire personnel directly from local communities. For this Member, the selection of security forces from villages surrounding the company's operations has yielded a positive response from local stakeholders.

Security managers from a certain site are advised to visit other sites and share best practices. It is an opportunity to learn from each other. This has proved to be valuable as many of the security teams operate in complex environments with similar challenges related, for example, to artisanal mining, local crime and violence, or trespassing. A risk assessment action plan is developed afterwards to track mitigation activities for each risk. These plans include details about the company's commitments, resources, and milestones. The risk assessment action plan includes assigned responsibilities and deadlines for each action.

Corporate Security and Human Rights Policies and Procedures

The VPs are directly incorporated into or referenced in most if not all VPI member companies' human rights policies. Security and human rights are incorporated into

companies' Codes of Conduct. In one example, company mentioned that their employees are required to certify their compliance with the Code of Conduct on a biennial basis. Companies may also elaborate expectations in a separate human rights guide, which also clarifies and further explains how to apply the expected behaviors defined by those policies into employees' daily routine.

Additionally, one of the companies mentioned that they are reviewing their Supplier Code of Conduct to strengthen their due diligence mechanisms to ensure that values and commitments towards human rights are also covered by all their business partners.

All companies' contracts with private security must include acceptance and implementation of the VPs and related international law enforcement principles. Once contracted, security providers must demonstrate that security guards have undergone background checks and received training on security and human rights.

Security and Human Rights Training by Corporate Members

All the companies which submitted their report for 2023 promoted awareness on their security and human rights policies through in-person and online trainings. One company reported that these trainings (and refresher trainings) are mandatory for all employees. Additionally, many companies train security contractors, outsourced employees, community members, and public officials.

One of the best practices that a company reported was the importance of adding scenarios and including real videos and examples regarding the VPSHR, when conducting a training. This has led to improved awareness on security and human rights issues.

Additionally, promoting VPSHR in joint ventures is important. Corporate members are sharing their knowledge and resources about managing security and human rights in their industry. They are sharing their VPSHR tools and training materials and applying them in new joint ventures.

Engagement with Public Security

As a best practice, many corporate members develop and sign a Memorandum of Understanding (MoU) with public security forces especially in areas of high risk, where the involvement of public security forces is needed, based on risk and feasibility. Ideally, the MoU details the level of service provided and the expectations of legal conformity to national and international laws and regulations. The MoU includes a commitment by both

parties to the VPSHR. The MoU also details all the needed training on the VPs and human rights provided to the officers who are assigned to a site.

Even if an MoU was not signed, most companies reported conducting workshops and trainings to government officials.

Additionally, companies use their influence and leverage where possible to promote the adherence to international humanitarian law by host governments.

Engagement with Private Security

Pursuant to the VPs, private security contractors should adhere to local and international laws and best practices. In 2023, companies provided reporting on numerous best practices in this area.

Many companies include contractual provisions requiring human rights compliance. In some cases, there may be specific human rights clauses included in the contract, which require suppliers to respect human rights in line with the Universal Declaration of Human Rights, report any human rights violations in their operations, and cooperate with human rights audits if deemed necessary. In other cases, all contractors and suppliers, including private security companies are required to respect human rights as stated in the companies' policy documents such as a supplier Code of Conduct, which incorporates the VPs.

Companies are also performing stronger due diligence in procuring private security contractors. For example, one company reported that it requires the contractor to provide a list of candidates one week in advance of assigning them to site so that the company can check their background and to ensure they comply with the site's policies and procedures and with international law enforcement principles, and to outline training requirements related to human rights and the use of force. This companies' contracts with private security providers document duties, training requirements and the provision of equipment, and aligns with local legal requirements, the VPSHRs and the International Code of Conduct for Private Security Services Providers. Another company mentioned that the contracts are required to set out the use of force continuum, taking into consideration the requirement for the security provider to develop standard operating procedures and incident response protocols in line with the company's expectations and the VPSHRs.

Corporate Grievance Mechanisms

The UNGPs recommend that business enterprises establish or participate in effective operational-level grievance mechanisms for individuals and communities which may be adversely impacted by company operations.

Most VPI Members reporting have a grievance mechanism in place, either internally implemented, or sometimes through a third-party provider. Many operations have a site-specific grievance mechanism aimed at facilitating a timely, culturally appropriate investigation and response to grievances raised by community members. Reporting can occur through a company registry, an independent whistle blower service, human resources or any staff member. Some companies also have a feedback mechanism to provide a transparent way to record, report and monitor the handling of any security-related incidents with human rights implications by public/private security forces operating on any site. Complaints can be raised anonymously, and one of the companies mentioned that its mechanism has been designed to protect stakeholders from fear of reprisal or repercussions.

A Corporate Member noted that where there are Indigenous Peoples within the area of influence of our operations, these grievance mechanisms need to be designed to be culturally appropriate, including consideration of customary practices, traditions, gender roles, decision making, and language, to ensure that all voices have the opportunity to be heard, and to serve as an effective remedy for conflicts and disputes.

To ensure continuous improvement, a corporate member noted that in addition to their complaints and grievance mechanisms, they operate a whistleblowing programme to enable their employees, contractors, and business partners as well as other stakeholders to report any breach of their Code of Conduct, Policies or the law.

As part of their continuous improvement efforts around effective community grievance mechanisms, one of the Companies set a target to develop a root-cause analysis methodology to understand the underlying drivers of complaints and grievances. They aimed to learn from community grievances to reduce and eliminate repeat issues. In 2022, they piloted the complaint-root-cause analysis at 10 of their operating sites. In 2023, they integrated the methodology into their management systems by establishing a procedure for determining root cause, enabling users to enter a root cause in their online complaint module, and entering the outcomes of the 2022 pilot assessments in the online module to track corrective actions. Finally, they created a lessons learned memo based on the learning from the pilot tests to help guide users. In 2024, each site will be expected to implement the new standard and begin conducting root-cause analysis for repeat grievances. In 2023, zero human rights allegations were lodged against private or public security personnel operating in or near their sites.

Corporate Auditing and Assurance Processes

More than 50% of the Corporate Members reported using auditing and assurance processes to strengthen their VPs implementation efforts.

In addition to internal audit procedures or assurance process, many Corporate Members also utilized third-party assessments, especially in high and medium risk sites, to assess their level of compliance with the VPs and develop action plans to further advance their efforts.

Findings from audit reports allow companies to develop action plans for improving policies and procedures aligned with international guidelines, industry best practices, and Voluntary Principles standards. For example, a corporate member noted that because of the results of the audit process, they undertook a cross functional review of their Human Rights Framework and Human Rights. And as a result of this, they are in the process of developing an updated Human Rights Framework and Policy, which they will launch during 2024. This will support their internal alignment, and make sure that they are complying with international best practices relating to security and human rights.

Companies' Community Engagement

Most of the Companies aim to foster sustainable development in host communities. They encourage meaningful and effective community engagement throughout the life cycle of a mining operation and recognize the importance of involving communities in the promotion and understanding of the Voluntary Principles. They recognise that good community relationships built on trust and where they do no harm, will have a positive impact on security.

For example, one corporate member mentioned that in collaborating with communities, they have made progress with the establishment of community policing forums, comprising local law and order authorities, local communities, and other representatives from civil society.

Another Company has conducted dialogue and consultation sessions with communities close to its operations. The company has maintained open and transparent communication with communities, addressing concerns and encouraging participation. To work hand in hand with the communities of the areas of influence where it operates is of utmost importance to this Company, so relationships are based on an empathetic attitude towards the environment and a careful monitoring of policies on engagement with shareholders and sustainability.

Another Company wanted to have direct relationships with all the communities near their sites, particularly the Indigenous communities. Accordingly, they established a program to allow all the communities to have a two-sided communication pursuant to which community members could easily reach out to the Company. This allowed the Company to engage with all communities, including vulnerable groups, while also creating initiatives to mitigate any possible negative effects its operations may cause. This has allowed the communities to express their concerns and discuss them with the Team members at each site.

Companies' Best Practices

Many companies described some of their best practices for the year 2023:

Collaborative Security Model: one of the Corporate Members worked on a case study to exploring a Collaborative Security Model on of their mines. It was an opportunity to delve into a remarkable security collaboration model that involves community policing, local law enforcement, in-house security, and private security services. This collaborative model not only safeguards the mine's operations but also enhances the well-being and prosperity of the surrounding communities.

Standalone VPSHR module on Gender and Vulnerable Groups: based on the commitment of one of the Companies to include a gender and vulnerable-groups sensitive approach within their security processes, procedures, and training as a crucial step to promote equity, inclusivity and effectiveness, Company Security developed a standalone VPSHR module on Gender and Vulnerable Groups. Training plays a key role in this process by raising awareness, developing skills, challenging biases, and promoting behavioural change among security actors. Their approach incorporated interactive exercises like crosswords, flashcards, and identification games by associating articles, activities or even role to a specific gender. This created opportunities for reflection, discussion allowing attendees to engage actively by challenging, and deconstructing stereotypes to foster understanding.

Working with Security Managers from other organizations: one of the Companies mentioned that in countries where there are no In-Country Working Groups, their site Security Managers liaise with Security Managers from other companies to discuss security and human rights related challenges and risks to share general information and to discuss issues related to security and human rights.

Companies' Future Plans

All the companies mentioned that they are committed in strengthening the implementation of the Voluntary Principles in future years. They will continue to actively

engage and seek opportunities to advance understanding of security and human rights throughout their organizations, and to promote respect for human rights in the countries in which they operate.

Some companies presented more details:

- Update the training content to ensure that it is adapted to the company's operations context.
- Update social and human rights impact and risk assessments, building on feedback from the context reviews.
- Strengthening the approach to cross-Functional working and sharing, to identify opportunities to improve monitoring, evaluation and reporting.
- Improve the engagement with external stakeholders to raise awareness of and manage security and human right risks.
- One corporate member recognized that the task of promoting the Voluntary Principles is challenging with certain government institutions and public security forces that may be reluctant or unwilling to engage. Therefore, they are working on engaging with their industry peers and Voluntary Principles members in 2024 to address this challenge and adopt practices that have proved to be successful elsewhere.
- Some companies highlighted the importance of the continued collaboration with civil society organizations, local NGOs and strategic partners, which enriches commitments to the Voluntary Principles and perspectives and strategies to address challenges.

Key Insights from the Government Pillar

Government Members reported on various engagement and outreach activities with host-state governments, international meetings and workshops, public statements, clients of private security providers and activities to support VPs implementation across jurisdictions. Various Government Members stated that, throughout 2023, they expressed commitment to the VPI through public statements, bilateral consultations, and policy dialogues. Several Government Members noted that their National Action Plans on Business and Human Rights include explicit reference to the VPs. In 2023, they also continued to be actively engaged in the ICWGs.

Governments mentioned that they continued to support the VPs through their diplomatic missions to strengthen in-country implementation. They helped in facilitating VPs outreach and implementation through various mechanisms, including, but not limited to: assessing which VPI participants were operating in country; identifying and building relationships with host government officials and local partners; convening multi-stakeholder meetings with VPI participants, local communities, and host government officials; and supporting In-Country Working Groups.

The changing landscape in which contracting companies and private security companies operate highlights the need to further strengthen links across multi-stakeholder initiatives and organisations operating in this space. Therefore, the governments highlighted the importance and value in working collaboratively with international and local partners. They encourage further collaboration between governments, companies and civil society as many of the challenges the sector faces can only be met by collective action to ensure activity translates into positive change.

Lessons learned mentioned by the Government members:

- There are opportunities to continue streamlining the governance structure of the VPI and to seek greater efficiency, particularly with regard to administrative matters.
- There are opportunities to continue to further advance gender equality and inclusion dimensions within the VPs.
- In the context of human rights due diligence legislation being developed in various jurisdictions, there are opportunities to promote and further discuss the benefits of a balanced approach that combines mandatory and voluntary measures.

Key Insights from the NGO Pillar

Members of the VPI's NGO pillar outlined various ways in which they engaged with government, companies, and communities to promote the adoption and implementation of the VPs. NGOs are promoting VPSHR through its direct implementation activities, lectures and panel discussions, workshops, trainings, awareness raising, and outreach activities. They are also promoting the VPSHR with companies who are not VPI members.

One of the NGOs engaged with other participants of the VPI to better understand challenges and lessons learned. A major pillar of this engagement was the Human Rights & Business Roundtable (HRBRT). The HRBRT served as a resource for corporations, NGOs, and governments to work and learn together to promote human rights, good corporate practices, and sustainable development. Through these dialogues, the participants publicly highlighted their practices upholding the values of the VPSHR. Furthermore, the Human Rights and Business Roundtable space allowed audience members to connect directly with corporations, civil society, and government officials to hold them accountable.

Another NGO, along with different partners, prepared a Directory to monitor, create visibility, document, issue alerts and report on attacks, reprisals and killing of Human Rights Defenders across West Africa.

Some NGOs trained some companies' staff, private security personnel and government security forces on the VPs. This collaboration has helped these corporations to avoid incidences of human rights violations.

The major challenge that is being faced by the NGOs is the lack of financial resources to implement the VPs. They are all committed to the VPs and are documenting the human rights violations in communities by public security and private security forces of multinational corporations but cannot implement the activities that they desire to respond to these violations in the absence of financial support.