

To Norges Bank

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UNOFFICIAL ENGLISH TRANSLATION

Recommendation to exclude Prosegur Cia de Seguridad SA from investment by the Norwegian Government Pension Fund Global (GPFG)

Summary

The Council on Ethics recommends that Prosegur Cia de Seguridad SA (Prosegur) be excluded from investment by the Norwegian Government Pension Fund Global (GPF) due to an unacceptable risk that the company is contributing to serious human rights abuses. Prosegur is a Spanish company which, among other things, provides security services in several Latin American countries. The recommendation is based on accusations of violence that can endanger life and health, and abuse of tribal people's rights in Brazil.

At the close of 2023, the GPF owned 0.67 per cent of Prosegur's shares, worth NOK 72 million. Prosegur is listed on stock exchanges in Madrid and Barcelona.

Prosegur operates in 31 countries and employs around 150,000 people. Security services in Brazil are provided by the wholly owned subsidiary Segurpro, which employs 35,000 people. Among Segurpro's customers are the mining company Vale and the palm oil producer Agropalma.

In 2022, a security guard employed by Segurpro shot and killed a man suspected of stealing from Vale's railway. In 2020, masked security guards equipped with rubber bullets, teargas and batons attacked around 150 people belonging to families who were residing illegally on Vale's property. 20 people were injured. Brazil's prosecuting authorities have stated that this action violated the right to personal integrity. In 2020, they recommended that Vale replace Segurpro as its security company.

In the period 2021–2023, during guard duty for Agropalma, Segurpro's security guards prevented tribal people from visiting their ancient grave sites, fishing in the Acará river and travelling into the town they depend on for purchasing supplies and seeking medical attention. Brazilian prosecuting authorities have stated that this violates the rights of these tribal peoples. In 2022, they recommended that Agropalma rein in Segurpro's activities.

The Council notes that Prosegur has established governing instruments and reporting systems that are intended to ensure respect for human rights. Since the company does not perceive recommendations from the prosecuting authorities as alerts of human rights abuses, the Council considers that these systems are of limited significance. When the company sets such a high threshold for addressing the risk of human rights abuses, it is difficult to both identify risks and establish adequate initiatives to mitigate them.

Since the company continues to perform the assignments mentioned above, and also operates in numerous countries in which there are land disputes and serious

antagonism between commercial companies and local populations, the Council presumes that new situations may arise involving a considerable risk of human rights abuses. Given that the company has not substantiated that its systems for identifying and managing such risks are adequate, the Council deems the risk that Prosegur will contribute to serious human rights abuses in future to be unacceptable.

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1 Introduction

The Council on Ethics for the Norwegian Government Pension Fund Global (GPF) has assessed the Fund's investments in the security company Prosegur Cia de Seguridad¹ (Prosegur) against the human rights criterion in the Guidelines for Observation and Exclusion of Companies from the GPF (the ethical guidelines).² This recommendation rests on Prosegur's Brazilian subsidiary's role as provider of security services to the companies Vale and Agropalma. In both cases there have been conflicts with the local population.

Prosegur is listed on the stock exchange in Madrid.³ At the close of 2023, the GPF owned 0.67 per cent of the company's shares, worth NOK 72 million.⁴

1.1 Matters considered by the Council

The Council has assessed the GPF's investment in Prosegur against section 4(a) of the ethical guidelines which states that: "Companies may be excluded or placed under observation if there is an unacceptable risk that the company contributes to or is responsible for:

a) serious or systematic human rights violations [...]"

When assessing what constitutes serious or systematic human rights violations, the Council relies on internationally recognised conventions and authoritative interpretations thereof. The Council has previously taken the position that a company

¹ Issuer ID:127168.

² Guidelines for Observation and Exclusion of Companies from the Government Pension Fund Global:
https://www.regjeringen.no/contentassets/9d68c55c272c41e99f0bf45d24397d8c/2022.09.05_gpfg_guidelines_observation_exclusion.pdf (last visited April 22, 2024).

³ Prosegur's website: [Prosegur Share Information | Prosegur.com](https://www.prosegur.com) (last visited April 22, 2024)

⁴ Norges Bank's schedule of investments: [Oljefondets investeringer | Norges Bank Investment Management \(nbim.no\)](https://www.nbim.no) (last visited 22 April 2024).

may be excluded from the GPFG on the basis of a small number of qualitatively serious human rights abuses. A company may also be excluded if the abuses concerned are not individually regarded as serious but are carried out systematically.

When assessing the seriousness of the norm violations, the Council attaches importance to their scope, nature and the extent to which they have occurred repeatedly. The Council also attaches importance to whether the norm violations have impacted particularly vulnerable groups, including groups of people who enjoy special protection from abuse.

Although states and not companies are bound by international human rights conventions, companies may be said to contribute to human rights abuses. When assessing a company's contribution to such abuses, the Council presumes that there must be a link between the company's operations and the norm violations concerned, and that the company must either have contributed to the norm violations or known about them without taking steps to prevent them.

The guidelines require the norm violations to be ongoing, or there must be an unacceptable risk of future norm violations. Here, the Council places the emphasis on how a company has responded when norm violations have been uncovered and what it is doing to prevent them from reoccurring. When assessing the company's initiatives, the Council relies on the UN's Guiding Principles on Business and Human Rights.⁵

1.2 Human rights standards

In this recommendation, the Council has accorded particular weight to the right to liberty and safety, and the rights of indigenous and tribal peoples, as described in and protected by the International Covenant on Civil and Political Rights,⁶ the American

⁵ UN Guiding Principles on Business and Human Rights: www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusiness_hr_en.pdf (last visited 22 April 2024).

⁶ International Covenant on Civil and Political Rights, see Article 9 in particular: [International Covenant on Civil and Political Rights | OHCHR](https://www.ohchr.org/en/instruments-treaties/instruments-treaties-main-treaties/international-covenant-civil-political-rights) (last visited 22 April 2024).

Convention on Human Rights⁷ and ILO convention 169 on the rights of indigenous and tribal peoples.⁸ In a variety of areas, these documents safeguard individuals' fundamental rights to security and protection against the infringement of their physical and psychological integrity, as well as the right of indigenous and tribal people to exercise and engage in their unique cultural and social practices.

With regard to private security firms' use of force, the Council refers to the UN's Code of Conduct for Law Enforcement Officials.⁹ Although these principles apply to state actors' use of force, it is possible to endorse the position taken by the UN Special Rapporteur on extrajudicial, summary or arbitrary executions in their 2016 report that private actors should – at the very least – operate within these parameters. The Special Rapporteur underlines that security companies have a duty to avert the use of force, asserting that the

“responsibility to plan an appropriate operational response to an emerging situation applies as clearly to private security providers as it does to State law enforcement. However, in the case of private security providers there exists an additional potential precautionary step, namely to call upon the State's law enforcement personnel. In circumstances where private security providers resort to force having turned down an opportunity to defer to the State's police, their full compliance with the requirements of precaution would be called into question. In circumstances where help from authorities was forthcoming, private security providers can no longer justify the use of force under the principle of self-defence or defence of others.”

⁷ American Convention on Human Rights (Pact of San José) of 1969, see Article 7 in particular:

<https://www.cidh.oas.org/basicos/english/basic3.american%20convention.htm> (last visited 22 April 2024).

⁸ ILO Convention No. 169 on Indigenous and Tribal Peoples:

www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C169 (last visited 22 April 2024).

⁹ Code of Conduct for Law Enforcement Officials, 17 December 1979:

https://www.unodc.org/pdf/criminal_justice/Code_of_Conduct_for_Law_Enforcement_Officials_GA_43_169.pdf (last visited 22 April 2024).

The Special Rapporteur went on to underline that the *“use of lethal or potentially lethal force to protect property or assert State authority does not meet the proportionality requirement.”*¹⁰

The Council also refers to the UN’s Basic Principles on the Use of Force and Firearms by Law Enforcement Officials. Section 3 of this document states: *“The development and deployment of non-lethal incapacitating weapons should be carefully evaluated in order to minimize the risk of endangering uninvolved persons, and the use of such weapons should be carefully controlled.”*¹¹ The underlying premise in these guidelines is that force should be used only when strictly necessary, that it must be proportionate and that a due diligence assessment must be made to minimize the risk of injury.¹²

The Council also notes the so-called Voluntary Principles on Security & Human Rights, a membership-based initiative that provides advice and guidance for the preservation of human rights in connection with natural resource extraction. The principles cover the use of private security firms to safeguard personnel and areas where such extraction takes place, and underlines that private security firms must use force only when *“strictly necessary”* and when this is proportionate to the threat concerned.¹³ Vale is among the companies to have joined this initiative.

The Council has further taken note of a tripartite membership-based initiative involving public authorities, security companies and civil society organisations. The purpose of this initiative is to establish principles and standards for the security sector, the

¹⁰ Report from the UN Special Rapporteur on on extrajudicial, summary or arbitrary executions A/HRC/32/39 (2016), p. 14, paras. 84 and 89: <https://digitallibrary.un.org/record/842550?ln=en> (last visited 22 April 2024).

¹¹ UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials, 7 September 1990: <https://www.ohchr.org/en/instruments-mechanisms/instruments/basic-principles-use-force-and-firearms-law-enforcement> (last visited 22 April 2024).

¹² Undoc explains the main principles here: <https://www.unodc.org/e4j/zh/crime-prevention-criminal-justice/module-4/key-issues/3--the-general-principles-of-use-of-force-in-law-enforcement.html> (last visited 22 April 2024).

¹³ The Voluntary Principles Initiative, Voluntary Principles on Security and Human Rights: <https://www.voluntaryprinciples.org/the-principles/> (last visited 22 April 2024).

International Code of Conduct for Private Security Service Providers, which builds on UN guidelines.¹⁴ Prosegur is not a member.

1.3 Sources

This recommendation rests on documents made publicly available by the prosecuting authority in Pará, Brazil, a judgment in a public civil suit in Pará, a report published by Global Witness, media articles and information culled from Prosegur's website.

The Council has also corresponded with Prosegur, which has provided information on several occasions, and held a video conference with company representatives.

2 Background

Prosegur operates in 31 countries and has more than 150,000 employees.¹⁵ The company has five business areas: alarm systems, security services, cash handling, cybersecurity and digital solutions.

Prosegur was listed in 1987 but is still controlled by a family that owns more than 70 per cent of the shares. One of the family members is the largest shareholder and chairs the board of directors. Her son is the company's CEO.¹⁶

The provision of security services accounts for almost half of the company's business and more than 100,000 of its employees are security guards.¹⁷ Prosegur Security operates in 14 countries. In Brazil, security services are provided by the wholly owned

¹⁴ The International Code of Conduct Association – IcoCA, <https://icoca.ch/about/> (last visited 22 April 2024).

¹⁵ Prosegur's website: [About Prosegur | Prosegur.com](https://www.prosegur.com/about-prosegur) (last visited 22 April 2024).

¹⁶ The Bilbao Stock Exchange: <https://www.bolsasymercados.es/bme-exchange/en/Prices-and-Markets/Shares/Main-Market/Details/Prosegur-Compania-De-Seguridad-ES0175438003>, (Last visited 24 April 2024), Prosegur's website: [Prosegur Share Information | Prosegur.com](https://www.prosegur.com/share-information), [Significant Holdings & Treasury Stock | Prosegur.com](https://www.prosegur.com/significant-holdings-treasury-stock), [Board of Directors & Committees | Prosegur.com](https://www.prosegur.com/board-of-directors-committees), [Annual corporate governance report for listed companies 2022: PCS - IAGC \(VF\) \(27.02.2023\) ENG.pdf \(prosegur.com\)](https://www.prosegur.com/annual-corporate-governance-report-for-listed-companies-2022-pcs-iagc-vf-27.02.2023-eng.pdf) (last visited 22 April 2024).

¹⁷ Prosegur's website: [Prosegur in Figures | Prosegur.com](https://www.prosegur.com/prosegur-in-figures) (last visited 22 April 2024).

subsidiary Segurpro, which employs more than 35,000 people.¹⁸ According to the company, it has over seven thousand customers in Brazil.

Violent conflicts over land have been a widespread problem in Brazil for many years, and have lately increased.¹⁹ A lack of formal registration of land rights, on the part of both tribal people and other underprivileged groups, has left them vulnerable to unlawful land grabbing.²⁰ Under the Brazilian constitution, indigenous and quilombola people (descendants of enslaved Africans), have a right to make use of their traditional territories.²¹

3 The Council's investigations

Security guards working for Segurpro have been accused of human rights abuses in connection with assignments for the mining company Vale and the palm oil company Agropalma in Brazil. The incidents concerned took place in the State of Pará, where conflicts over land are widespread.²²

¹⁸ Segurpro's website: [Sobre a SegurPro: A Segurança que Melhor se adapta ao seu Negócio](#) (last visited 22 April 2024).

¹⁹ UN Human Rights Committee (26 July 2023), press release: [UN Human Rights Committee publishes findings on Brazil, Burundi, Colombia, Cyprus, Lesotho, State of Palestine and Uganda | OHCHR](#) (last visited 22 April 2024). Centro de Documentação Dom Tomás Balduino – CPT (CEDOC-CPT) (April 2023), "[Conflitos no Campo - Brasil 2022](#)", <https://www.cptnacional.org.br/publicacoes-2/destaque/6354-conflitos-no-campo-brasil-2022> (last visited 22 April 2024). El País Brasil (12 December 2016), [The Landless Challenge the Giant Vale in the Amazon | Brazil | EL PAÍS Brazil \(elpais.com\)](#) (last visited 22 April 2024).

²⁰ Land Portal, [Brazil - Context and Land Governance | Land Portal](#) (last visited 22 April 2024).

²¹ The Brazilian Constitution, Chap. VIII, Article 231, and ADCT, Article 68, [Constituição \(planalto.gov.br\)](#) (last visited 22 April 2024).

²² From 2000 to 2021, 284 people were killed in connection with land disputes in Pará. Conselho Nacional de Direitos Humanos (CNDH) (December, 2023), Report on the National Human Rights Council's visit to the *Terra e Liberdade* camp in

3.1 Security services for Vale

Marabá – May 2022

In May 2022, a security guard employed by Segurpro shot a man suspected of stealing from Vale's railway. The man was shot in the leg and subsequently died of his wounds. It has been alleged that Segurpro failed to call for medical assistance. The case remains under investigation.²³

Parauapebas – June 2020

In June 2020, around 40-50 masked security guards from Segurpro attacked a group of 150 people living on Vale's property in Parauapebas. The guards launched their attack after dark, using pepper spray, rubber bullets, shock grenades and batons. The attack is alleged to have lasted between one and two hours. Twenty people were injured. In the chaos, children became separated from their parents and fled into the surrounding bushes.²⁴

Vale purchased the area in 2015. A court has ruled that the families had settled there illegally but that they were living in and farming the area before Vale took over. The families had therefore been living at the location for over five years when the conflict came to a head after they established illegal connections to Vale's power grid.

Parauapebas/PA, <https://www.gov.br/participamaisbrasil/relatorio-de-visita-do-conselho-nacional-dos-direitos-humanos-cndh-ao-acampamento-terra-e-liberdade-em-parauapebas-pa> (last visited 22 April 2024).

²³ Repórter Brasil (24 May 2022), [Órfão de chacina, homem de 46 anos é morto por segurança da Vale no Pará \(reporterbrasil.org.br\)](https://reporterbrasil.org.br/seguranca-da-vale-no-par%C3%A1) (last visited 22 April 2024). Jornal Regional Norte (18 May 2022), <https://regionalnorte.com.br/policia-civil-prende-em-flagrante-seguranca-da-vale-que-matou-curiozeiro-em-maraba/> (last visited 22 April 2024). Correio de Carajas (23 May 2023), <https://correiodecarajas.com.br/assassinato-na-ferrovia-esta-perto-de-ser-esclarecido/> (last visited 22 April 2024).

²⁴ Ministerio Publico Federal (MPF) in Marabá, Pará (4 August 2021), Recommendation No. 1/2021 – GAB/PRM2 (to Vale): recomendacao_mpf_vale_nao_uso_vigilantes_despejo_fazenda_lagoa_parauapebas_pa_20-08-2021.pdf, (last visited 22 April 2024).

Prosegur has stated that the security guards acted in self-defence and were threatened with weapons before they attacked.²⁵

After the incident, the federal public prosecutor's office in Pará (*Ministério Público Federal - MPF*) issued a recommendation to Vale. The purpose of the recommendation was to safeguard the right to life, physical integrity, personal liberty, and the prohibition against torture and inhumane, gruesome or degrading treatment, as well as the right to property and compensation.²⁶ The MPF is an independent and permanent institution that is responsible for upholding the rule of law and safeguarding the collective interests and rights of marginalised social groups, such as indigenous peoples and quilombolas.²⁷

MPF gave no credence to Prosegur's claim of self-defence. No weapons were found at the location and no Prosegur guards were injured. However, one of the wounded was found to have been shot 10 times in the back with rubber bullets. MPF therefore presumed that this person was defenceless and was shot while trying to get away.²⁸

²⁵Repórter Brasil published the response issued by Vale and Prosegur to an article on the incidents on its website (27 June 2020), <https://reporterbrasil.org.br/2020/06/integra-das-respostas-do-ataque-a-agricultores-no-para/> (last visited 22 April 2024).

²⁶ MPF (20 August 2021), news bulletin, [MPF recomenda que Vale não volte a usar vigilantes da empresa para tentar desocupar área em Parauapebas \(PA\) — Procuradoria da República no Pará](#) (last visited 22 April 2024).

²⁷ The Brazilian Constitution, Article 178, [Constituição \(planalto.gov.br\)](#) (last visited 22 April 2024).

²⁸ MPF (4 August 2021). MPF rests its assessment on witness statements and newspaper articles, as well as information from NGOs and public bodies which have investigated the incidents. These include the National Human Rights Council (CNDH) and the land reform agency INCRA. The MPF quotes the CNDH thus: “cerca de 40 homens da Prosegur, fardados e com máscaras, adentram a assembleia atirando, usando spray de pimenta, jogando bombas, aos gritos de ‘vagabundos’, quando os/as trabalhadores/as estavam reunido/as; 2) mais de 20 trabalhadores foram atingidos com projéteis de bala de borracha, mulheres e homens, inclusive uma idosa; 3) havia crianças no local, que diante das agressões, saíram correndo para dentro do mato em plena escuridão da noite [...]”.

MPF clearly expressed that enforcement of court rulings is a task for the public authorities not a privately hired security company, and states that the operation was illegal. The recommendation concluded with four measures that Vale was called on to implement. One of these was to replace its security services provider. However, this has not been done.

3.2 Security services for Agropalma

The palm oil producer Agropalma has 107,000 hectares of land at its disposal in the State of Pará.²⁹ Both quilombola and indigenous groups consider that some of the company's plantations have been established in areas belonging to them.³⁰

3.2.1.1 Land disputes with quilombola communities

Agropalma's land rights have been challenged through a variety of legal proceedings. Two judicial bodies (in 2020 and 2021) have concluded that Agropalma's alleged ownership of 9,551 hectares is invalid, in part because documents relating to the transfer of title were forged.³¹ At the same time, the quilombolas are demanding recognition of their rights to land that partially overlaps Agropalma's plantations.³² The quilombolas claim to have lived in the area since at least the early 1900s and to have been forcibly relocated in the 1980s.³³

²⁹ Agropalma's website, [About Us - Agropalma](#) (last visited 22 April 2024).

³⁰ G1 Pará (3 July 2022), <https://g1.globo.com/pa/para/noticia/2022/07/03/guerra-do-dende-no-para-acusacao-de-grilagem-cartorio-fantasma-e-conflitos-entre-empresas-indigenas-e-quilombolas-entenda.ghtml> (last visited 22 April 2024).

³¹ Pará District Court (28 September 2021), ruling in an appeal case that declared the registration of two properties to be invalid, case no. 0803639-54.2018.8.14.0015.

³² Instituto de Terras do Pará (Iterpa), case documents for the recognition of quilombo-land, [PROCESSO-ITERPA-2016-330821-1.pdf \(nyc3.cdn.digitaloceanspaces.com\)](#) (last visited 22 April 2024). Brasil de Fato (7 July 2021), [Quilombolas lutam pela terra contra gigante do | Direitos Humanos \(brasildefato.com.br\)](#) (last visited 22 April 2024).

³³ Brasil de Fato (9 July 2021), [Gigante do agronegócio ocupa e viola três | Direitos Humanos \(brasildefato.com.br\)](#) (last visited 22 April 2024).

Several quilombola villages are now encircled by oil palm plantations and the villagers depend on using a road that passes through them.³⁴ Aided by Segurpro, Agropalma is alleged to have limited the quilombolas' access to their traditional settlements.³⁵ Segurpro is alleged to have threatened, surveilled, harassed and restricted the freedom of movement of the quilombola population. The company is said to have prevented them from visiting their ancient grave site, fishing in the Acará river and travelling into the town they depend on for purchasing supplies and seeking medical attention. Prosegur has acted as an armed gatekeeper and obliged the local population to present proof of identity before being allowed to pass a checkpoint into and out of the plantation. Only those with "permission" have been able to pass through.³⁶

In January 2022, MPF issued a recommendation to Agropalma with the aim of safeguarding the quilombola population's rights. Since Agropalma failed to comply with the recommendation, MPF filed legal proceedings against the company in February 2022, in order to safeguard the human rights of quilombola groups who "have their right to movement, life, livelihood, food and access to public services infringed by Agropalma". One of MPF's demands was that Agropalma immediately remove its security personnel from the quilombolas' areas, in other words Segurpro's security

³⁴ Global Witness (26 September 2022), Amazon Palm, <https://www.globalwitness.org/en/campaigns/environmental-activists/amazon-palm/> (last visited 22 April 2024).

³⁵ O Joio e O Trigo (7 February 2022), [No Pará, quilombolas são encurralados por seguranças armados e encapuzados de fornecedora da Nestlé \(ojoioetrigo.com.br\)](https://www.ojoioetrigo.com.br/seguranca-armados-encapuzados-fornecedora-nestle) (last visited 22 April 2024).

³⁶ MPF Pará, legal action against Agropalma (10 February 2022), case no. 0800726-60.2022.8.14.0015, p. 6: "Seguranças armados da empresa Prosegur, prestando serviços à Agropalma, constantemente impedem, intimidam e ameaçam com violência moral, com a utilização ostensiva de armas de fogo as famílias e fazem vigilância ostensiva."

MPF Pará (12 January 2022), Recommendation no. 001/2022-MP/8PJC: [Ofício n.º 082/08/MP/1ª PJR \(nyc3.cdn.digitaloceanspaces.com\)](https://www.oficio.nyc3.digitaloceanspaces.com/082/08/MP/1a/PJR) (last visited 22 April 2024).

guards.³⁷ The case was settled by agreement of the parties.³⁸ After a new conflict in December 2022, a new court settlement was entered into.³⁹

3.3 Other matters

In 2013, the trade union Uni Global Union submitted a complaint to the OECD National Contact Point for Spain with respect to Prosegur's alleged violation of labour rights in Brazil, Colombia, Chile, Paraguay and Peru. The OECD Contact Point concluded the case in July 2017 with a recommendation that Prosegur perform due diligence assessments in order to prevent labour rights violations in its Latin American subsidiaries.⁴⁰ Over the years, there have been many disputes between trade unions and Prosegur, particularly in Latin America.⁴¹ The Council notes that the company has been fined and otherwise penalised for labour rights violations, but has not investigated these cases in any greater depth.

4 Information from the company

Prosegur has replied to the Council's questions on several occasions. The company has commented on a draft recommendation to exclude it and participated in an online meeting with the Council. The company also provides information on its websites.

Governing documents and procedures

To ensure that the company does not abuse human rights, Prosegur has established a number of governing documents as well as procedures and mechanisms to identify violations of its regulations. This includes a separate whistleblowing channel.

³⁷ Case no. 0800726-60.2022.8.14.0015, p. 35.

³⁸ Court settlement of 17 February 2022.

³⁹ Court settlement of 15 December 2022.

⁴⁰ OECD Contact Point for Spain (31 July 2017), statement, [INSTRUCCIONES PARA EL COMITÉ DE POLÍTICA COMERCIAL \(SERVICIOS \(prosegur.com\) \(last visited 22 April 2024\)](#).

⁴¹ Prosegur (21 June 2021), Labour Controversies Record, <https://www.prosegur.com/dam/jcr:2cc6b2ba-80e4-408b-86b4-dccc9a1bc9e/20210625%20Labour%20Controversies%20Record-Corporate%20Governance.pdf> (last visited 22 April 2024).

The company's human rights policy is based on authoritative guidelines and international conventions.⁴² Among other things, the company states: *"In line with Article 4 of the Universal Declaration of Human Rights, Prosegur safeguards the life, liberty and personal safety of all members of its business environment as well as those who may be affected by its activities."*⁴³

Prosegur's Code of Ethics and Conduct contains rules for compliance with laws and internal procedures.⁴⁴ Among other things, the company states: *"We do not collaborate with third parties in breaking any laws, nor do we engage in any actions that call into question our commitment to compliance with the law."*

Prosegur states that respect for human rights is included in its customer due diligence and emphasises in particular that it checks whether customers figure on official sanctions or anti-terrorism lists.⁴⁵ The company also uses other information sources.

"In this regard, we also take into consideration all complaints received from third parties through our Ethics Channel and we are constantly aware of alerts, news and rankings that may reveal compliance information about our customers, since Prosegur is strongly committed to compliance with Human Rights."

In response to questions concerning Prosegur's stance on information not provided in the form of whistleblowing reports to the company, but that become known through public channels, it states that *"if any adverse information related to Human Rights violations is detected and confirmed, the business relationship is ended."*

During its meeting with the Council, it became clear that the company does not consider the prosecuting authority's recommendations to constitute official notice of human rights abuses that the company has a duty to address.⁴⁶

⁴² Prosegur Human Rights Policy (28 October 2020), [Human Rights Policy-Prosegur.pdf \(last visited 22 April 2024\)](#).

⁴³ Prosegur (28 October 2020), paragraph 2.1.

⁴⁴ Prosegur Code of Ethics and Conduct (27 October 2022), paragraph 6.1, [Codigo Etico PCS ING Oct22 V1.pdf \(prosegur.com\) \(last visited 22 April 2024\)](#).

⁴⁵ Prosegur (30 March 2023), email to the Council on Ethics.

⁴⁶ Prosegur (24 January 2024), meeting with the Council on Ethics.

Prosegur discloses that it ensures compliance with standards relating to the use of force through “*strict and audited protocols for action, engagement, progressive use of force and preventive procedures to try to avoid confrontations.*”⁴⁷

The board of directors’ role

According to Prosegur, both the board and senior management are actively involved in shaping and monitoring the company’s human rights agenda:

“The board of directors plays a pivotal role in overseeing its implementation, ensuring that human rights considerations are at the forefront of our strategic decision-making. This top-down approach signifies the importance we place on human rights across all levels of our business.”⁴⁸

With respect to the conflicts with the quilombola population in Acará and with farmers in Parauapebas, the company states that the MPF’s recommendations have not been presented to the board because they are not addressed to Prosegur.⁴⁹

Due diligence

Prosegur has performed due diligence assessments since 2018. The company has both an internal process that is performed continuously and an external process that is performed every third year.⁵⁰ Prosegur does not publish information about the types of risks that have been identified or the mitigating measures to be implemented.⁵¹ Based on the information presented, labour rights seem to be the main focus of this process.

In answer to the Council’s question concerning how land rights were dealt with in the part of the risk assessment relating to Brazil, the company writes:

“Based on the list of 35 human rights included in the IFC’s Human Rights Impact Assessment and Management Guide, those that apply to Prosegur’s lines of business have been identified. Twenty-one human rights applicable to Prosegur’s business were analyzed in the assessment process. Along these lines Land rights were not

⁴⁷ Prosegur (7 February 2023), email to the Council on Ethics.

⁴⁸ Prosegur (24 November 2023), letter to the Council on Ethics.

⁴⁹ Prosegur (30 March 2023 and 24 January 2024).

⁵⁰ Prosegur (28 October 2020), section 3, Management Model. Prosegur (24 January 2024).

⁵¹ Prosegur (October 2021), presentation of its DD process, [Presentación de PowerPoint \(prosegur.com\) \(last visited April 22 2024\)](#).

specifically included as, based on KPMGs analysis, there is a low probability of Prosegur impacting these rights. Nevertheless, we will revisit the inclusion of land rights in future external DD processes (as we plan to carry one out during 2024) and in the internal DD process that we will be carrying out in 2023, based in this case.”⁵²

The company has not disclosed how land rights are dealt with in the internal due diligence assessment for 2023.

About the contract with Vale

According to Prosegur, both the security guards involved in the incident when one of them shot a man in 2022 have been dismissed. The company also says that it has reinforced procedures and training as a result of the incident.⁵³

With regard to the incidents in Parauapebas, Prosegur states that the action was carried out in line with the protocol for progressive use of force.⁵⁴ The company explains in another letter that:

“the response of Segurpro’s security personnel must be contextualized within their legal mandate to protect property against illegal invasions and theft (specifically of electrical power and materials). The allegations of aggression omit crucial details of the confrontational and illegal actions initiated by the occupants, including theft and unauthorized use of the property’s resources.”⁵⁵

The company further claims that the guards “were met with gunfire” and point to the fact that the police dropped the case in December 2020. Vale has not terminated its contract, as recommended by the MPF, but “has committed to seek judicial eviction orders and police intervention should future incidents take place”.⁵⁶

About the contract with Agropalma

With respect to the conflict between Agropalma and the quilombola population, Prosegur states: “While there is an ongoing lawsuit which suggests that the ownership of

⁵² Prosegur (30 March 2023).

⁵³ Prosegur (24 November 2023), letter to the Council on Ethics.

⁵⁴ Prosegur (7 February 2023).

⁵⁵ Prosegur (24 November 2023).

⁵⁶ Prosegur (24 November 2023).

the land is under legal contention, Agropalma's legal title of ownership remains valid until the court case is resolved."⁵⁷

The company has not implemented special measures after it became aware of the matter:

"We keep an eye on the ongoing process, but we must respect the presumption of innocence, and we have an ongoing contract that establishes activities that SegurPro must comply with, until a court decision that allows us to interrupt the work."⁵⁸

With respect to the claim that Segurpro has surveilled and threatened the quilombola population while delivering security services, Agropalma states that the sources on which the Council's recommendation rest "*must have been misleading, since no formal nor informal complaints regarding threats by Segurpro's security personnel had been raised.*"⁵⁹

The Council's description is sourced from recommendations and legal proceedings from both the federal prosecuting authority (MPF) and the prosecuting authority in the State of Pará (MPPA).

New measures

Prosegur discloses that it will implement certain measures that address the criticism directed at the company. Firstly, the company will engage an independent expert on human rights and conflict management to investigate the incidents. The company undertakes to publish the expert's recommendations.⁶⁰

Secondly, Prosegur will draw up a standard procedure to address any human rights abuses in its operations. The company will also strengthen the training employees receive.⁶¹

⁵⁷ Prosegur (24 November 2023).

⁵⁸ Prosegur (30 March 2023).

⁵⁹ Prosegur (24 November 2023).

⁶⁰ Prosegur (24 November 2023).

⁶¹ Prosegur (7 March 2024), letter to the Council on Ethics.

5 The Council's assessment

The Council has assessed the GPFG's investment in Prosegur against the human rights criterion in its ethical guidelines. The Council's assessment is based on available information about Prosegur's delivery of security services for two companies in Brazil.

The incidents that the Council has examined relate to homicide, the use of violence and the harassment of particularly vulnerable groups of people. Based on the information available, the Council considers that Prosegur's actions violate internationally recognised human rights. The Council attaches importance to the fact that the allegations against Prosegur come from reliable sources that are considered credible.

The Council accords weight to the fact that Prosegur, on behalf of Vale, has used weapons to protect property in both Marabá (2022) and Parauapebas (2020). The Council assumes that this is in violation of the principle of proportionality in the use of force, cf. the report of the UN Special Rapporteur on extrajudicial, summary or arbitrary executions. In the Council's view, it is an aggravating factor that Segurpro has failed to summon medical assistance for people who have been shot by security guards.

In its assessment of the use of violence in Parauapebas in June 2020, the Council attaches importance to the fact that weapons were used against children and people who posed no threat to the security guards, that the guards were masked and that the attack took place after dark. Although the Council has taken no position on the legal consequences of this incident, it notes that the use of force – as described – appears likely to inflict injury of a physical and psychological nature.

With respect to the treatment of the quilombolas in Acará, the Council takes as fact that the company's security guards have hindered the free passage of the quilombolas in violation of the authorities' recommendations. The Council notes that weapons once again figure prominently, in that MPF points out that the open carrying of weapons is one of the methods used to achieve the intended prevention of free movement on the part of the quilombolas. In addition to preventing the quilombolas from accessing grave sites of cultural and social importance, this has also limited their ability to obtain food and medical assistance. The Council has taken no position on the legal consequences of these incidents but finds it significant that the prosecuting authorities consider Prosegur's actions to violate the quilombolas' rights.

Although Segurpro acts on behalf of its clients, it is Segurpro that performs the acts. The Council therefore considers that Segurpro, and thereby also its parent company Prosegur, are directly responsible for the abuses.

The key issue, however, is whether there is an unacceptable risk that the company will in future commit or contribute to serious human rights violations. Previous norm violations may provide an indication of future patterns of behaviour. The Council attaches particular importance to the fact that there have been several serious episodes of violence over a long period of time, also after the company has received repeated warnings of an intolerable situation.

The Council notes that Prosegur has established governing instruments and whistleblowing systems that are intended to safeguard respect for human rights. Since the company does not perceive recommendations from the prosecuting authorities as alerts of human rights abuses, the Council considers that these guidelines are of limited significance. When the company sets the threshold for addressing the risk of human rights abuses so high, it is difficult both to identify the risk and to establish effective measures to reduce it.

The Council considers that Prosegur's due diligence processes do not comply with the UN's Guiding Principles on Business and Human Rights, which the company refers to in its governing documents. For example, Prosegur did not classify land rights as a risk factor in its due diligence assessment in 2021. This was one year after the clash in Parauapebas and at the same time as the conflict in Acará was ongoing. Nor did the MPF's allegations of human rights abuses at the Agropalma plantation trigger any action on the part of the company. It is, moreover, difficult for the Council to see how involved the board of directors actually is in the company's human rights efforts, when MPF's recommendations have not been laid before the board.

With respect to the violence in Parauapebas, Prosegur points to its various protocols for the use of force as its most important measure to prevent human rights abuses. The Council is unaware of the specific contents of these protocols in detail, but notes that the company asserts that all protocols were complied with. The Council therefore presumes that the protocols fail to adequately safeguard the principles of necessity, due care and proportionality on which the authoritative guidelines for the use of force are built.

Since the company continues to perform the assignments mentioned above, and also operates in numerous countries in which there are land disputes and serious antagonism between commercial companies and local populations, the Council presumes that new situations may arise involving a considerable risk of human rights abuses. When the company has failed to substantiate that its systems for identifying and managing such risk are adequate, the Council considers that the risk of Prosegur contributing to serious human rights abuses in future is unacceptable.

6 Recommendation

The Council on Ethics recommends that Prosegur Cia de Seguridad SA be excluded from the Norwegian Government Pension Fund Global.

Svein Richard
Brandtzæg
Chair

(Sign.)

Siv Helen Rygh
Torstensen

(Sign.)

Cecilie
Hellestveit

(Sign.)

Vigdis Vandvik

(Sign.)

Egil Matsen

(Sign.)