



Managing Relationships with Security Providers; a Practical Approach

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Presentation Overview

1. Context and ramifications
2. The existing guidelines
3. The Voluntary Principles
4. Weaknesses in the existing framework
5. Satisfying civil society
6. Measuring performance
7. Third-party audits

1. Context & Ramifications

- Corporate actors require robust physical security arrangements, most especially in high risk sectors
- Perimeter security is invariably provided by a PSC
- Additionally, *de facto* and *de jure* arrangements are often entered into with State security forces
- PSCs and most especially State security forces acting on behalf of corporate actors occasionally threaten local communities whilst concomitantly exposing corporations to legal, financial and reputational risk
- Consider Hudbay, African Barrick Gold, Barrick Gold, Shell, Talisman, Danzer, Freeport, Tahoe and others

2. Existing Guidelines

Standards and codes have emerged in response to the risk of human–rights violations, not least:

- *Guiding Principles on Business and Human Rights*
- *International Code of Conduct for Private Security Service Providers*
- *Voluntary Principles on Security and Human Rights*

3. Voluntary Principles

Objective:

[To] Guide companies in maintaining the safety and security of their operations within an operating framework that encourages respect for human rights

Three components:

- i. Risk assessments
- ii. Interaction between companies and public security
- iii. Interaction between companies and private security

4. Weaknesses

Does membership of the Voluntary Principles mitigate human-rights risk and satisfy public-sector as well as non-governmental critics of corporate activities?

NO

Companies must measure and demonstrate their compliance

5. Satisfying Civil Society

- ▶ *‘We believe that independent assurance – as a condition of membership – is essential to building and maintaining the credibility of the VPs and strongly encourage members to push for its adoption’*

Statement of Oxfam America regarding their decision in 2013 to quit the Voluntary Principles Initiative

- ▶ *‘We need to keep looking for ways to build trust (and) verify implementation’*

Dr Sarah Sewall, Under Secretary of State for Civilian Security, Democracy and Human Rights, 2103 US Government Annual Report on VPs

6. Measuring Performance: KPIs



The Voluntary Principles on
Security and Human Rights

**AUDIT PROTOCOL TO
ASSESS COMPLIANCE WITH
KEY PERFORMANCE
INDICATORS**



7. Third Party Audits

- Third party audits and assurance are well established in most areas of business, not in the realm of security and human-rights
- The most credible way to demonstrate compliance
- The requirement for truly independent auditors is key
- Corporates can move proactively without amendment of the Voluntary Principles

Questions / Comments



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