2021 Company Self-Assessment: Key findings

Executive Summary

The 2021 Company Self Assessment (CSA) is the third annual CSA completed by the International Code of Conduct for Private Security Service Providers Association (ICoCA or the Association). It is a mandatory requirement[1] for all ICoCA member and affiliate companies to file an annual CSA with ICoCA, the oversight mechanism for the Code.

The CSA is a critical tool for ICoCA to understand levels of compliance with the Code by ICoCA member and affiliate companies. Looking exclusively at human rights indicators, it allows ICoCA to fully understand where member and affiliate companies are doing well and where improvements are required. This information is used internally, helping to sharpen ICoCA's focus, and also used with each company to provide feedback on areas of improvement. This report provides the key findings from the 2021 CSA.

The 2021 CSA provided clear insights into how ICoCA member and affiliate companies are complying with the International Code of Conduct. In many areas, ICoCA is seeing full implementation by companies of the requirements of the Code. On a number of other issues improvements can be made, notably in relation to human rights impact assessments carried out by private security companies. Any gaps identified by ICoCA are addressed directly with companies, often prompting a change in policies and procedures. Although the CSA is a time investment for companies, the tailored feedback was generally valued.

As required by the Code, and as a core part of ICoCA's work, the 2021 CSA reaffirmed the critical nature of this annual exercise as part of ICoCA's monitoring functions, by providing ICoCA greater visibility on company compliance. It enables ICoCA to prioritise its activities in those areas where human rights and humanitarian law understanding and implementation deficits have been identified, thereby reducing human rights risks in private security.

Completion rates

Completion rates for the 2021 CSA were high. Of the 98 member and affiliate companies, only four failed to complete the assessment. All four had announced prior to the launch of the CSA that they would withdraw from ICoCA. Of these companies, one withdrew as a result of changes in their primary operating environment (Afghanistan), another withdrew but has since reapplied to join ICoCA, whilst a further company withdrew because it was no longer operating as a private security company It re-joined ICoCA as an Observer through another entity.
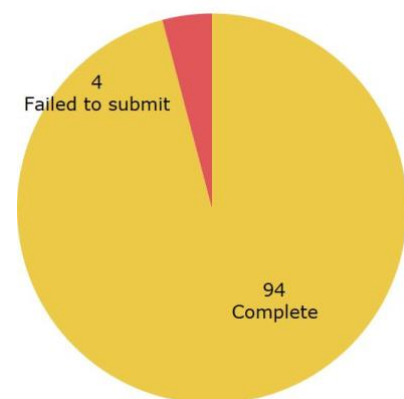
Feedback

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[1] See Section III of the Procedures for Reporting, Monitoring and Assessing Performance and Compliance under Article 12 ('Article 12 procedures'), available at https://icoca.ch/wp-content/uploads/2020/10/Art-12-Procedures.pdf

All companies received detailed feedback on their CSA submissions. Typically, this included 4-8 areas of improvement. Approximately 50% of companies then engaged in constructive conversations after the feedback.

Common areas of feedback included:

- Weak or absent human rights impact assessments (HRIAs). An HRIA (or similar document which assesses the impact on human rights of a company's operations) is required for all ICoCA member companies. ICoCA found that 80% of companies have a process in place to identify potential and adverse human rights impacts. Weak or absent HRIAs were mainly found amongst ICoCA affiliates, however weak HRIAs were identified in a small number of member companies. Confusion remains with some companies on the HRIA process, with the most common incorrect process seeing companies trying to assess human rights impacts through the lens of how this impacts the company. Rather, HRIA's should focus on the impact on 'rights-holders'—typically people in the local community

  Is there a process in place to identify and assess potential and adverse human rights impacts?
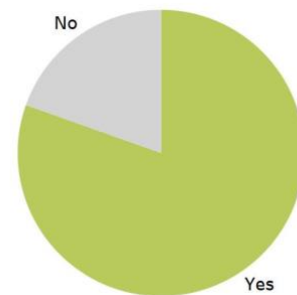
  80% of companies have a process in place which identifies human rights impacts

  whose rights can be violated through actions by private security companies.[2] Other rights-holders exist, including anyone whose rights might be impacted or have been impacted by an operation, including workers, clients, seafarers in maritime operations, etc…. Any person with whom the company interacts is a rights-holder.
  Recommendation: Private security companies should ensure that they have in place a process to identify potential and adverse human rights impacts which stem from their ongoing and proposed activities. The human rights impacts should not be focused on how they impact the company, rather they must concentrate on how they impact rights-holders (who are generally outside of the company).

- Language barriers to grievance mechanisms and other documents. The Code requires companies to have certain policies and procedures in place which cover human rights best practice.[3] Many of these must be accessible[4] to staff, such as a grievance mechanism.[5] However, consideration needs to be given to the language of the documents, ensuring that they can be used and understood by stakeholders—those who might be impacted by a certain

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[2] An HRIA focuses on the impact on people. It assesses and addresses the potential and actual adverse human rights impacts of a private security company operation on rights-holders. For more information on human rights impact assessments, please see ICoCA's Guidance on Human Rights Impact Assessments for Private Security Providers.

[3] To illustrate, companies must have a grievance policy which is accessible to third parties, a statement of human rights, a use of force policy, a bribery and corruption policy, etc….

[4] An accessible policy will be a policy which can be accessed by those who should have access. For instance, if a grievance policy is open to use by third parties in the local community then the policy must be available—typically on a website, or on a noticeboard—and in a language which it can be reasonably assumed that the local community will be able to understand.

[5] For more details on grievance mechanisms, please see ICoCA's manual on Developing and operating fair and accessible company grievance mechanisms that offer effective remedies

activity, have an interest in the activity, or might be able to influence the activity. If stakeholders cannot understand a policy then it has the same effect as the policy not existing. On several occasions companies were found to have good policies and procedures but they were only available in English—not the working language of their guard force or a language which is widely known in the local community. Such an approach limits accessibility to what would otherwise be a strong system.

Recommendation: Private security companies must consider what language(s) is appropriate for stakeholders and then provide communications in this language. Failure to do so greatly undermines any efforts to make policies and procedures available to stakeholders.

- <u>No incident reports received in the last year</u>. The Code requires the adoption of an incident reporting mechanism (para 63). A high number of companies reported receiving no incidents in the previous year, which appears positive and would indicate that few incidents are occurring. However, the absence of incidents across numerous companies may point to the presence of weak incident reporting mechanisms. A more likely explanation for the 'zero incidents' is that the reporting mechanism is not functioning correctly. Perhaps stakeholders are unaware of the mechanism, or incidents are reported but not recorded.

  Recommendation: Private security companies should actively monitor their incident reporting systems, and recognise that zero incidents does not necessarily mean that no incidents are occurring. Particularly in the absence of incidents, companies should review their incident reporting mechanisms to ensure that their systems are robust.

- <u>Selection and vetting procedure not applying to subcontractors</u>. The Code requires that selection and vetting procedures (paras 45-49) must apply to subcontractors (paras 18, 50 and 51). For instance, the Code requires that staff carrying weapons must not have been convicted of a crime such as a battery or corruption. Companies must ensure that subcontractors similarly have such provisions in their hiring practices, yet a significant proportion of member and affiliate companies which use subcontractors do not cover this point.

  Recommendation: Private security companies should recognise—and ensure—that selection and vetting procedures as outlined in the Code apply to subcontractors.

Subcontractors

The use of subcontractors for the provision of security services is uncommon with ICoCA member and affiliate companies. Overall, 82% of companies do not use subcontractors. For those that do, 12% use one to three; 6% use four or more.
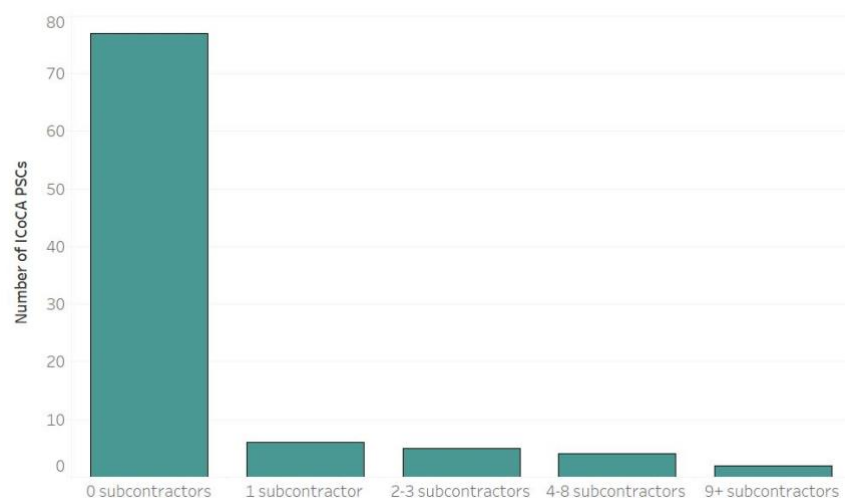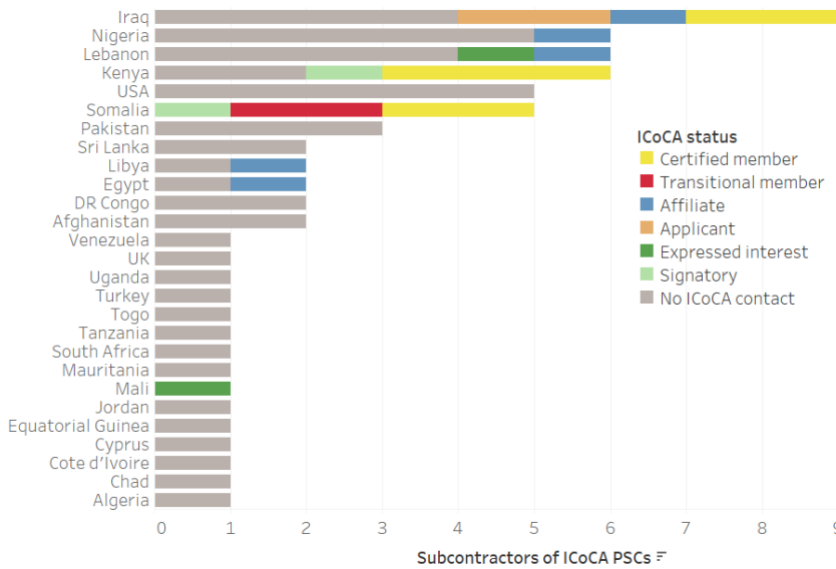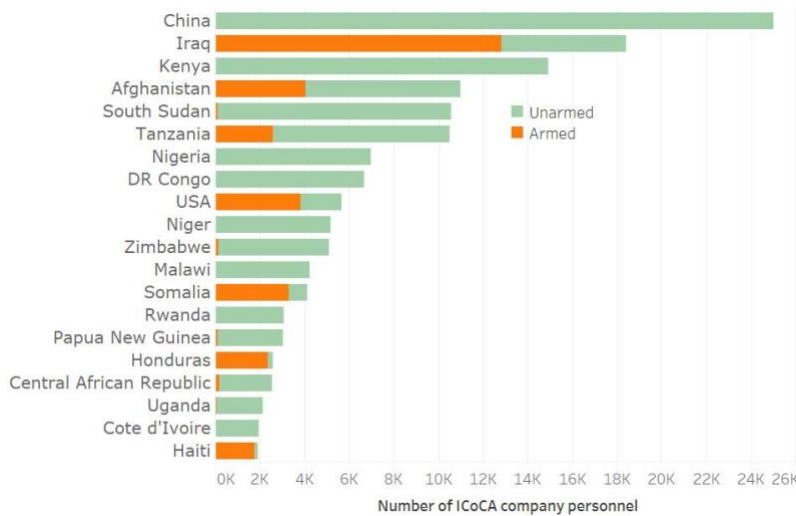
By territory, Iraq has the highest number of subcontractors followed by Nigeria, Lebanon and Kenya.

Whereas 14 subcontractors are existing ICoCA member or affiliate companies, the majority of subcontractors have no links—past or present—to ICoCA.

In maritime security, outside of environments where subcontracting security services to the government's armed forces is required—such as in Nigerian waters in the Gulf of Guinea—few ICoCA member or affiliates companies report subcontracting security services.

Personnel at ICoCA member and affiliate companies

Globally, 82% of guards working for ICoCA member and affiliate companies are unarmed. 18% are armed.[6] Iraq has the highest number of armed personnel, followed by the USA and Somalia. China has the largest number of staff working for ICoCA member and affiliate companies. (To note, several CSA responses were received prior to the change of government in Afghanistan. Although a limited number of ICoCA member and affiliate companies continue to operate in Afghanistan, the current number of staff—both armed and unarmed—is lower than what was reported on the CSA, and what is shown in the chart).

Human rights commitment

All ICoCA member and affiliate companies have in place a policy which includes a commitment to human rights. Of these, 91% directly reference ICoCA or the Code in this policy. ICoCA recommends

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[6] Small Arms Survey, in partnership with ICoCA undertook research (published in 2022) to investigate the challenges managing weapons, ammunition, and weapons training and to develop a series of indicators to assess Code compliance. More details, including the indicators, can be found here.

that all companies make this commitment publicly available, of which slightly over half of all companies do. This commitment should include appropriate references to ICoCA and the Code.

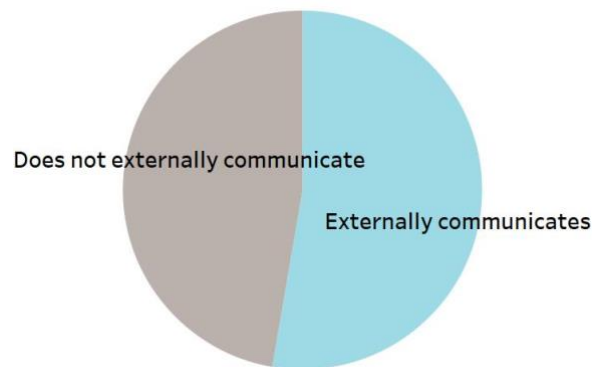ICoCA PSCs with human rights policies which reference ICoCA or the Code

ICoCA PSCs with publicly available codes of conduct
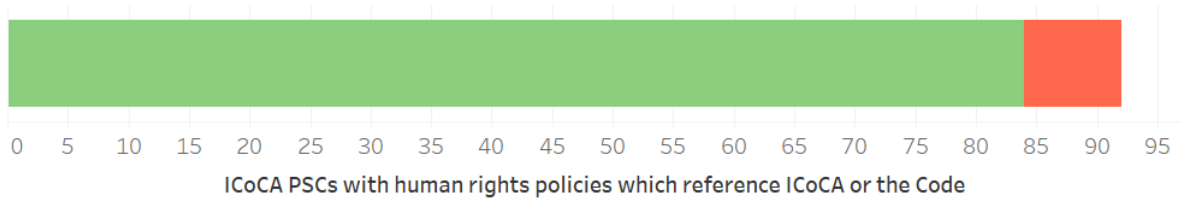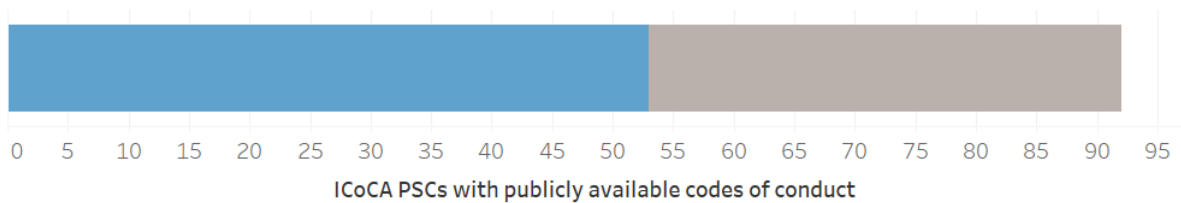
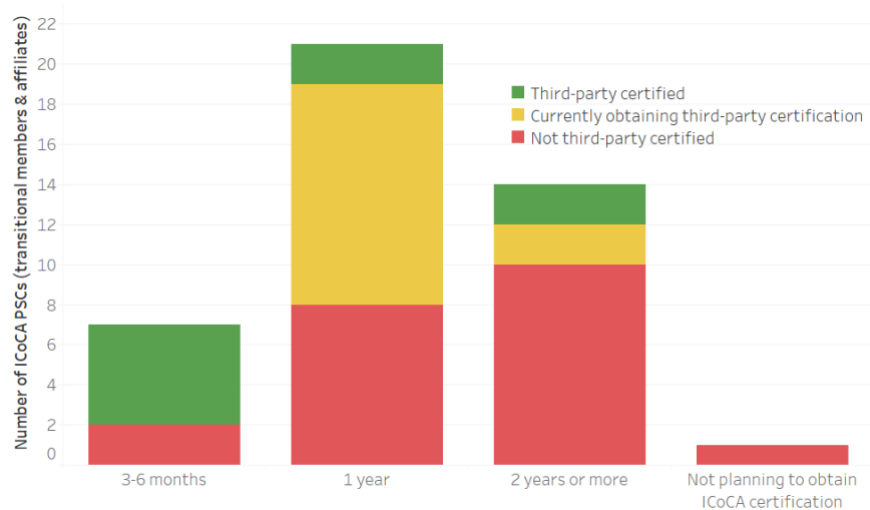## External communications on human rights impacts

As per ICoCA guidance, and in-line with the United Nations Guiding Principles on Business and Human Rights (UNGPs), companies should communicate externally on how potential and adverse human rights impacts are identified and addressed.[7] The full HRIA need not be published, but a summary of the process and recommendations is advised. In total, 55% of companies communicate on their HRIA process. ICoCA recommends that all companies undertake this step.

Obtaining ICoCA certification

Of the 43 ICoCA transitional members and affiliates which completed the CSA, all but one intends to become ICoCA certified. Nine are already externally certified by a third-party with 13 actively pursuing such certification. Growth in the number of ICoCA certified members is expected. ICoCA certification is the highest level within ICoCA, representing the gold standard in responsible security provision with companies having completed ICoCA's rigorous checks on human rights due diligence.

Conclusion

Completion of the annual CSA is a requirement for ICoCA member and affiliate companies. Its goal is to provide a genuine assessment on the status of companies in implementing and maintaining compliance with the Code. As a tool, the CSA is successful. The answers received were assessed by ICoCA to be broadly accurate, this then provided ICoCA with a firm understanding of where compliance with the Code is strong, and where it is weak.

The main recommendations are as follows:

1. Private security companies must ensure that they have in place a process to identify potential and adverse human rights impacts which stem from their ongoing and proposed activities.
2. Private security companies must consider what language(s) is appropriate for stakeholders and then communicate with their stakeholders in this language.
3. Private security companies should actively monitor their incident reporting systems, and recognise that zero incidents do not necessarily mean that no incidents are occurring.
4. Private security companies should ensure that selection and vetting procedures as outlined in the Code apply to subcontractors.

Published guidance from ICoCA will provide more information for companies on these areas, particularly the manuals on _Developing and operating fair and accessible company grievance mechanisms that offer effective remedies_ and the _Guidance on Human Rights Impact Assessments for Private Security Providers_. An additional set of _Guidelines for Private Security Providers on Preventing and Addressing Sexual Exploitation and Abuse_ is also available.

These insights then help to better shape ICoCA actions. For instance, a training workshop is planned for the 2022 ICoCA Annual General Assembly to focus on HRIAs, and ICoCA's own staffing has been reconfigured to account for the anticipated expansion in membership. Greater attention will be given by ICoCA to what member and affiliate companies communicate externally, as gaps were seen in this area. Further, ICoCA will endeavour to highlight to companies the importance of human rights due diligence with subcontractors.

In addition to understanding a company's status with regards to implementing the Code, the CSA promotes the human rights 'continual improvement' approach. The tailored feedback received by all companies can be used to keep improving member and affiliate companies' adherence to human rights standards and expectations. The next CSA will launch in October 2022, and answers from here will help inform if improvement is continuing. Answers here will also be used to direct ICoCA's work in 2023.