



Statement of Principles on Human Rights – Implementing Procedures

I. Introduction

The Company's 2007 Citizenship Report included for the first time a Statement of Principles on Human Rights ("Statement", see Attachment A). This Statement provides in part:

GE, as a business enterprise, promotes the advancement of fundamental human rights. We support the principles contained in the Universal Declaration on Human Rights ("UDHR"), mindful that it is primarily addressed to nations but understanding that business has an important role to play.

This document describes GE's companywide implementing procedures on the Statement of Principles on Human Rights. These Implementing Procedures provide guidance for effectuating the principles expressed in the Statement. They set out roles and responsibilities for GE business leaders, employees and others in fulfilling our commitment to supporting human rights.

II. Background – Human Rights, Sphere of Influence and Emerging Markets (high risk)

The Statement recognizes that GE will endeavor to promote the recognition of basic human rights as defined in the Universal Declaration on Human Rights (Attachment B - www.un.org/Overview/rights.html). This commitment must consider, however, the strength and sphere of our influence. Our ability to influence business partners and others depends on the context of the relationship and the nature of the transaction. Our ability is strongest when dealing directly with our own employees and direct business partners such as suppliers and joint venture partners where we hold a controlling interest. Our ability to influence positively the communities in which our plants and businesses are located, as well as governments, depends on many factors such as whether the government is a customer, the substance and enforcement of existing local laws, the human rights issue in question, and the extent of GE operations within a given country. Human rights considerations also attend the development and sale of products. Each business' process for implementing the Statement should take into account GE's practical and relative role in the business context in which the issue arises.

Finally, there is wide recognition that human rights abuses are likely to be more prevalent in emerging markets — or areas of weakened governance — than in countries where the rule of law is well developed. Accordingly, business transactions in emerging markets should receive the closest scrutiny for possible human rights risks. Transactions that are confined to developed countries may warrant lesser scrutiny under these Procedures.

III. Responsibilities

A. Role of the Vice President for Corporate Citizenship

The Vice President for Corporate Citizenship is responsible for leading and coordinating Corporate-level efforts in support of the Company's global commitment to advance human rights as expressed in the Statement. In addition, he/she is responsible for directing the business-based Compliance Review Boards ("CRBs") within major business segments in each of the Industry Focus Groups. In these two capacities, the Vice President for Corporate Citizenship will have oversight of employee training, stakeholder relations, and coordination of functional expertise provided by Corporate to the businesses. The Vice President for Corporate Citizenship should work directly with business-based CRBs (as



discussed below) to assure the reporting of human rights findings through the Session D process.

B. Role of Business-Based CRBs

Business-based Compliance Review Boards (“CRBs”) must, at a minimum, establish a process to evaluate and review the following:

- Ensure that, prior to entering into a transaction or relationship with a business partner, due diligence is conducted commensurate with the nature of the transaction and the level of human rights and other risks that the transaction or business partner could present.
- Determine appropriate responses to any observed human rights violations.
- Ensure that contracts pertaining to transactions with a direct business partner involving transactions in or pertaining to countries or regions of weakened governance contain an assurance that such partner will comply with local laws and GE’s Supplier Expectations, and give GE the right to terminate the contract in the event of a breach of this obligation (Attachment C).
- Ensure that GE influences, as appropriate, the conduct of direct business partners and others within GE’s sphere of influence to avoid becoming associated with practices that do not adequately respect human rights and GE’s Supplier Expectations.
- Ensure that employees are aware of the Human Rights Statement of Principles and their obligations under it. Employees working in emerging markets or dealing with subcontractors that operate in emerging markets should receive “eyes always open” training. (This training is available through the Supplier Relationship Support Central as applicable to in-plant manufacturing related issues.)
- Include consideration of human rights in Session D and Session E (including Supplier Reviews). Corporate Business Development Reviews at the business level also should consider human rights issues pertaining to business development proposals.
- Develop a review process to permit consideration of human rights issues during the pre-bid phase of consideration of large infrastructure projects. This review must be sufficiently early so that costs necessary to address anticipated human rights issues are built into the contracting framework.
- Evaluate major project finance proposals using environmental and social impact criteria established by the Equator Principles <http://www.equator-principles.com/index.shtml>
- Assure that New Product Introduction (“NPI”) processes include consideration of possible product misuse that could negatively impact human rights.
- Work within the existing Supplier Relationship policies and procedures applicable to the business, to ensure that they are supplemented to address additional aspects of supplier conduct that bear upon human rights, including freedom of association, non-harassment, and non-discrimination.



- Ensure, in consultation with GE's Chief Security Officer (or designee) and with business Chief Security Officer, that all business security operations in emerging markets operate consistently with the intent of the Voluntary Principles on Security and Human Rights, as well as the law of the countries in which we operate, retaining security service for preventive or defensive purposes with instructions to use force only when necessary and to the extent proportional to the threat. (Attachment D)
- Ensure that appropriate due diligence is performed in the formation of joint ventures and other investment vehicles (both controlled and non-controlled affiliates) to manage risks that may be associated with the transaction/investment or that might open GE to allegations of complicity in unacceptable human rights practices of business partners, especially in emerging markets. Corporate Legal has developed an Emerging Market Joint Venture Guide that contains many recommendations — including the creation of a Risk Plan and Compliance Plan — that should be consulted and augmented to include human rights issues prevalent in the applicable country. (See Attachment E for basic Due Diligence Inquiries.)

C. Role of National Executives

National Executives play a critical role in assuring thorough consideration of human rights issues in emerging markets. They should work with the Vice President of Corporate Citizenship and the Vice President and Senior Counsel, International Law and Policy, to aid in addressing human rights issues in their respective countries or regions of responsibility. Working through Country or Regional Boards, the National Executives should:

- Maintain human rights risk profiles for countries or regions, serving as a resource to Business Leaders as they evaluate business transactions in or pertaining to emerging markets or countries with weakened governance.
- Assure that Country or Regional Compliance Review or Business Boards are alerted to human rights issues in their country or region and include them as part of their regulatory and compliance reviews.
- Assist GE businesses in developing human rights risk assessments that will identify specific human rights issues that may arise in their countries or regions of responsibility.
- Monitor local developments that may affect or alter the human rights risk assessments pertaining to a given country or region or to a Company initiative.

D. Role of Compliance Leaders

Compliance Leaders play a critical role in both identifying human rights risks and addressing issues that may arise in the event that human rights are compromised by the acts or inaction of GE or its business partners. As stewards of *The Spirit & The Letter*, compliance leaders are keenly aware of Company policies that bear upon processes or activities that may be related directly or indirectly to infringement of human rights. By assuring operational compliance with GE Integrity Policies, Compliance Leaders aid their businesses in assuring respect for human rights. Compliance Leaders should specifically support human rights compliance in the following areas:

- Risk assessment & abatement process: incorporate human rights risks into their annual risk assessment processes, bottom up sessions and other tools used to periodically assess risk.



- Training & communication processes: integrate messaging and appropriate risk-based training into their annual communications and training calendars, in consultation with the business-based CRB.
- Issue reporting and resolution: establish a new “Human Rights” category to classify integrity concerns relating to human rights that are reported through the Ombuds and other channels.

Additionally, business Compliance Leaders should be active participants in their business’ human rights processes and should be prepared to address human rights issues in the context of Session D and providing guidance on implementation of this procedure with respect to GE’s business partners, including controlled and non-controlled affiliates.

E. Role of Employees

All employees share in the obligation to ensure that GE respects human rights within our spheres of influence. In order to carry out this responsibility, employees should:

- Respect the human rights of all persons they encounter in carrying out duties as a GE employee.
- Be alert (“eyes always open”) to potential violations of human rights they may encounter within GE, or when interacting with direct business partners or visiting their worksites, and report any potential violations to their manager, business counsel, or ombudsperson. This is especially important when working in emerging markets.

An employee who observes a suspected human rights violation, whether within GE or when working externally with direct business partners or suppliers, should elevate their concern to their manager and/or the business’ compliance organization, in a manner similar to any other suspected policy breach. For example, an employee visiting a supplier’s work site who observes suspected child labor should report the suspicion to his/her manager or compliance organization.

IV. Available Resources - Human Rights Toolkit

Corporate functional experts are responsible for advising the businesses on human rights issues that tend to reside within their areas of expertise. In this connection, a Human Rights Toolkit has been prepared that contains resource materials in the areas of Government Relations, Labor and Employment (Immigration), Sourcing, Environmental Health & Safety, Business Development (M&A), and Compliance. This Toolkit should be a key resource for the businesses as they develop and administer their Human Rights Risk Analysis. Included in this Toolkit are resources such as:

- Emerging Market Joint Venture Guide
- Emerging Markets Toolkit
- Improper Payments Implementing Procedures
- Human Rights Matrix: Business Leaders Initiative on Human Rights: <http://www.blihr.org/>
- Human Rights Due Diligence Checklist
- OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones



- *The Spirit & The Letter* – for use with Suppliers
- Complicity in Human Rights Violations: A Responsible Business Approach to Suppliers
- GE Supplier Expectations Re Employment and EHS (Attachment E)
- <http://maps.maplecroft.com/>
- <http://www.state.gov/g/drl/hr/>
- GE 2007-2008 Citizenship Report: http://www.ge.com/files_citizenship/pdf/GE_07_08_Citizenship_Report.pdf



Attachment A

GE STATEMENT OF PRINCIPLES ON HUMAN RIGHTS

Our Commitment

GE, as a business enterprise, promotes the advancement of fundamental human rights. We support the principles contained in the Universal Declaration on Human Rights, remaining mindful that it is primarily addressed to nations. GE has joined with other companies to find practical ways of applying within the business community the broad principles established in the Declaration.

Our Actions

GE endeavors to advance fundamental human rights within the communities in which our businesses operate. We do this in important part by leading by example - influencing our employees and business partners through actions consistent with policies contained in *The Spirit & The Letter*. Wherever we do business, GE aspires to:

In Our Management Capacity

- RESPECTING the human rights of our employees as established in the ILO's (International Labour Organization) Declaration on Fundamental Principles and Rights at Work, including non-discrimination, prohibitions against child and forced labor, freedom of association and the right to engage in collective bargaining.
- PROVIDING security consistent with the intent of the Voluntary Principles on Security and Human Rights, as well as the laws of the countries in which we operate, retaining security services for preventative or defensive purposes with instructions to use force only when necessary and to an extent proportional to the threat.

In Our Business Capacity

- DEVELOPING and offering products, including those that meet human needs for power, water and medical care, with due regard for fundamental human rights and a sustainable environment.

With Our Direct Business Partners

- INCORPORATING appropriate principles of *The Spirit & The Letter* into contracts with suppliers, business partners and distributors.
- MONITORING adherence by key suppliers in emerging markets to environmental, health and safety standards, prohibitions against forced and child labor, and local wage and hour laws.
- EVALUATING human rights issues involving our direct business partners - particularly in emerging markets - and considering practical responses within the relevant context.
- ADVANCING application of the ILO Declaration through engagement and collaboration.

In the Community

- SERVING as a positive influence in communities in which we operate, demonstrating by our actions our belief that human rights violations are unacceptable.
- ASSESSING, as appropriate, the impact on affected local communities of major infrastructure project financing.



ATTACHMENT B

SUMMARY OF UNIVERSAL DECLARATION OF HUMAN RIGHTS

(Click on this link to view actual Declaration: www.un.org/Overview/rights.html)

Article 1

All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.

Article 2

Equal entitlement to all rights and freedoms in Declaration.

Article 3

Right to life, liberty and security of person.

Article 4

Slavery prohibited.

Article 5

Prohibition of torture and cruel treatment.

Article 6

Equal right to recognition as a person before the law.

Article 7

Equal protection against discrimination in violation of this Declaration.

Article 8

Right to effective remedy for acts violating his fundamental rights.

Article 9

Prohibition of arbitrary arrest, detention or exile.

Article 10

Right to fair and public hearing by an independent and impartial tribunal of his rights and obligations and of criminal charges.

Article 11

- Presumed innocent until proved guilty according to law in a public trial.
- No conviction of penal offense if act/omission was not such offense when committed; no heavier penalty than one applicable when offense committed.

Article 12

No arbitrary interference with privacy, family, home or correspondence, nor to attacks upon honor or reputation.

**Article 13**

- Right to freedom of movement and residence within the borders of each State.
- Right to leave and return to any country.

Article 14

Right to seek and to enjoy asylum from persecution in other countries, except in the case of prosecutions arising from non-political crimes or acts contrary to the purposes and principles of the UN.

Article 15

- Right to a nationality.
- No arbitrary deprivation of nationality, no denial of right to change nationality.

Article 16

- Men and women of full age, without any limitation due to race, nationality or religion have the right to marry and to found a family, with equal rights as to marriage, during marriage and at its dissolution.
- Need free and full consent of the intending spouses.
- The family is the natural and fundamental group unit of society and is entitled to protection by society and the State.

Article 17

Right to own property alone and in association with others, without arbitrary deprivation.

Article 18

Right to freedom of thought, conscience and religion.

Article 19

Right to freedom of opinion and expression.

Article 20

Right to freedom of peaceful assembly and association.

Article 21

- Right to participate in the government of his country.
- Equal access to public service.
- The will of the people shall be the basis of the authority of the government.

Article 22

Right to social security and entitled to realization of indispensable economic, social and cultural rights.

Article 23

- Right to work, to free choice of employment, to just and favorable conditions of work and to protection against unemployment.
- Right to equal pay for equal work.



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- Right to just and favorable remuneration ensuring existence worthy of human dignity, and supplemented, if necessary by other means of social protection.
 - Right to form and to join trade unions.

Article 24

Right to rest and leisure, including reasonable limitation of working hours and periodic paid holidays.

Article 25

- Right to a standard of living adequate for his health and well-being, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.
- Motherhood and childhood, whether born in or out of wedlock, are entitled to special care and assistance.

Article 26

- Right to education, with compulsory elementary education and at least the elementary and fundamental stages being free.
- Higher education shall be equally accessible to all on the basis of merit.
- Education directed to development of human personality and to strengthening respect for human rights and fundamental freedoms.
- Parents have a right to choose the kind of education for their children.

Article 27

- Right to participate in the cultural life of the community.
- Right to the protection of moral and material interests resulting from any scientific, literary or artistic production he authors.

Article 28

Right to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized.

Article 29

- Everyone has duties to the community in which the free and full development of his personality is possible.
- Everyone shall be subject to such limitations determined by law for the purpose of securing due recognition and respect for the rights and freedoms of others and of meeting the just requirements of morality, public order and the general welfare in a democratic society.
- These rights and freedoms may in no case be exercised contrary to the purposes and principles of the UN.

Article 30

No right to engage in any activity or to perform any act aimed at the destruction of any of the rights and freedoms set forth herein.



ATTACHMENT C

GE SUPPLIER EXPECTATIONS RELATING TO EMPLOYMENT, ENVIRONMENT, HEALTH & SAFETY

For more than a century, GE, its businesses, and its employees have created an asset of incalculable value — the Company's worldwide reputation for integrity and high standards of business conduct. GE's quest for competitive excellence begins and ends with its unyielding commitment to integrity. **Each employee in the GE community is expected to make a personal commitment to integrity, and we also expect and require high ethical conduct from all of our suppliers. A company's strong commitment in this regard is a requirement for being a GE supplier and is the foundation for our mutually beneficial business relationship.**

In particular, we expect GE suppliers to:

- Comply with laws and regulations protecting the environment and not adversely affect the local community.
- Provide workers a safe and healthy workplace.
- Employ workers above the applicable minimum age requirement or the age of 16, whichever is higher.
- Comply with laws and regulations governing wages, hours, days of service, and overtime payment for workers.
- Not utilize forced, prison, or indentured labor, or subject workers to any form of compulsion or coercion.
- Allow their workers to freely choose whether or not to organize or join associations for the purpose of collective bargaining as provided by local law.
- Prohibit physical, sexual or psychological harassment or coercion.
- Assure that workers are hired, paid and otherwise subject to terms and conditions of employment based on their ability to do the job, not on the basis of their personal characteristics such as race, national origin, sex, religion, ethnicity, disability, maternity, age, and other characteristics protected by local law. (This does not bar compliance with affirmative preferences that may be required by local law).
- Maintain and enforce a company policy requiring adherence to ethical business practices, including a prohibition on bribery of government officials.
- Respect the intellectual property of others.
- Maintain security measures consistent with international standards for the protection of their operations and facilities against exploitation by criminal or terrorist individuals and organizations.
- Expect their suppliers to conform to similar standards.



ATTACHMENT D

VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS

Statement by the Governments of the United States of America and the United Kingdom

The Governments of the United States and the United Kingdom, companies in the extractive sectors (“Companies”), and non-governmental organizations, all with an interest in human rights and corporate social responsibility, have engaged in a dialogue on security and human rights.

We recognise the importance of the promotion and protection of human rights throughout the world and the constructive role business and civil society (including nongovernmental organizations, labor/trade unions and local communities) can play in advancing these goals. The participants in this dialogue developed a set of voluntary principles 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. Mindful of these goals, the participants agree to continue this dialogue and keep under review these principles to ensure their continuing relevance and efficacy.

This has been a cooperative and constructive process. The Governments salute the willingness of the participants — Companies and civil society alike — to address these issues seriously and with a determination to both understand and account for each other’s concerns. We look forward to continuing this dialogue in the spirit of cooperation and mutual understanding that led to broad consensus among the participants on these voluntary principles.

We hope that other companies, governments, and civil society organizations as well as international institutions will share these goals and choose to be involved in this continuing dialogue. We welcome their support for these principles as well as their participation in this dialogue. Those wishing to take up this invitation should contact either the U.S. Department of State or the Foreign and Commonwealth Office.

The companies and organizations listed below support this process and welcome these principles:

Chevron, Texaco, Freeport MacMoran, Conoco, Shell, BP, Rio Tinto, Human Rights Watch, Amnesty International, International Alert, Lawyers Committee for Human Rights, Fund for Peace, Council on Economic Priorities, Business for Social Responsibility, the Prince of Wales Business Leaders Forum, and the International Federation of Chemical, Energy, Mine and General Workers’ Unions.



Voluntary Principles on Security and Human Rights

The Governments of the United States and the United Kingdom, companies in the extractive and energy sectors (“Companies”), and non-governmental organizations, all with an interest in human rights and corporate social responsibility, have engaged in a dialogue on security and human rights.

The participants recognize the importance of the promotion and protection of human rights throughout the world and the constructive role business and civil society (including non governmental organizations, labor/trade unions and local communities) can play in advancing these goals. Through this dialogue, the participants have developed the following set of voluntary principles 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. Mindful of these goals, the participants agree to the importance of continuing this dialogue and keeping under review these principles to ensure their continuing relevance and efficacy.

Acknowledging that security is a fundamental need, shared by individuals, communities, businesses and governments alike, and acknowledging the difficult security issues faced by Companies operating globally, we recognize that security and respect for human rights can and should be consistent;

Understanding that governments have the primary responsibility to promote and protect human rights and that all parties to a conflict are obliged to observe applicable international humanitarian law, we recognize that we share the common goal of promoting respect for human rights, particularly those set forth in the Universal Declaration of Human Rights, and international humanitarian law;

Emphasizing the importance of safeguarding the integrity of company personnel and property, Companies recognize a commitment to act in a manner consistent with the laws of the countries within which they are present, to be mindful of the highest applicable international standards, and to promote the observance of applicable international law enforcement principles (e.g., the U.N. Code of Conduct for Law Enforcement Officials and the U.N. Basic Principles on the Use of Force and Firearms by Law Enforcement Officials), particularly with regard to the use of force;

Taking note of the effect that Companies’ activities may have on local communities, we recognize the value of engaging with civil society and host and home governments to contribute to the welfare of the local community while mitigating any potential for conflict where possible;

Understanding that useful, credible information is a vital component of security and human rights, we recognize the importance of sharing and understanding our respective experiences regarding, inter alia, best security practices and procedures, country human rights situations, and public and private security, subject to confidentiality constraints;

Acknowledging that home governments and multilateral institutions may, on occasion, assist host governments with security sector reform, developing institutional capacities and strengthening the rule of law, we recognize the important role Companies and civil society can play in supporting these efforts;

We hereby express our support for the following voluntary principles regarding security and human rights in the extractive sector, which fall into three categories, risk assessment, relations with public security and relations with private security:



Risk Assessment

The ability to assess accurately risks present in a Company's operating environment is critical to the security of personnel, local communities and assets; the success of the Company's short and long-term operations; and to the promotion and protection of human rights. In some circumstances, this is relatively simple; in others, it is important to obtain extensive background information from different sources; monitoring and adapting to changing, complex political, economic, law enforcement, military and social situations; and maintaining productive relations with local communities and government officials.

The quality of complicated risk assessments is largely dependent on the assembling of regularly updated, credible information from a broad range of perspectives — local and national governments, security firms, other companies, home governments, multilateral institutions and civil society knowledgeable about local conditions. This information may be most effective when shared to the fullest extent possible (bearing in mind confidentiality considerations) between Companies, concerned civil society, and governments.

Bearing in mind these general principles, we recognize that accurate, effective risk assessments should consider the following factors:

- *Identification of security risks.* Security risks can result from political, economic, civil or social factors. Moreover, certain personnel and assets may be at greater risk than others. Identification of security risks allows a Company to take measures to minimize risk and to assess whether Company actions may heighten risk.
- *Potential for violence.* Depending on the environment, violence can be widespread or limited to particular regions, and it can develop with little or no warning. Civil society, home and host government representatives and other sources should be consulted to identify risks presented by the potential for violence. Risk assessments should examine patterns of violence in areas of Company operations for educational, predictive and preventative purposes.
- *Human rights records.* Risk assessments should consider the available human rights records of public security forces, paramilitaries, local and national law enforcement, as well as the reputation of private security. Awareness of past abuses and allegations can help Companies to avoid recurrences as well as to promote accountability. Also, identification of the capability of the above entities to respond to situations of violence in a lawful manner (i.e., consistent with applicable international standards) allows Companies to develop appropriate measures in operating environments.
- *Rule of law.* Risk assessments should consider the local prosecuting authority and judiciary's capacity to hold accountable those responsible for human rights abuses and for those responsible for violations of international humanitarian law in a manner that respects the rights of the accused.
- *Conflict analysis.* Identification of and understanding the root causes and nature of local conflicts, as well as the level of adherence to human rights and international humanitarian law standards by key actors, can be instructive for the development of strategies for managing relations between the Company, local communities, Company employees and their unions, and host governments. Risk assessments should also consider the potential for future conflicts.



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- *Equipment transfers.* Where Companies provide equipment (including lethal and non-lethal equipment) to public or private security, they should consider the risk of such transfers, any relevant export licensing requirements, and the feasibility of measures to mitigate foreseeable negative consequences, including adequate controls to prevent misappropriation or diversion of equipment which may lead to human rights abuses. In making risk assessments, companies should consider any relevant past incidents involving previous equipment transfers.



Interactions Between Companies and Public Security

Although governments have the primary role of maintaining law and order, security and respect for human rights, Companies have an interest in ensuring that actions taken by governments, particularly the actions of public security providers, are consistent with the protection and promotion of human rights. In cases where there is a need to supplement security provided by host governments, Companies may be required or expected to contribute to, or otherwise reimburse, the costs of protecting Company facilities and personnel borne by public security. While public security is expected to act in a manner consistent with local and national laws as well as with human rights standards and international humanitarian law, within this context abuses may nevertheless occur.

In an effort to reduce the risk of such abuses and to promote respect for human rights generally, we have identified the following voluntary principles to guide relationships between Companies and public security regarding security provided to Companies:

Security Arrangements

- Companies should consult regularly with host governments and local communities about the impact of their security arrangements on those communities.
- Companies should communicate their policies regarding ethical conduct and human rights to public security providers, and express their desire that security be provided in a manner consistent with those policies by personnel with adequate and effective training.
- Companies should encourage host governments to permit making security arrangements transparent and accessible to the public, subject to any overriding safety and security concerns.

Deployment and Conduct

- The primary role of public security should be to maintain the rule of law, including safeguarding human rights and deterring acts that threaten Company personnel and facilities. The type and number of public security forces deployed should be competent, appropriate and proportional to the threat.
- Equipment imports and exports should comply with all applicable law and regulations. Companies that provide equipment to public security should take all appropriate and lawful measures to mitigate any foreseeable negative consequences, including human rights abuses and violations of international humanitarian law.
- Companies should use their influence to promote the following principles with public security: (a) individuals credibly implicated in human rights abuses should not provide security services for Companies; (b) force should be used only when strictly necessary and to an extent proportional to the threat; and (c) the rights of individuals should not be violated while exercising the right to exercise freedom of association and peaceful assembly, the right to engage in collective bargaining, or other related rights of Company employees as recognized by the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
- In cases where physical force is used by public security, such incidents should be reported to the appropriate authorities and to the Company. Where force is used, medical aid should be provided to injured persons, including to offenders.



Consultation and Advice

- Companies should hold structured meetings with public security on a regular basis to discuss security, human rights and related work-place safety issues. Companies should also consult regularly with other Companies, host and home governments, and civil society to discuss security and human rights. Where Companies operating in the same region have common concerns, they should consider collectively raising those concerns with the host and home governments.
- In their consultations with host governments, Companies should take all appropriate measures to promote observance of applicable international law enforcement principles, particularly those reflected in the U.N. Code of Conduct for Law Enforcement Officials and the U.N. Basic Principles on the Use of Force and Firearms.
- Companies should support efforts by governments, civil society and multilateral institutions to provide human rights training and education for public security as well as their efforts to strengthen state institutions to ensure accountability and respect for human rights.

Responses to Human Rights Abuses

- Companies should record and report any credible allegations of human rights abuses by public security in their areas of operation to appropriate host government authorities. Where appropriate, Companies should urge investigation and that action be taken to prevent any recurrence.
- Companies should actively monitor the status of investigations and press for their proper resolution.
- Companies should, to the extent reasonable, monitor the use of equipment provided by the Company and to investigate properly situations in which such equipment is used in an inappropriate manner.
- Every effort should be made to ensure that information used as the basis for allegations of human rights abuses is credible and based on reliable evidence. The security and safety of sources should be protected. Additional or more accurate information that may alter previous allegations should be made available as appropriate to concerned parties.



Interactions Between Companies and Private Security

Where host governments are unable or unwilling to provide adequate security to protect a Company's personnel or assets, it may be necessary to engage private security providers as a complement to public security. In this context, private security may have to coordinate with state forces, (law enforcement, in particular) to carry weapons and to consider the defensive local use of force. Given the risks associated with such activities, we recognize the following voluntary principles to guide private security conduct:

- Private security should observe the policies of the contracting Company regarding ethical conduct and human rights; the law and professional standards of the country in which they operate; emerging best practices developed by industry, civil society, and governments; and promote the observance of international humanitarian law.
- Private security should maintain high levels of technical and professional proficiency, particularly with regard to the local use of force and firearms.
- Private security should act in a lawful manner. They should exercise restraint and caution in a manner consistent with applicable international guidelines regarding the local use of force, including the U.N. Principles on the Use of Force and Firearms by Law Enforcement Officials and the U.N. Code of Conduct for Law Enforcement Officials, as well as with emerging best practices developed by Companies, civil society, and governments.
- Private security should have policies regarding appropriate conduct and the local use of force (e.g., rules of engagement). Practice under these policies should be capable of being monitored by Companies or, where appropriate, by independent third parties. Such monitoring should encompass detailed investigations into allegations of abusive or unlawful acts; the availability of disciplinary measures sufficient to prevent and deter; and procedures for reporting allegations to relevant local law enforcement authorities when appropriate.
- All allegations of human rights abuses by private security should be recorded. Credible allegations should be properly investigated. In those cases where allegations against private security providers are forwarded to the relevant law enforcement authorities, Companies should actively monitor the status of investigations and press for their proper resolution.
- Consistent with their function, private security should provide only preventative and defensive services and should not engage in activities exclusively the responsibility of state military or law enforcement authorities. Companies should designate services, technology and equipment capable of offensive and defensive purposes as being for defensive use only.
- Private security should (a) not employ individuals credibly implicated in human rights abuses to provide security services; (b) use force only when strictly necessary and to an extent proportional to the threat; and (c) not violate the rights of individuals while exercising the right to exercise freedom of association and peaceful assembly, to engage in collective bargaining, or other related rights of Company employees as recognized by the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.



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- In cases where physical force is used, private security should properly investigate and report the incident to the Company. Private security should refer the matter to local authorities and/or take disciplinary action where appropriate. Where force is used, medical aid should be provided to injured persons, including to offenders.
 - Private security should maintain the confidentiality of information obtained as a result of its position as security provider, except where to do so would jeopardize the principles contained herein.

To minimize the risk that private security exceed their authority as providers of security, and to promote respect for human rights generally, we have developed the following additional voluntary principles and guidelines:

- Where appropriate, Companies should include the principles outlined above as contractual provisions in agreements with private security providers and ensure that private security personnel are adequately trained to respect the rights of employees and the local community. To the extent practicable, agreements between Companies and private security should require investigation of unlawful or abusive behavior and appropriate disciplinary action. Agreements should also permit termination of the relationship by Companies where there is credible evidence of unlawful or abusive behavior by private security personnel.
- Companies should consult and monitor private security providers to ensure they fulfil their obligation to provide security in a manner consistent with the principles outlined above. Where appropriate, Companies should seek to employ private security providers that are representative of the local population.
- Companies should review the background of private security they intend to employ, particularly with regard to the use of excessive force. Such reviews should include an assessment of previous services provided to the host government and whether these services raise concern about the private security firm's dual role as a private security provider and government contractor.
- Companies should consult with other Companies, home country officials, host country officials, and civil society regarding experiences with private security. Where appropriate and lawful, Companies should facilitate the exchange of information about unlawful activity and abuses committed by private security providers.



ATTACHMENT E

HUMAN RIGHTS DUE DILIGENCE

Emerging Markets

A. Employment Practices

1. Forced Labor

- a. Does the company take all necessary measures to ensure that it does not participate in, or benefit from any form of forced labor (this can include bonded labor, debt bondage, forced prison labor, slavery, servitude, or human trafficking)?
- b. Does the company refrain from retaining the identity cards, travel documents, and other important personal papers of its employees?

2. Child labor and young workers

- a. Does the company comply with minimum age standards?
- b. Does the company ensure that it does not hire minors (below 16 years of age) to perform work that is hazardous or harmful to their health, safety, or morals?

3. Non-discrimination

- a. Does the company ensure that its compensation, benefit plans, and employment-related decisions are based on relevant and objective criteria?
- b. Does the company seek to maintain a work environment that is culturally respectful and sensitive to the needs of all workers?

4. Freedom of association

- a. Does the company recognize the freedom of association rights of its workers, including the right to bargain collectively?
- b. If trade unions are not allowed in the area of operation, or only state authorized organizations are allowed, does the company establish alternative measures to allow employees to gather independently to discuss work-related problems?

5. Workplace health and safety

- a. Does the company ensure that its workers are afforded safe, suitable and sanitary work facilities?
- b. If the company provides housing or dormitory quarters for its employees, is it adequate, clean, safe and otherwise



designed and operated to respect the dignity of the employees?

- c. Does the company supply its employees with the protective equipment and training necessary to perform their tasks safely?

6. Conditions of employment and work

- a. Does the company take measures to protect workers from acts of physical, verbal, sexual, or psychological, harassment, abuse, or threats in the workplace, including when determining and implementing disciplinary measures?
- b. Does the company have mechanisms for hearing, processing, and settling the grievances of employees?
- c. Does the company adhere to the minimum wage requirements, including any restrictions on the amount of overtime? Are overtime payments consistent with applicable law?
- d. Does the company grant employees paid holiday and sick leave each year, as well as parental leave for the care of a newborn or newly adopted child?
- e. Does the company ensure that the work-week is limited to 48 hours, overtime is voluntary, infrequent, and does not exceed 12 hours per week, and that employees are given reasonable breaks while working, and sufficient rest periods between shifts?
- f. Does the company respect the privacy rights of its employees whenever it gathers private information or implements employee-monitoring practices?

B. Community Impact

1. Security

- a. Are company security guards trained when to intervene in security-related situations and how to use the minimal authorized force necessary?

2. Land management

- a. Before purchasing land, does the company consult with all affected parties, including both legal and customary owners, in order to seek their prior informed consent?
- b. Does the company ensure that it does not participate in or benefit from improper forced relocations, that due process was followed in accordance with the laws of the host country, and adequately compensates inhabitants respecting involuntary relocations?
- c. Does the company honor the land, passage, and usage rights of local or indigenous peoples on company-controlled land?



d. Does the company consult with the local inhabitants and take measures to address and mitigate any disruptive effects that its operations may have on company land, the local community, and the natural resources in the area?

e. To the extent that projects may affect access to water, does the company undertake to assure alternative access?

3. Environmental health and safety

a. Does the company have emergency procedures in place to effectively prevent and address all health emergencies and industrial accidents affecting the surrounding community?

b. Does the company have mechanisms for hearing, processing, and settling the grievances of the local community?

4. Corruption and bribery

a. Does the company refrain from bribing, or using any other method, to unjustly influence government officials and/or the judiciary?

5. Company products and marketing practices

a. Does the company exercise due diligence when designing, manufacturing and marketing products, to protect against product defects which could harm the life, health or safety of the consumer or others likely to be affected by the defective product?

b. Before using local artistic or copyrightable material or patenting a previously unpatented invention that has already been in use by a local or indigenous people, does the company first obtain the informed consent of the creator or owner of the work?

C. Supply Chain Management

1. Relations with suppliers, contractors and other associates

a. Does the company screen and monitor all major suppliers, contractors, sub-suppliers, joint-venture partners, and other major business associates for commitment on human rights/social issues?

b. Does the company assure that subcontractors have policies and practices that: assure adequate health and safety, prohibit unlawful discrimination, permit freedom of association and collective bargaining, prohibit use of child and forced labor, and required payment of minimum wages and overtime?