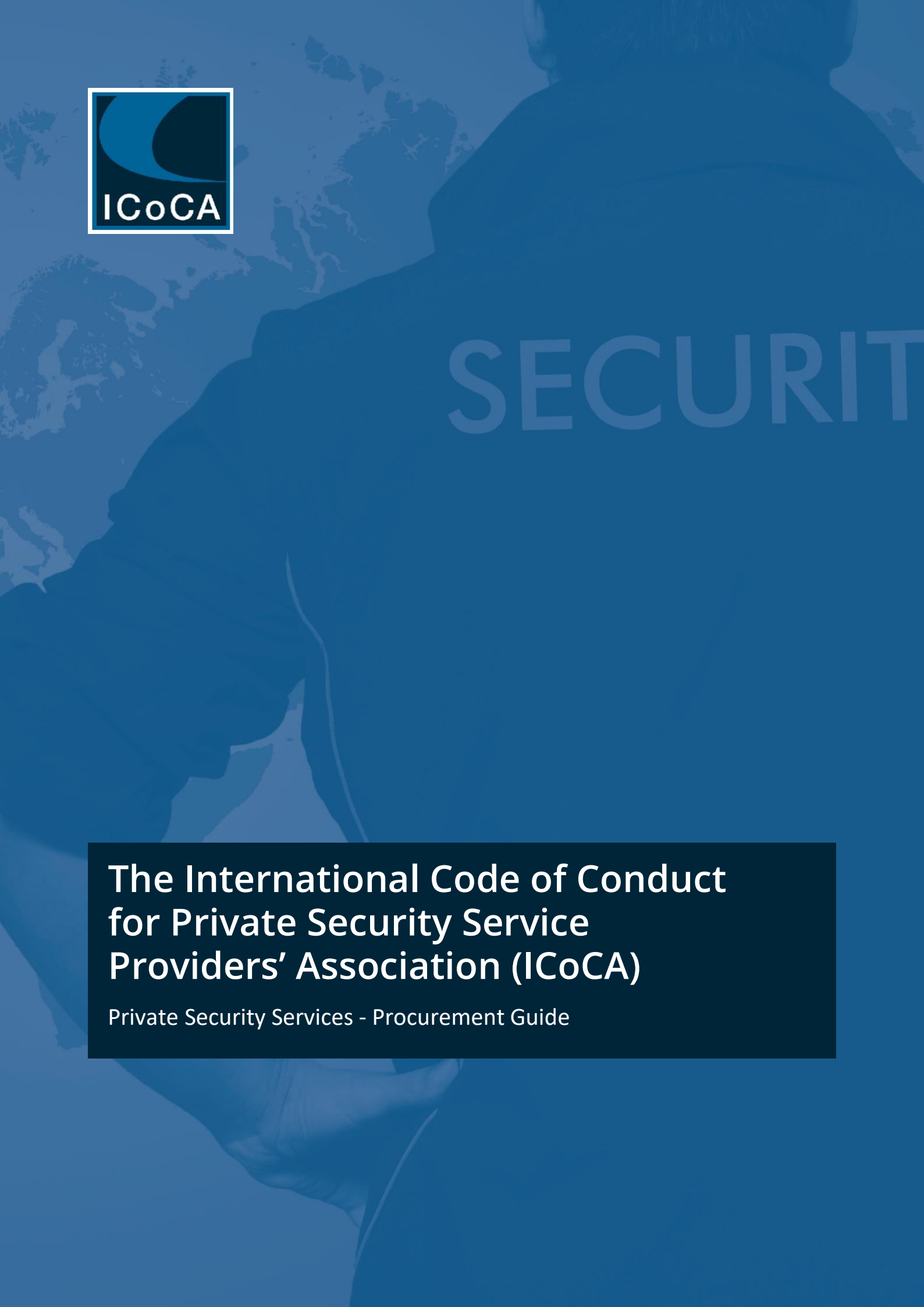


# The International Code of Conduct for Private Security Service Providers' Association (ICoCA)

Private Security Services - Procurement Guide

ICoCA - RESPONSIBLE PROCUREMENT GUIDE

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Part I

# THE CASE FOR RESPONSIBLE PROCUREMENT OF PRIVATE SECURITY

## BACKGROUND

### The Scale and Risk of Private Security Contracting

- With threats increasing globally, states often fail to adequately address security concerns. Organizations across all sectors with operations in high-risk environments have little choice but to contract private security providers (PSPs) to guard their personnel premises and assets.
- This has led to rapid growth in the provision of private security services over the last decade, and is only forecast to continue. Today, private security companies are contracted across every industry worldwide.
- Private security personnel outnumber police by several fold in many countries, and are the first line of defence and deterrence for their clients.
- The private security sector is unregulated in some markets, opening it up to abuse, corruption and bribery.
- The risk of human rights abuses are high in these settings.

### What are human rights?

Human rights are fundamental rights and freedoms every human is entitled to,without discrimination.

- Laid out in institutional instruments, such as the International Bill of Human Rights and the International Labour Organization's Declaration of Fundamental Principles and Rights at Work, human rights can be civil, political, economic, social, and cultural.
- These include the right to be treated decently at work, express opinions without fear, privacy, freedom from harassment, abuse, cruel treatment ordiscrimination and to be provided with an adequate standard of living.

# HOW THIS RELATES TO YOUR BUSINESS

## Why do human rights matter for your business?

### Business has a responsibility to respect human rights.

Environmental, Social & Governance (ESG) issues including human rights and social justice are rising on the corporate agenda, and with them, legislative efforts to heighten accountability. 1

The UN Guiding Principles on Business and Human Rights (UNGPs) relay the responsibility to respect human rights.

UNGPs are increasingly adopted into national law and cited as precedent for decision-making. Regardless of their size, sector, context, ownership, and structure, respecting human rights is considered to be a legal obligation for all companies.

To prevent, mitigate and address abuses, business must carry out due diligence.

The UNGPs highlight that this:

- Should cover all potential and actual adverse human rights impacts;
- Will vary in complexity with size, risk of impacts, and nature of its operations;
- Should be ongoing, recognizing that risks evolve as do operations and context.

The most effective way to avoid harm and build trusting relationships with communities is by embedding a culture of respect for human rights in operations throughout supply chains.

### Respecting human rights is an opportunity for transformative change in people's lives.

By taking action to tackle systemic issues in workplaces, companies can transform the lives of the world's most vulnerable people, lifting them out of poverty, cycles of discrimination, and abuse.

It is also an opportunity to limit corruption at a key part of the value chain.

By contributing to the realization of human rights, business contributes towards achieving the Sustainable Development Goals (SDGs).[2]

## What potential human rights risks could Private Security Providers bring into your supply chain?

If not properly vetted, the use of private security providers can result in different human rights abuses.

Explore the following real-life examples illustrating risks inherent in private security contracting;

[1] Some states have established laws and policies to require businesses to do due diligence. This includes France's Corporate Duty of Vigilance Law and Netherlands' Child Labour Due Diligence Law. The EU is drafting mandatory human rights due diligence legislation to come into force in 2022.

[2] http://humanrights.wbcsd.org/ceo-guide-to-human-rights/

# HOW THIS RELATES TO YOUR BUSINESS

## What human rights risks could PSPs bring into your supply chain?

### Breach of the duty of care owed to employees,contractors and local communities

**Australian government and G4S hit with multiple lawsuits from Manus Island staff**

Exclusive: At least four cases filed alleging security guards and managers were not provided with a safeworkplace.

Australian Government

### Failing in duty of care - mistreatment through low wages and unsafe conditions

**Migrant guards in Qatar 'still paid under £1 an hour' ahead of World Cup**

Promises of better working conditions ring hollow for tens of thousands of security guards, who say they still work long hours for low pay

### Excessive use of force

**'Rape, beatings and death' at Kakuzi, the Kenyan farm that helps feed the UK's avocado habit**

Court papers allege guards at a British estate in Kenya that supplies Tesco, Sainsbury's and Lidl have committed human rights abuses

**Carrefour Brazil shares plunge as Brazilians protest killing of Black man at store**

Supermarket chain Carrefour Brazil's share price plummeted 6% in afternoon trading on Monday after the death of a Black man beaten by security guards.

### Ill treatment of apprehended persons Torture and other degrading treatment or punishment

**Three security guards arrested for abduction and torture of old man after video goes viral**

The video clip shows the security guards who tied both the hands of the victim with an iron pole and mercilessly tortured the victim

### Human trafficking, forced labour and modern slavery

**Norwegian wealth fund blacklists G4S shares over human rights concerns**

Sovereign wealth fund cites risk of company contributing to ill-treatment of migrant labour in Qatar and UAE.

### Sexual exploitation and abuse or gender-based violence

**Federal Conservatives call for suspension of hotel quarantine policy following reports of sexual assault**

Public Health Agency of Canada | Agence de la santé publique du Canada

*As illustrated above, the knock-on effects of alleged human rights abuses and of private security providers, whether contracted in the supply chain or provided in-house, can negatively impact an organisation's operations and reputation with legal and financial implications.*

# HOW THIS RELATES TO YOUR BUSINESS

## What Are The Most Common Mistakes?

### No Monitoring and verification

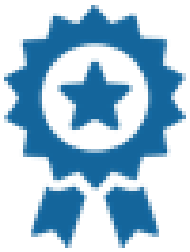
Private Security provision rarely tops supply chain considerations. Lack of monitoring of suppliers is a critical risk for multinationals. As a result, PSPs without permits to operate, in unregulated or corrupt contexts, can win contracts.

How ICoCA can help - ICoCA monitors its Member and Affiliate companies, 24/7, regularly visiting their operations to verify their policies are put into practice. In addition, ICoCA works with accepted Certification Bodies who conduct their own on-site audits.

### No Ownership

This is a top-down leadership issue. While the global CEO outsources this to procurement, Boards remain responsible. Security slips down the value chain where human rights abuse starts.

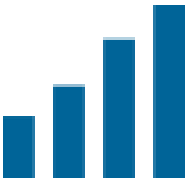
How ICoCA can help - Contracting ICoCA companies places ownership of much of the human rights due diligence on ICoCA. ICoCA provides significant assurance to clients of PSPs by conducting rigorous human rights due diligence on all its Member and Affiliate companies.



### No Certification

Awareness of independent professional bodies and the ICoCA Certification programme is generally low. Too often certificates are 'awarded' with minimal audit requirements and no human rights due diligence.

How ICoCA can help - Linked to a number of recognized international standards, in conjunction with a growing number of ICoCA approved bodies, ICoCA reduces risk for organisations, operating its own certification system. With ICoCA demanding PSPs on the ground meet internationally agreed human rights standards, it's a win-win option.



### No Capacity Building

When private security personnel are not properly vetted or trained, poorly paid or poorly treated, human rights abuses are far more likely to occur.

How ICoCA can help - ICoCA works with its Member and Affiliate companies to provide free guidance and training on key human rights risks as part of an integrated approach to the responsible provision of security services for clients. Resources are developed for management, trainers, and guards in multiple languages and multiple formats.

**See Page 17 for more information on how ICoCA can help.**

# HOW THIS RELATES TO YOUR BUSINESS

## The Procurement Price Problem

While price is a defining factor in many procurement decisions, it should not be the only factor.

Procurement decisions based on cost alone carry unforeseen costs.

Responsible companies and organisations must live up to their statements on sustainability, ethics and governance as organizations committed to treating people with respect, supporting fair pay and conditions.

Cost-cutting creates situations where providers increase hours and decrease wages, a cycle which heightens security risks.

Inadequately vetted guards with little training are incapable of carrying out their duties effectively.

Working 12-hour shifts, 7 days a week, for very little pay, they are pushed to exhaustion and often into poverty.

Responsibility begins with a strong procurement process at the Request for Proposal, Bid, and Tendering stages.

**This is the time to protect and treat stakeholders with the same respect you provide to employees, while ensuring the safety and security of your staff.**

## YOUR RESPONSIBILITY

Organizations that contract Private Security Providers (PSPs) have an ethical, commercial, and increasingly legal responsibility to ensure contractors carry out responsibilities in accordance with international human rights standards, laws, and regulations.

Given this backdrop, today, mandatory due diligence reporting is rising in supply chains of multinational corporations.

Organizations that contract PSPs have leverage over their operational processes,

They are in a strong position to ensure companies comply with human rights principles in their supply chain and conduct adequate due diligence checks.

When you contract with a PSP, you entrust your brand, reputation and premises to people on the ground.

This can carry risk.

## TEST FOR PSP CONTRACTORS: ARE YOU AT RISK?

If your organisation contracts PSPs or maintains its own security force to manage risksto personnel, operations, assets, or communities, take this quick test to ascertainwhether you are exposed.

Do you trust your Private Security Providers?

Do you believe your PSPs affect your company's reputation and liability?

Do you know whether your PSPs sub-contract to fulfil obligations under their contract? If yes, can you answer yes to this list concerning these sub-contracted companies?

Do you only conduct operations in low-risk environments?

Does your organisation assess and understand the risks of contracting PSPs in the environments in which you work?

Does your organisation conduct human rights due diligence on PSPs and sub-contractors?

Does your organisation incorporate human rights due diligence into its procurement process?

Does your organisation have processes to select and manage PSPs according to recognized standards?

Does your organisation give credit to PSPs who are certified with international regulation and professional standards?

Does your organisation require your PSPs to be subject to third party independent human rights verification processes?

*If you couldn't answer 'Yes' to all of these questions, you're at risk*

# REDUCING YOUR RISK IN EMERGING MARKETS

ICoCA understands that in many regions there are little to no certified Private Security Providers.

Although this can make contracting riskier, this is where ICoCA guidance can help.

In places where certified PSPs are not available, your company can support its private security providers to improve operational standards and reduce the potential for abuse.

The procurement process offers a highly effective way to do this.

- By including a requirement that contracted PSPs will work in partnership with your company toward ICoCA affiliate status, membership and full certification, you can create a mutually beneficial way to mitigate risks.
- By creating a clear improvement process, you will build solid evidence of you and your contractor's commitment to protecting human rights.
- This can also encourage other regional companies to improve processes, leading to more options when it's time to retender. More importantly, this shows that you are trying to do good by helping regional companies be better.

ICoCA offers tangible and practical assistance, guidance and support for its affiliates and members. Additionally, companies that contract private security providers are encouraged to join the Association as Observers and access ICoCA consultancy and advice on how to embed robust risk mitigation processes into their private security supply chain.

*ICoCA Affiliates are not bound to attain ICoCA Certification within a specified time-frame, though are subject to the same entry, monitoring and reporting requirements as ICoCA Members.

## Part II

# HOW TO GUIDE: PROCUREMENT OF RESPONSIBLE SECURITY COMPANIES

## STEP 1 - PRE-SELECTION PROCUREMENT

### Concerning Your Procurement Process:

> Is your process clear, up-to-date and rigorous?

> Should it be adapted to cater for procuring security staff?

> Is there anyone in-house who can evaluate the competence of security providers?

> Is the Board comfortable with the due diligence conducted?

> How would they feel if this was in the public domain?

> How do your suppliers demonstrate compliance with the International Code of Conduct and address human rights risks?

> Have they established grievance mechanisms?

**Consider these questions when deciding on Option 1 or 2 in Step 5 below.**

## STEP 2 - CONTRACT DUE DILIGENCE

The tender should include a thorough scope of work detailing all expectations of the contracted provider. These should be clearly outlined in the contract, including key performance indicators, contingency arrangements, and a monitoring framework to oversee delivery.

### CONTRACT MANAGEMENT SHOULD INCLUDE:

- A description of services and delivery, including replacement staff
- Expectations for how services should be delivered and standards of conduct (uniforms,identification badges, behavior, values, principles, etc.)
- Salaries, benefits, appropriate currency, terms of contracts including hours and number of shifts per week
- Individuals responsible for overseeing delivery
- Community engagement coordination and communications plans
- Duty to report complaints or incidents related to contract
- Safeguarding, grievance and whistle-blowing procedures
- Clauses indicating that, if subcontractors are used, the prime contractor remains responsible for compliance with standards
- Rules for termination in the event of company or client misconduct
- Rules outlining liability for incidents involving PSP harm or cause of harm
- If services include use of force, any Rules of Use of Force (RUF) agreed
- Weapon/ ammunition specifications, safety and storage procedures.

# STEP 3 - MANAGE THE ENVIRONMENT

The scope of work included in the tender should also include details on how the environment is to be managed.

## 1. Security Protocols and Briefings

- Develop induction and training programmes for all assigned security personnel to explain your organization's principles and mandate.
- Educate staff about the roles and responsibilities of the security personnel.
- Ensure all staff understand, and are trained to respond to security and safety incidents, and alarms.
- Facilitate regular security briefings, run by PSP for staff.
- If armed guards are used, identify premises where (i) weapons are/are not permitted and (ii) firearms are to be loaded, unloaded and secured.

## 2. Working Environment

- Establish clear procedures for meals, access to restrooms, and shift hours.
- Ensure that your staff, security personnel, and the local community have access to grievance and whistle-blower procedures.
- Establish confidential reporting mechanisms for PSP personnel to report inappropriate or unlawful conduct by the organization.
- Implement accessible and appropriate policies and procedures on reporting sexual exploitation and abuse, gender-based violence, and any forms of discrimination and harassment.
- Invite ICoCA to carry out third party independent monitoring of company activities and processes.

## STEP 4 - MANAGE KEY RELATIONSHIPS

The scope of work included in the tender should also include details on ongoing obligations of both parties throughout the contracting period. This should include obligations the contracting organization has to the contracted company and its staff along with a community engagement and coordination plan.

When contracting a PSP, the organization should expect the security personnel to respond to any identified threat efficiently and lawfully, in line with the agreed mandate.

PSP staff should be aware that their conduct reflects on the organization they are protecting.

When providing static security or access control, personnel act as gatekeepers and constitute the first point of contact with visitors and the host community.

As such, their actions and attitudes impact reputation.

PSP staff should be oriented about the client's values, standards, interaction with staff, and external parties. Any concerns, including unprofessional conduct, wrongdoing, or serious abuses should be addressed.

PSPs should always provide appropriate working conditions, fair pay, and ensure staff are treated with respect

# STEP 5 - PROCUREMENT OPTIONS

## OPTION 1: Contract ICoCA Companies
## Your Assurance of Human Rights Due Diligence on Private Security Providers

### Human Rights Due Diligence on PSPS

- ICoCA works closely with its private security company Members, Affiliates, and their clients to fulfil human rights obligations.
- ICoCA fulfills all activities in the 10-point selection checklist outlined in Option 2.
- ICoCA works to ensure their Members and Affiliates comply with the highest standards of conduct in security services.
- ICoCA provides independent verification of its Members' and Affiliates' operations.
- ICoCA's oversight and accountability mechanisms ensure its Members and Affiliates act in accordance with the Code.
  - effectively address human rights risks
  - establish grievance mechanisms
  - offer remedies where adverse impacts occur
  - provide ongoing consultation and advice.

We recommend inclusion of the following conditionality clause in your RFPs:

"Must currently be a Member or an Affiliate in good standing with the International Code of Conduct for PrivateSecurity Service Providers' Association (ICoCA) and confirm compliance with the principles and requirements in the International Code of Conduct (the Code)."

### ICoCA Certified - the Gold Standard

- ICoCA Certified companies represent the gold standard in responsible security provision. Attaining recognized international standards by accepted Certification Bodies, ICoCA Certified companies provide clients the highest level of assurance thanks to ICoCA's rigorous human rights due diligence requirements.
- ICoCA Member companies are on the pathway to certification.
- ICoCA Affiliates are subject to the same monitoring and verification as Member companies, have access to the full suite of guidance and training, but are not on a path to certification.

Through Membership and Affiliation, companies commit to the responsible provision of services.

### Bids?

- ICoCA Member and Affiliate companies should indicate ICoCA status in their proposal, bid, and tender submissions. This provides assurance that the company has committed to comply with the Code, subject to ongoing monitoring and assessment.

The Association's complaint function will address alleged violations of the Code.

ICoCA maintains a publicly accessible list of Members and Affiliates in good standing on the ICoCA website: https://icoca.ch/membership/

# STEP 5 - PROCUREMENT OPTIONS

## OPTION 2: Conduct Your Own Due Diligence on Private Security Providers

**Follow the 10-point selection checklist below:**

1. **Roles & Responsibilities**
   - Are there clear lines of responsibility?
   - Is there a designated point of contact?
2. **Experience**
   - Does the PSP have recorded experience in this area?
   - Does the PSP have recorded experience?
   - Can they demonstrate understanding of the environment?
   - Do they have references?
   - Have they carried out a risk assessment?
3. **License & Regulations**
   - What are the legal requirements for companies with / without arms to operate in this area?
   - Does the PSP meet regulatory and licensing requirements (including use of force)?
   - What are the immigration and employment regulations?
4. **Organization Structure**
   - What is the ownership structure?
   - Is it part of a group or controlled by a parent company?
   - Does the company own and use subsidiaries?
   - Is the company owned by, or have known affiliations with illegal or questionable individuals or groups?

Does the company use subcontractors? If so, who are they? Are they accredited? How are they overseen?

**Policies & Procedures**

- Does the PSP have insurance cover?
- Does the company have its own bank account?
- Does the company have appropriate SOPs, clear internal procedures and social responsibility policies?
- Are these policies publicly available or accessible to prospective users?
- Does it undertake human rights due diligence of its core service support providers?

6. **Reputation**
   - Can the PSP obtain references from stakeholders (local/global)?
   - What is the operational record of the company?
   - What is the operational record of its subcontractors?
   - Have there been any reputational issues or legal proceedings? If so, how did they manage them?
7. **Certification**
   - Have certification(s) to relevant industry standards been issued by an independent accredited certification body?
   - Buyer Beware: All Certificates Are Not Equal! Organisations should scrutinize a PSP's claim to security focused standards, particularly ISO 18788, ISO 28007 & PSC.1.
   - This should include assessment of the Certification Body, including whether it has been independently accredited to ISO 17021 by an International Accreditation Forum (IAF)/ MLA member Accreditation Body.

# STEP 5 - PROCUREMENT OPTIONS

## OPTION 2: Conduct Your Own Due Diligence on Private Security Providers

8. **Recruitment & Training**
   - What criteria and process is used to select personnel?
   - Are security personnel on rotation? Will they be consistent?
   - How will replacements be sourced? How will you be notified?
   - How, and how often, are staff trained, and on what topics?
9. **Rules for the Use of Force**
   - Where armed services are to be contracted, does the company have clear Rules for the Use of Force?
   - Have Rule for the Use of Force been through a formal legal review?
   - Are staff adequately trained on the Rules for the Use of Force?
10. **Check all information**
   - Cross-check diverse sources of information
   - Verify if information provided by PSPs is accurate.
   - Check all certificates and licenses.
   - Research open-source information about the company.
   - Reference check with PSP's clients.

Conclusion

# HOW ICoCA CAN HELP

## CAPACITY

ICoCA develops and produces online courses and guidance documents in multiple languages.

ICoCA provides tailored feedback on individual company practices, policies and procedures.

## MONITORING

ICoCA continually monitors its Member and Affiliate companies, 24/7, 365 days a year, by tracking news, conducting regular in-person site visits, and by working with its civil society network.

## CAPABILITY

More than ever, multinationals are acting in response to ESG pressures and getting ahead of the curve. If you are planning to contract a PSP, or thinking about conducting a Human Rights Impact Assessment, ICoCA's own Guidance is a helpful resource. ICoCA offers the following advisory services:

- Company vetting
- Procurement Advisory:
  - Pre-tender planning
  - Post-tender securement
- Monitoring and Evaluation
- Security Manager Training
- ESG & Human Rights Due Diligence Compliance & Assessment

## Who's Using ICoCA?

ABN·AMRO

U.S. DEPARTMENT *of* STATE

European Investment Bank The EU bank

ING

unicef

Foreign, Commonwealth & Development Office

PHILIP MORRIS INTERNATIONAL

UNDP UNDSS

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

**Federal Department of Foreign Affairs FDFA**

Syngenta Group

## CURRENT ICoCA CERTIFIED MEMBERS

Endorsing the Value of Independent Monitoring – ICoCA Certified Members represent the Gold Standard in Responsible Security Provision. ICoCA's roster of Certified Members is growing and currently includes:

Al-Hurea
AMARANTE International
BDI
CENTURION SECURITY S.A.
JANUS
ERINYS
HART
G4S RISK MANAGEMENT
PATRIOT GROUP
GARDAWORLD
EOS RISK GROUP Advise Protect Assist
HART LAND SEA & AIR INTEGRATED SOLUTIONS
INTERARMA
Control Risks
SALLYPORT
Gulf Shield Co.
REED Mission Critical Support Services
EAGLES Security
华信中安 HXZA SECURITY SERVICE
Salama Fikira
MERIDIAN.US
M1 MARINE ONE WE SERVE YOU BETTER
SOC A BAY & ZIMMERMANN COMPANY
MDF MARITIME DEFENCE FORCE
SSA
PSS Professional Security Services S.A.
VSC SECURITY SOLUTIONS
CENTURION SECURITY S.A.
PVI
REED Mission Critical Support Services
Olive Group
SIETE24 VIGILANCIA & SEGURIDAD
NIGHT BIRD SECURITY
UG UNITED GUARDS SERVICES LLC
SRM RISK MANAGEMENT SOMALI
LandMarkSecurity
BLUE HACKLE Limited
TOR
CORPGUARD
IDG SECURITY
SRS
UMS Universal Maritime Solutions
LGS LEADERS IN MARITIME AND ONSHORE SECURITY SERVICES

# Contact Details

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## www.icoca.ch

For a full listing of ICoCA Members & Affiliates, searchable by country of operation & more, go to: https://icoca.ch/membership/